

Birmingham Women's and Children's NHS Foundation Trust
Annual Report & Accounts 2017-18

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25(4) (a) of the National Health Service Act 2006**

Chief Executive's Foreword

Welcome to our annual report for 2017/18; a chance to reflect on a year of change and new beginnings, as well as one of consistent high quality care for our patients and families, by our simply amazing staff.

2017/18 was a very special for us, our first as the UK's only dedicated Women's and Children's NHS Foundation Trust (BWC). The year began with over 2000 staff coming together to create our new vision and values, and as part of our staff engagement week, In Sync, we went to all corners of the organisation to speak to everyone about what our vision and values should look like in action. What became clear throughout every conversation was not only the pride our staff have for the work they do, but also their desire to be truly world-leading. Vision and Values resource packs are now used in regular team meetings and huddles to help us to live and breathe the Ambitious, Brave and Compassionate approach our staff described.

The year also saw a continued focus on high-quality care, against a tightening financial backdrop, and its testament to the hard work and sheer determination of our teams that we managed to deliver on all of the national key quality indicators including the Emergency Department, 18-Week, Cancer and Diagnostic standards. However, we have had to watch every penny we spend along the way. Income constraints, a range of significant cost pressures, and the challenge of meeting a stretching surplus Control Total has not been easy - but we did it! And this tremendous achievement, together with hitting our four hour ED wait target, meant that we secured additional bonus funds of £13.8million to spend on new buildings and equipment over coming years too.

Following the Care Quality Commission (CQC) visit in 2016, 2017/18 has seen great improvements within our Neonatal service at the Children's Hospital, assisted by the strong working relationships across our two main hospital sites. In theatres, we reported zero Never Events, and we are confident that staff feel more empowered to support and challenge each other, ensuring operations and other surgical procedures are carried out safely. However, cancelled operations remain an area of concern. Capacity and demand, and the usual winter bed pressures, are the main factors, but 380 patients cancelled on the day of their surgery, whilst an improvement on last year, is still way too high. We know that having an operation cancelled is extremely stressful for families, and hope that with the opening of our fantastic new facility Waterfall House, we will be able to reduce the numbers further.

And on the subject of Waterfall House, we were all very disappointed that our plans to open our stunning new £38million world-class clinical building faced significant delays as the year drew to a close. Engineering issues initially set us back several months, followed by a major flood, so we will be somewhat relieved to finally welcome our children, young people and families to the facility this summer. The eye-catching four-storey building will be home to our new Rare Diseases Centre, a combined inpatient and outpatient cancer centre and three new operating theatres.

When we took on the task of redesigning and launching a revolutionary new mental health service for children and young people in our city, we knew that there would be big challenges, and the quality issues that emerged in our Forward Thinking Birmingham (FTB) service was the dark spot of our year. These issues were bought into stark relief when the CQC published its report following an inspection of our community mental health hubs last summer, and concluded the service we were providing was 'inadequate'. We already knew that our standards of care were not what our young people and families rightly expect from us, and their feedback, plus the details from the report, really helped to focus our minds.

As a result of the team's incredible efforts over the last few months, I'm pleased that our most recent self-assessment, carried out in our community services in March 2018 - based on the CQC's Key Lines of Enquiry - showed an improvement in ratings from Inadequate to Requires

Improvement. I am very aware that this leaves us a long way to go - but it has been the confidence boost we all needed to reassure us that together we can create a service to be truly proud of.

I am often asked whether, as a predominantly physical health organisation, we are really committed to mental health services. My answer this year has been yes, more than ever. FTB has the BWC vision and values at its core, and while we have made mistakes, and clearly need to change some aspects of our model, we will not give up on our aspiration to be a world-leading team of mental health professionals, providing world-leading mental health care.

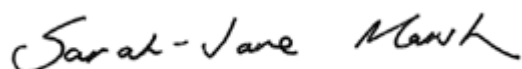
Our Staff Survey results were presented in March, and carried with them some key messages that our organisation is feeling more busy and pressurised than ever, and on the Women's Site some staff are experiencing a sense of loss for the previous standalone Trust. That said, the majority of those who responded still feel positive about the organisation, their work, their colleagues and their line managers, and also feel that we take a positive interest in their health and wellbeing. This gives us a strong base to work from on our journey to make our organisation the very best place to work.

This year has also seen the development of a brand new Research and Development strategy, identifying key priorities for focus, and striving to create an environment in which innovation can thrive. At the Women's Hospital there has been significant and rapid growth in our research portfolio over the last few years, from relatively low numbers, to having now established ourselves as one of the leading specialist hospitals in the UK in recruitment to clinical trials. At the Children's Hospital, there has been a greater focus on specific clinical areas such as cancer and rare diseases, and over the coming years our aim is to see the research output grow significantly across general paediatrics and emergency medicine to reflect the volume of children and young people in our care. We have also continued to play our role in Birmingham Health Partners (BHP), and in particular development of the women's and children's and youth mental health strands.

Another key relationship has been with our Sustainability and Transformation Partnership colleagues, working together to support the people of Birmingham and Solihull to lead healthy, happy lives, and again focusing on the women's and children's theme. I am particularly proud of the work that has been done as part of the national Maternity Transformation Programme to develop a single maternity service across Birmingham and Solihull, now widely known as BUMP. Our plans are centred around delivering consistent high quality and safe care that is personalised to both mother and baby, via a single point of access into our services, a range of community hubs and the same team to care for a woman throughout her entire maternity journey.

And finally, I extend a very warm welcome to our brand new Chairman Professor Sir Bruce Keogh who joined us towards the end of the year. We are thrilled to have Sir Bruce as part of the BWC family, with his expertise in quality, clinical leadership and innovation and his endless passion for the NHS, Birmingham and our newly-merged organisation.

So, as our first year as Birmingham Women's and Children's NHS Foundation Trust draws to a close, and a new one begins, I could not be more proud of everything we have achieved together. We have seen important improvements across many areas, and yet continuously recognise that our work is never done, as we rise to our demand, complexity and financial challenges and strive to match the quality standards of the leading hospitals of the world. As ever, our staff have remained dedicated and committed throughout, and I cannot thank them enough for the ambition, bravery and compassion they demonstrate every day.



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Sarah-Jane Marsh
Chief Executive Officer

Performance Report

Overview

This overview provides a short summary of the Trust, its purpose, its main objectives and strategies and the principal risks that it faces.

History of the Trust

The Birmingham and Midland Free Hospital was founded in 1862 and moved to Steelhouse Lane in Birmingham in 1998 as Birmingham Children's Hospital.

Birmingham Children's Hospital was granted foundation trust status on 1 February 2007 under the Health and Social Care (Community Health and Standards) Act 2003 and was named Birmingham Children's Hospital NHS Foundation Trust.

On 1 February 2017 the Trust acquired Birmingham Women's NHS Foundation Trust and in recognition of the extended services of the enlarged, integrated organisation, the Trust changed its name to Birmingham Women's and Children's NHS Foundation Trust.

In addition to Birmingham Children's Hospital on Steelhouse Lane and Birmingham Women's Hospital in Edgbaston the Trust owns a site located at Parkview in Moseley which hosts the Child and Adolescent Mental Health Service (CAMHS). The Trust also provides services from a range of accommodation in the community and in several partner organisations.

Chief Executive's Statement on Performance

The national policy of the use of financial control totals for individual providers to help the NHS into financial balance placed further pressure on the Trust to deliver a balanced financial plan. The financial control target was agreed later in the year than we would ideally have liked as a result of the integration with Birmingham Women's Hospital. This meant that further efficiencies were required to be delivered over and above that in the original plan.

As this report shows we were successful in achieving the financial control target and the operational targets that allowed the organisation to secure £13.3million of Sustainability and Transformation Funding directly linked to 2017/18. Great credit for this achievement goes to the hard work of the teams across the organisation with £1.6m of this a result of the Trust's Emergency Department performance.

Although the organisation's headline financial performance appears strong this includes monies received as a result of achieving the very challenging control total and delivering our operational performance targets. To achieve this we have had to utilise financial flexibilities, which had been built up over a number of years. We have sought to make every penny count without compromising patient care or the patient experience whilst absorbing the impact of increased activity growth in our mental health services. However, our underlying finances are not as strong as we need them to be; a message that we communicated throughout the Trust during the latter stages of the year.

We continued to deliver strong operational performance whether in meeting our waiting list targets, four hours targets or our cancer targets. We have worked hard during the year to meet the six-week diagnostic wait targets and this was finally achieved in March.

Purpose of the Trust and activities

We have a clear mission, vision and goal for what we want to achieve.

Our mission is to provide outstanding care and treatment, to share and spread new knowledge and practice, and to always be at the forefront of what is possible.

Our vision is to be a world-leading team, providing world-leading care.

Our goal is to be the best place to work and be cared for, where research and innovation thrives, creating a global impact.

The Trust receives more than 474,000 visits from patients each year and has over 6,000 staff.

Our organisation has two main elements: Birmingham Women's Hospital, and Birmingham Children's Hospital, which includes our mental health services. The services provided by the organisation can be divided into four: women's services, mental health, children's surgery and children's medical.

Birmingham Women's Hospital Key Facts:

- A centre of excellence, providing specialist services to more than 50,000 women, men and their families every year from Birmingham, the wider region and beyond.
- One of only two dedicated women's hospitals in the UK, with the busiest single site maternity unit, delivering more than 8,200 babies a year.
- Provides a full range of gynaecological, maternity and neonatal care, including a Fertility Centre, a Fetal Medicine Centre and the West Midlands Regional Genetics Laboratory - the largest of its type in Europe.
- An international centre for education, research and development.

Birmingham Children's Hospital Key Facts:

- A leading specialist paediatric centre, caring for sick children and young people.
- A world leader in some of the most advanced treatments, complex surgical procedures and cutting-edge research and development.
- A national liver and small bowel transplant centre
- A global centre of excellence for complex heart conditions, the treatment of burns, cancer and liver and kidney disease .
- A nationally designated specialist centre for epilepsy surgery
- A paediatric major trauma centre for the West Midlands.
- The largest single Paediatric Intensive Care Unit in the UK with 31 beds.
- One of the largest Child and Adolescent Mental Health Services in the country, with a dedicated inpatient Eating Disorder Unit and Acute Assessment Unit for regional referrals of children and young people with the most serious of problems (Tier 4) and the Forward Thinking Birmingham community mental health service for 0-25 year olds.

Key issues and risks that could affect the Trust in delivering its objectives

The major risks that could affect the Trust in delivering its objectives are described in the Annual Governance Statement.

Going concern

After making enquiries, the Directors have a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. NHSI's Single Oversight Framework oversees and supports Trusts in improving financial sustainability, efficiency and compliance with controls within the financial sector. Using these measures we have the lowest level of risk with the Use of Resource rating being at the best possible level both in overall terms and for

liquidity. The Board of Directors approved the NHSI Operational Plan which identified that for the next financial year the Trust will again be reporting the best possible rating.

As part of the integration work with Birmingham Women's NHS Foundation Trust the organisation's future Long Term Financial Model (LTFM), working capital procedures and positions, reporting processes and overall finances for 2017/18 received considerable scrutiny through assessment, due diligence and reporting accounting processes. This did not identify any potential material circumstances that would impact upon the combined organisation and its going concern status. As the year progressed the Trust's ability to hit its Control Total was seriously challenged and this will again be an issue in 2018/19.

The plan submitted for the 2018/19 incorporates some assumptions that ordinarily would be deemed part of a downside financial case and since publication there have been no events that warrant a revision of the forecast financial positions and ratings. However, we are mindful that the ongoing demand and associated pressures within our mental health services and uncertainty with the healthcare tariff will continue to impact upon the Trust. The Trust has volunteered to road test the future tariff in early 2018/19 so that early engagement and understanding can be reflected in our future planning.

The Directors are assuming that the financial impact of the national pay award being consulted on will be funded. The current financial plan assumes an average 1% increase.

For the reasons stated, the Directors continue to adopt the going concern basis in preparing the accounts.

Performance Analysis

Measuring Performance

The Trust's performance is reported to the Board of Directors each month via an Integrated Performance Report, which includes information on operations, quality, finance and workforce. This report gives a rating of red, amber or green to each of these four areas with further, more detailed performance reports scrutinised at the relevant Board Committee, as follows:

- Operations – Finance and Resource Committee;
- Quality – Quality Committee;
- Finance – Finance and Resource Committee; and
- Workforce – Finance and Resource Committee and Quality Committee.

The reports detail the Key Performance Indicators (KPIs) - measures that the Trust sees as being critical to its overall performance:

Operations

Performance is reported on access measures (Referral to Treatment (RTT), diagnostic waits, four hour waits in ED, PICU, Mental Health, tertiary referrals, and Oncology) and utilisation (cancelled operations, theatres, clinics and beds). These are a mix of national and local measures.

Quality

The quality section details performance against the Trust's Quality Strategy metrics, which are mainly local measures including clinical safety incidents, infection cases, deaths, interventions for deteriorating patients, readmissions, and the incidence of harm due to pressure ulcers, extravasations, cancelled operations or delays.

Finance

The report measures performance against the Monitor Financial Risk Rating, income & expenditure, efficiency (cost improvement plans (CIP), productivity, temporary spend levels) and liquidity (cash and capital expenditure).

Workforce

The report measures performance against 'developing our people' standards (mandatory training and staff appraisals) and 'caring for our people' (Sickness, turnover, staff engagement).

These areas are also captured in more depth in separate Resources and Quality Reports, which are reviewed in detail each month by the Board's Committees that report to the Board.

The Trust has a well-established governance structure that supports the management of risks to achievement of the KPIs and provides the Board with assurance around delivery. There are four particular mechanisms that support delivery of this agenda:

- a) A Clinical Senate which provides a forum to engage clinical views and generate the ownership to solutions around the challenges faced by the Trust.
- b) A Transformation and Capacity Board focussing on key projects that support quality improvement and deliver more efficient services. As part of this process and in consultation with clinical staff a number of operating rules have been developed that will improve flow of patients throughout our services.
- c) A Performance Board meets monthly and focusses on three of the four quadrants of the Trust's performance framework: workforce, operations and finance.
- d) A Financial Sustainability Group, which focuses on the delivery of the Trust's efficiency strategy. This Group undertakes detailed reviews into the key risks and is supported by a performance management framework that assesses clinical groups and departments on a performance rating that determines the action to be taken. Those areas assessed in the lower quadrant of performance are supported to improve through intensive turnaround plans.
- e) A Clinical Safety and Quality Assurance Committee reviews patient safety and quality issues.
- f) A Workforce Committee that focuses on workforce supply, leadership capability and retention.

Performance in 2017/18

With 2017/18 being another very challenging period for the NHS it is pleasing that the organisation ended the year again achieving its key financial targets. In 2017/18, after consideration of the advantages and disadvantages to signing up to a challenging control target the Board agreed that on balance it was in the best interests of the Trust to sign. Achieving the control total allowed the Trust to access Sustainability and Transformation Funding (STF) that will provide investment benefits for future periods.

The introduction of STF monies as well as the integration with Birmingham Women's Hospital (BWH) in February 2017 does not allow direct comparisons to be made with previous financial years. However, as a result of continued internal scrutiny and enhanced understanding of the integrated Trust's finances, and despite the wider financial environment the organisation's financial performance in 2017/18 should be regarded as an excellent achievement with an overall surplus achieved before impairment of £22.7m.

In 2017/18 the Trust has set up BWC Management Services Limited. This company is a wholly owned subsidiary of the Trust. This company has been set up to provide the Trust with a fully managed healthcare facility. In practical terms this means that the subsidiary will be licenced to occupy the Trust's estate for the purpose of providing all of its soft and hard facilities services. In line with the business case approved by the Board in September 2017 BWC Management Services Limited is starting to deliver the non-financial and financial benefits as outlined in the case. The

planned non-financial benefits include: providing an alternative to outsourcing; the ability to reinvest savings back in the NHS; the potential for employment and pay flexibilities, which can help address recruitment challenges; and the ability for greater focus on these services, with a Board of Directors that includes staff representation.

The pre-impairment £22.7m surplus includes £17.2m of STF monies (of which £3.9m related to 2016/17) and a net £0.6m of donations linked to capital assets. This leaves a net surplus of £5.0m which is an increase on that achieved by the Trust in 2016/17.

The strong surplus in 2017/18 was reflected in a rise in earnings before interest, tax, depreciation and amortisation (EBITDA) which at 8.4% for the financial year was up from 6.1% in 2016/17. Although the overall financial position has improved the Trust has also had to absorb additional pressures in 2017/18 so this increase on 2016/17's position is a net result of:

- a) The achievement of the control total and the subsequent receipt of STF monies.
- b) The changing nature of the national tariff. In 2017/18 the Trust's gross clinical income from the national tariff increased, especially for maternity services. However, any gain on tariff was recognised in a Control Total adjustment thereby removing any opportunity to invest this additional income within the service.
- c) The release of provisions set aside for medical staffing workforce issues.
- d) The first-year impact of integrating with Birmingham Women's Hospital; The Trust received £2.1million in year to support the integration of the two organisations. This was by way of an investment adjustment to the Trust's Control Total.
- e) Absorbing the cost of providing additional inpatient capacity outside of the Forward Thinking Birmingham contract. This was the most significant pressure incurred in 2017/18 and will, without Commissioner support, continue to impact financially and operationally into 2018/19. In-year this £6.5m overall cost pressure was part-funded by Commissioners with a further £4.9m of funding received.
- f) The costs of maintaining service provision with workforce pressures in key clinical staffing groups.
- g) Continued difficulty in fully realising the cost efficiency targets.

Overall income increased by 35.4% over the past year up to £429 million. Underpinning this increased position was the full year clinical income associated with the services at Birmingham Women's Hospital, increases linked to the over-performance against the 0-25 FTB Mental Health contract and a rise in STF monies. The percentage of total income derived through clinical activities fell by 2% to 87% of total income. This is directly attributable to the STF monies.

Clinical income levels were driven by increases in the mix and number of patients treated. Once again direct year on year comparisons are not possible. The activity undertaken in 2017/18 across the key activity categories was as follows:

Patient Activity 2017/18

	2017/18
Outpatient attendances	355,917
ED attendances	59,564
Inpatient (I/P) attendances:	
Emergency admissions	18,923
Day-case admissions	20,152
Inpatient admissions	8,994
Total I/P admissions	48,069
Obstetrics admissions	10,552
<i>Of which deliveries totalled</i>	<i>8,237</i>
<i>Of which births totalled</i>	<i>8,381</i>
Total patient episodes	474,102

The only category where direct activity comparison is possible is within the Emergency Department. In 2017/18 after successive years of 5% growth the department experienced a similar level of activity compared to 2016/17 with an increase of only 123 attendances over the year.

It is also pleasing to report that the Trust achieved 99% of its CQUIN targets in 2017/18. Over the past 4 years 99% of these targets have been achieved and this has a direct impact upon the quality and safety of the care provided at the Trust.

It cost £411 million to run the Trust during the year; a 37% increase on 2016/17. The key drivers to the increase were the full year impact of expenditure linked with the integration with BWH, the contractual arrangements associated with the 0-25 FTB mental health contract and an increase in pass through drug and device expenditure.

The three highest spend categories are staff, clinical supplies and services (linked to the FTB contract) and drugs. Employee expenses as a percentage of overall expenditure fell by 3% to 57% (was 60%).

The other key cost change in year was in our clinical negligence premium with NHS Resolution. This has continued to rise and will do so again in 2018/19 with the increase in cost only partially offset by funding through the national tariff.

The average number of people we employed in 2017/18 was 58 (1.2%) more than in 2016/17. The average cost of our employees was 3.0% less in 2017/18 than in 2016/17. This has been driven by the requirement to achieve workforce savings through the efficiency programme, the expansion of the clinical support worker programme and the full year impact of the integration (the average cost per employee at Birmingham Women's Hospital is lower than at Birmingham Children's Hospital, reducing the overall percentage). The further development of the Trust's apprenticeship programme has also had an impact although this will have a greater benefit in 2018/19.

During the year we saved £13.4 million in planned cost releasing savings (£8.9 million in 2016/17), which contributed towards the nationally determined efficiency target. This represents 82% of the planned schemes we set at the beginning of the year (89% of the 2016/17 target was achieved). As experienced in previous years it was the impact of the non-recurrent element of the prior year's programme carried forward that caused difficulties, combined with the impact of increased activity levels and lead time for scheme delivery. It was acknowledged that 2017/18 would again be a difficult year for delivering savings whilst plans for Trust-wide schemes were developed. The Trust's efficiency challenge was made more challenging by the recurring requirement to achieve a further £3.1m in order to meet the control total.

As the pressure within the provider sector continues and the demands of our strategy require the delivery of the financial control total, the setting of our target for 2018/19 is once again highly

challenging. This will be delivered through a considered mix of local and trust-wide schemes with 16 signature schemes to be undertaken. There will need to be significant changes to our cost base in order to deliver this and given that over 60% of our costs are incurred through the pay bill this is an area where efficiencies will have to be found. During the year we continued to improve on our system of ensuring that these cost savings did not impact on the safety and quality of services delivered; as part of this every savings scheme was required to be signed off by at least two senior clinical staff, most frequently the Chief Medical Officer as well as the Chief Nurse. Further to this the Quality Committee receives regular reports on Cost Improvement Plan (CIP) Quality Impact Assessments.

Investment in maintaining our estate and the development of new facilities and equipment replacement is currently funded from the surpluses that we make. During 2017/18 £24.0 million was invested in new capital schemes with some of these schemes due for completion during the 2018/19 financial year. The overall capital expenditure in the year was lower than planned as slippage was experienced across a range of schemes whilst the impact of BWC Management Services Limited enabled gross capital expenditure to reduce.

In 2018/19, as well as completing and opening Waterfall House, the Trust will enhance the estate at BWH as part of the integration business plan approved by the Board. All these developments will help to increase the capacity of the hospital and contribute to improving the care provided.

Our expansive capital programme is reflected in our cash balances. For the third successive year the Trust's cash balances reduced. The Trust had £29.1m in cash or cash equivalents at the end of the financial year (£31.7 million in 2016/17). With an I&E position partially underpinned by technical gains the cash benefit gained by the Trust through its trading position is lower than anticipated, although the slippage on the capital programme provided temporary relief. The Trust has experienced a significant rise in receivables during 2017/18. The main cause of this has been the maternity pathway payment process which nationally is resulting in prolonged disputes, unpaid invoices and a rise in administrative burdens. The Trust must prioritise the reduction of debt in this area in 2018/19.

The Trust will continue to have to make efficiency savings for the foreseeable future. With austerity measures due to continue and with significant cost pressures expected to occur in future years the Trust's approach to cost improvements and efficiencies has to change.

Our previous financial positions have provided a sound foundation upon which to address the challenges resulting from the national savings priorities. However, 2017/18 was the most difficult year the Trust has faced in a long time for delivering its financial plan. The efficiency legacy being carried forward into 2018/19, combined with the core efficiency requirement, presents a delivery challenge that cannot be under-estimated. Our savings in 2018/19 will be aligned to 16 signature schemes which will target workforce savings, non-pay efficiencies, will seek to improve our commercial approach and focus on three big operational efficiency areas. Savings on the scale necessary will only be possible through working in partnership, whether this is internal across the Trust or externally.

Our efficiency programme will look outside the organisation and incorporate efficiencies linked to the wider health economy whether this is through Sustainability and Transformation Plan savings or more targeted schemes with other providers. As schemes move into the wider health economy these will become more complex, have longer lead times and will require increased levels of project management support.

As part of this process we will continue to work in partnership with our commissioners to ensure that our patients are treated in the most appropriate setting for their condition.

The Trust continues to be actively engaged with the Department of Health and NHS Improvement on a number of financially orientated national groups that enables it to be at the forefront of decision and policy making.

Our operational position

The Trust delivered strong operational performance despite the increases in demand noted above. In terms of our access targets, despite year on year increases in demand for our Emergency Department (ED), the four-hour target was achieved. Although additional investment was approved for front line clinical staff within the department, challenges in securing appropriate staff meant that much of the achievement was down to the core team working additional sessions and hours. Whilst the Trust experienced this increase in demand through ED, emergency admissions into hospital did not increase significantly from that source.

The Trust achieved the 18-week referral to treatment targets despite increase in demand for outpatient services. However, as surgical capacity remains constrained the total number of patients waiting has increased over the year and cancelled operations continue to be higher than we would have wished. The opening of Waterfall House in August 2018 is planned to allow the organisation to better stream planned and emergency operations and reduce cancellations.

The Trust had operational plans in place to ensure we met the six-week diagnostic target by the end of quarter four. This target was achieved in March.

This was the second year of the 0-25 mental health contract operating as the Forward Thinking Birmingham partnership with Worcestershire Healthcare NHS Trust, The Priory Group, Beacon UK and the Children's Society. Performance measures remained strong throughout this period despite some inevitable challenges at the start of any new contract. However, demand for inpatient beds throughout the year was significantly higher than had been agreed with commissioners within the baseline contract (28 beds) with on average 56 beds being required. This meant young people often being placed in facilities out of Birmingham and the West Midlands, which compromised the clinical model that had been designed and put significant financial pressure on the Trust and Birmingham health community. Additional funding through the year totalling £4.9m was received but this still left the Trust with an overall pressure of over £1.5m. Some of this funding has been made recurrent in 2018/19 and we continue to work with commissioners to look at solutions to the remaining gap.

Financial risk management objectives and policies

Our Finance and Resources Committee oversees the cash management and investment strategy which is based on Monitor best practice and is reviewed by our auditors. Following previous changes to the calculation of public dividend capital all surplus cash is retained within Government Banking Services/National Loans Funds accounts thereby negating any risk of loss through inappropriate investments. Cashflow forecasts are updated on a weekly basis to ensure that no cashflow and liquidity risks are evident. The working capital review undertaken as part of the reporting accountant process in 2016/17, as well as phase one of the Financial Improvement Programme work, provided the Trust with a basis for a more detailed cash management strategy. With the increasing level of Trust debt it is vital that this strategy is developed in early 2018/19. This will ensure that future cashflow planning is undertaken for the organisation's long-term modelling, given the risk impact through the Single Oversight Framework's Use of Resources metric.

The Committee also scrutinises all our major capital investment and business cases above the delegated threshold of the Investment Sub-Committee. The Scheme of Delegation was revised during 2017/18. The scrutiny of the Committee ensures such developments are affordable and provide value for money. The Investment Committee and Finance and Resources Committee both undertook a series of reviews of previously approved business cases to ensure that their original benefits, both financial and non-financial, are being delivered. This review process will be expanded and will continue into 2018/19.

With the increased importance of efficiency savings the Committee has scrutinised the delivery of the savings plan during the year to ensure that the approach does not impact on the quality of services provided. The scrutiny of financial efficiency plans continues through the Financial and

Sustainability Group which is chaired by the Deputy Chief Executive. The Quality Committee leads on ensuring that the efficiency plans do not impact on the quality and safety of services.

The Trust's activities expose it to a variety of financial risks, though due to their nature the degree of exposure is reduced compared to that faced by many business entities. The financial risks are mainly credit and inflation risks with minimal exposure to market or liquidity risks. The nature of how the Trust is financed exposes it to a degree of customer credit risk. The Trust regularly reviews the level of actual and contracted activity with commissioners to ensure that any income risk is resolved at a high level at the earliest available opportunity. The Trust mitigates its exposure to credit risk through regular review of receivables due, and by calculating a bad debt provision.

The Trust has exposure to annual price increases of medical and non-medical supplies and services arising out of its core healthcare activities. This risk is mitigated through, for example, transferring the risk to suppliers by contract tendering, negotiating fixed purchase costs and in the case of external agency staff costs via the operation of the Trust's own staff bank. This latter issue has been further controlled through the imposition of national price and wage caps, the enforcement of which has escalated since April 2016.

Risks and Uncertainties

Details of other major risks and uncertainties facing the Trust are described in the Annual Governance Statement.

The Trust has no overseas operations.

Environmental Matters

Details of the impact of the Trust's business on the environment are set out in the Sustainability Report later in this document.

Social, Community and Human Rights Issues

The Trust has now firmly established its role as a comprehensive advocate across the life course for women, children and families, going far beyond providing acute care through our extending range of community and mental health services, as well as wider advocacy initiatives. In addition to supporting staff wellbeing, the Trust has undertaken a range of initiatives focussed on improving the wider wellbeing of those in its care:

- Aspire@BWC is our own youth academy and includes programmes for work experience, apprenticeships and internships. Managers can recruit through Aspire@BWC to benefit from the talent of young people (14-25 year olds) in the West Midlands whilst offering development and employment opportunities. Aspire@BWC has also teamed up with Calthorpe Vocational Centre to provide young people with learning disabilities supported employment opportunities within our hospitals.
- The Trust has again achieved the highest regional uptake of the influenza vaccine, matching vaccinations of staff with a donation to support tens of thousands tetanus vaccinations to expectant mothers and new-borns in developing countries through UNICEF.
- We regularly engage with the public, our patients and families, particularly through our Young Persons' Advisory Group and our Family and Patient Advisory Council (see the 'Consultation and Involvement' section in the Accountability Report later).
- The Trust was a featured organisation for National Clean Air Day 2017, raising the profile of air pollution and its impacts on families across Birmingham and West Midlands. This included regional and national media contributions, on-site events where children and families discovered sources of air pollution through a virtual reality experience, and staff

making pledges to change their behaviour. The Trust was also featured in the national campaign videos

- National representation and media coverage on issues of vitamin D deficiency, and the need to extend and implement comprehensive supplementation for all babies and young children.
- A new Health and Wellbeing Hub, located at the main entrance to the Birmingham Children's Hospital, has provided information and advice via an interactive digital touchscreen and a range of bespoke and national leaflets on key health improvement issues.
- The Trust's network of health promotion champions has delivered local initiatives on wards, working with children, young people and families to support behavioural change.
- Participation in a range of city and regional campaigns, networks and thinktanks, including childhood obesity, public health and workplace mental health networks.

These and other initiatives and processes related to social, community and human rights issues are underpinned by a range of policies, including those regarding: Volunteering, Work Experience, Equality, Diversity and Inclusion, Flexible Working, Smoke Free Environment and Consent.

Anti-Bribery Policies

The Trust collaborates closely with other organisations to deliver high quality care for our patients. These partnerships have many benefits and should help ensure that public money is spent efficiently and wisely, but there is a risk that conflicts of interest may arise. As an organisation we have a duty to ensure that all our dealings are conducted to the highest standards of integrity and that NHS monies are used wisely so that we are using our finite resources in the best interests of patients.

Our Conflicts of Interest policy sets out the process by which the Trust manages any potential or actual conflicts of interests in accordance with up to date guidance. This includes the requirement for staff to declare any gifts, hospitality, relevant personal interests and non-NHS work. This process is overseen by the Audit Committee.

The aim of our Counter Fraud, Bribery and Corruption Policy is to increase staff awareness of the issue of fraud within the Trust, to provide guidance to staff about what to do if they have suspicions of fraud and to set out the Trust's approach in investigating allegations of fraud and pursuing sanctions against and redress from those who participate in fraudulent or corrupt activity.

Emergency Preparedness, Resilience and Response

Birmingham Women's and Children's NHS Foundation Trust is a Category 1 Responder under the terms of the Civil Contingencies Act 2004. Consequently, the Trust has to carry out a range of activities across both sites to ensure that we are as prepared as possible to respond to the challenges that critical and major incidents will demand of our services and staff.

Since the integration of the Women's and Children's hospitals into one Trust a significant amount of work has been carried out on Emergency Preparedness, Resilience and Response (EPRR). This has included a complete review of the Major Incident Plans for both sites, a review of business continuity plans to respond to Critical Incidents and the restructure of the EPRR Working Groups at both hospitals. We have also been working on new initiatives such as a mass casualty annex for use in incidents with large numbers of casualties. The mass casualty initiative forms a key element of a West Midlands multi agency response to such incidents and supports the demands of a developing EPRR agenda which is responding to national, regional and local incidents and threat assessments.

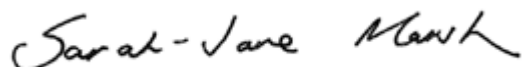
2018 also saw the first of what is to become an annual seminar on EPRR issues. This year's seminar was held in April and focused on "Planning to Respond to Terrorist Major Incidents". The event included speakers from the Trust, West Midlands Counter Terrorist Unit, West Midlands Ambulance

Service and Manchester Children's Hospital. A total of 94 delegates from a wide variety of specialities and disciplines across both hospitals attended.

The Trust is also actively involved with partner agencies both across the NHS and on a multi-agency basis to ensure that we are aware of current initiatives in the areas of EPRR and can contribute to the West Midlands wide response to Major Incidents. One key partner is NHS England which carries out the annual assurance review of Trusts using the National Core Standards for EPRR. These standards require Trusts to assess themselves against a number of key criteria covering all areas of emergency planning, training, resilience and response. This is the first year that we have produced a response to the standards covering both hospital sites. Following an enhanced assurance visit from NHS England to our children's hospital the Trust was assessed as being "Fully Compliant" with the National Core Standards – the highest rating possible.

Important events since the end of the financial year affecting the Trust

On 1 April 2018 the 18-25 community mental health service previously provided by Worcestershire Health and Care NHS Trust transferred to the Trust as part of the Forward Thinking Birmingham (FTB) partnership.



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Sarah-Jane Marsh
Chief Executive Officer
24 May 2018

Accountability Report

Directors' Report

Executive and Non-Executive Directors in 2017/2018	
Professor Sir Bruce Keogh	Chairman (from 29 January 2018)
Mr Vijith Randeniya	Deputy Chairman and Senior Independent Director (Interim Chairman from 1 June 2017 to 28 January 2018)
Dame Christine Braddock	Chairman (until 31 May 2017)
Mr Colin Horwath	Non-Executive Director (Deputy Chairman and Senior Independent Director from 1 June 2017 to 28 January 2018)
Professor Judith Smith	Non-Executive Director
Mr Alan Edwards	Non-Executive Director
Dr William Murdoch	Non-Executive Director (until 31 October 2017)
Mr Paul Heaven	Non-Executive Director (from 1 November 2017)
Mrs Anita Bhalla	Non-Executive Director
Ms Marianne Skelcher	Non-Executive Director (until 31 January 2018)
Ms Sarah-Jane Marsh	Chief Executive Officer
Mr David Melbourne	Chief Finance Officer / Deputy Chief Executive Officer
Mrs Michelle McLoughlin	Chief Nursing Officer
Dr Fiona Reynolds	Chief Medical Officer
Mr Tim Attack	Chief Operating Officer (until 15 October 2017) Chief Operating Officer-Mental Health Services (from 16 October 2017)
Mrs Theresa Nelson	Chief Officer for Workforce Development
Professor Helen Young	Director of Maternity Transformation (until 30 August 2017)
Mr Matthew Boazman	Chief Officer for Strategy and Innovation
Mr Alex Borg	Chief Operating Officer - Acute Services (from 16 October 2017)

Details of all significant interests held by Directors are contained in a Register of Interests which may be obtained via the Publication Scheme on the Trust's website: www.bwc.nhs.uk.

Finance Statements

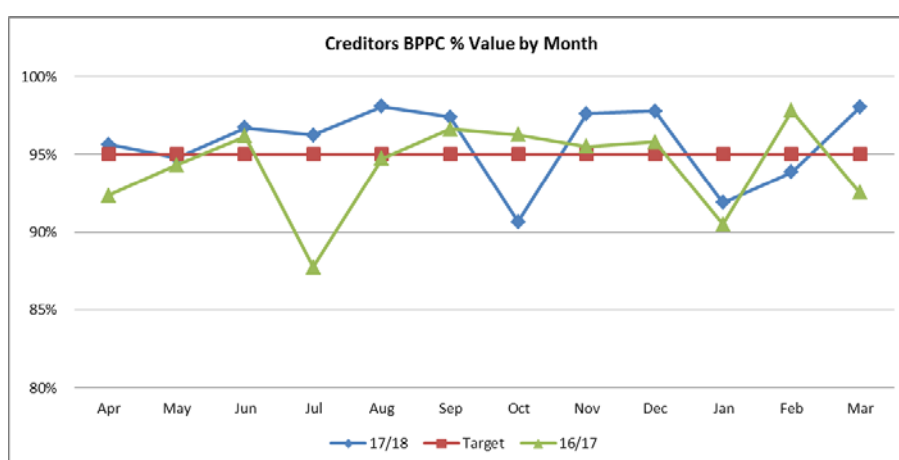
- The Trust's accounts have been prepared under a direction issued by NHS Improvement.
- The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.
- The Trust has complied with the requirement that the income from the provision of goods and services for the purposes of the health service in England must be greater than the income from the provision of goods and services for any other purposes.
- The Trust has made no political donations.
- So far as each director is aware, there is no relevant audit information of which the Trust's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

- The income from the provision of goods and services for the purposes of health services in England were greater than that income from the provision of goods and services for any other purposes.
- The Trust has not levied fees or charges for any service that is material to the accounts, or where the full cost exceeds £1 million.

Policy and payment of creditors

We liaise closely with our suppliers to ensure there are no unintentional cash problems. We are aiming to comply with the target of all payable invoices to be paid within 30 days. Although it is disappointing that performance has been below 95% for the early part of the year it is pleasing that actual performance improved as the year progressed and that for the first time performance in some periods has exceeded the 95% target. However, we recognise that there is still more work we can do in this area. We did not incur any interest charges under the Late Payment of Commercial Debts Act 1998.

Creditors Better Payment Practice Code (BPPC) Value % by Month 2016/17-2017/18



Pensions and Benefits

Accounting policies for pensions and other retirement benefits are set out in note 1.5 to the accounts. Details of senior managers' remuneration can be found in the Remuneration Report.

Ill health retirements and redundancies

There were two ill health retirements in 2017/18. A number of redundancies occurred during the year. Details associated with these are as follows.

Redundancies 2017/18

Exit Package Cost Band	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
<£10,000	0	1	1
£10,000-£25,000	0	1	1
£25,001-£50,000	0	2	2
£50,001-£100,000	0	2	2
£100,001-£150,000	0	0	0
£151,001-£200,000	0	0	0
Total Number of Exit Packages			0
Total Resource Cost	£0	£236,000	£236,000

NHS Improvement's Well Led Framework

The well-led framework has been developed by NHS Improvement and the Care Quality Commission to support trusts to undertake reviews of their leadership and governance. More information about how the Trust uses this framework to ensure its services are well-led can be found in the Annual Governance Statement.

There are no material inconsistencies between the annual governance statement, the corporate governance statement, the quality and annual reports and reports arising from Care Quality Commission reviews.

Partnerships and Stakeholders

During 2017/18 the Trust has entered into or continued with formal arrangements with the following organisations, which are essential to the Trust's business:

- **Birmingham Children's Hospital Pharmacy Limited (BCH Pharmacy):** This Company is a wholly owned subsidiary of Birmingham Children's Hospital Health Services, which is a wholly owned subsidiary of the Trust. BCH Pharmacy is responsible for the operation of The Medicine Chest, the outpatient pharmacy located at the front of our hospital.
- **BWC Management Services Ltd:** This Company is a wholly owned subsidiary of the Trust and was incorporated in 2017. It was set up to provide the Trust with a fully managed healthcare facility. In practical terms this means that the subsidiary will be licenced to occupy the Trust's estate for the purpose of providing all of its soft and hard facilities services.
- **Sandwell and West Birmingham Hospitals NHS Trust:** A continued arrangement for the provision of a joint Estates Management Service.
- **University Hospitals Birmingham NHS Foundation Trust:** The Trust is working with UHB to develop and implement clinical systems with the aim of having a virtual campus in place across the two organisations.
- **Worcestershire Health and Care NHS Trust, Priory Group, The Children's Society and Beacon UK:** April 2016 saw the commencement of our new service, Forward Thinking Birmingham (FTB) led by Birmingham Children's Hospital working in partnership to deliver the first national seamless community mental health service for 0-25 year olds. Our partners in FTB are: Worcestershire Health and Care NHS Trust, Priory Group, The Children's Society and Beacon UK. From 1 April 2018 the services provided by Worcestershire Health and Care NHS Trust have transferred to the Trust.

Actions taken to make employees aware of the financial factors affecting the Trust

- Monthly budget reports are available electronically to managers and we continue to report on the financial position of service lines with this information available to a range of staff.
- During the year we sought to raise awareness of the Trust's financial position and how all staff can make the hospital more financially sustainable.
- The Trust's Procurement Group is taking forward initiatives as part of the "Small Changes, Big Differences" initiative.
- A series of Budget Manager Briefings were undertaken by the Chief Executive to promote a wider understanding of the Trust's finances. Briefing slides were provided to managers to share within their teams.
- The Trust is actively engaging with the Get It Right First Time programme.
- Launched the £19.5m Big Challenge".
- Model Hospital information is more widely used and shared across the organisation.

- The drive to improve mandatory training across the organisation has assisted in an improvement in Fraud Awareness training being undertaken.
- The Finance Department will be investing in the HFMA e-learning package which is suitable for all healthcare professionals and anyone who wants to gain an awareness and understanding about aspects of NHS Finance.
- The Finance Department has assisted in the Trust's Consultant Development Programme which seeks to broaden the knowledge base of the next generation of clinical leaders at the Trust. This has also been extended to junior doctors when requested.
- A detailed Resources Report is contained within the monthly Public Board of Directors papers which are available for all staff.
- The Resources Report is circulated and presented at the Trust's Joint Consultative and Negotiation Committee.

Consultation and Involvement

In 2017/18 children, young people, patients and families were consulted on a variety of issues. Much of the involvement of children and young people has been coordinated through our young people's participation groups, the largest of which is our Young Persons' Advisory Group (YPAG).

YPAG was established in 2009 to empower the voice of young people within the organisation and to ensure the Trust can benefit from the perspective of young people and their energy for change. During 2017/18 YPAG was involved in a range of activities, projects and consultations, including:

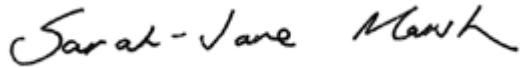
- Sharing opinions on chaperone posters to ensure they were young person friendly.
- Ward Walkabouts – interacting directly with young people and families in the following Birmingham Children's Hospital clinical areas:
 - Ward 15
 - Parkview
 - Ward 2
 - Neonatal Surgical Ward
 - Ward 12
- Digital Discovery Workshop – consulting on the format and content of the Trust's new website.
- NHS England consultation about paediatric critical care and specialised surgery and how they could be improved.
- Complaints workshop – a review of the current process of making a complaint and the development of a plan to improve it.
- Takeover Challenge 2017 – also involving Think 4 Brum, the young people's engagement group for Forward Thinking Birmingham - members took over various roles within the hospital.
- Involvement in interviews for appointment to the following roles:
 - Play and Recreation Facilitator
 - Consultant in Paediatric Palliative Care
 - Consultant in Respiratory Medicine
 - Non-executive directors
 - Consultant in Emergency Medicine
- In Sync – the Trust's annual engagement event, which in 2017/18 looked at the new Trust Vision and Values and considered what this meant to YPAG and patients.
- Adolescent Study Day.
- Listening to You events.

At Birmingham Women's Hospital our main forum for patient and family engagement is the Family and Patient Advisory Council. The Advisory Council met five times during the year in addition to participating in a number of patient experience inspections and walkabouts. Feedback and support from the Advisory Council included the following projects:

- Caesarean birth.
- Fathers and partners staying in the hospital overnight.
- Improved technology to assist families to be more visually connected during care between sites.

The Patient Experience team also worked with the Interpreting Team to offer regular coffee mornings for women who do not speak English. These listening sessions provided the Trust with rich feedback about our services and key points were included in the Board Quality Reports.

At each meeting of the Board of Directors during the year the Board heard a patient story, often directly from patients themselves or via a pre-recorded film. The stories of the experiences of our patients were invaluable contributions to the Board's debates and decision-making.



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Sarah-Jane Marsh
Chief Executive Officer
24 May 2018

Remuneration Report

Annual Statement on Remuneration

The remuneration, terms and conditions of employment of Executive Directors are determined by the Appointments and Remuneration Committee, a committee of the Board of Directors, chaired by the Trust Chairman.

During 2017/18 the Committee:

- Reviewed the executive director succession plan.
- Approved a Very Senior Manager reward framework based on the following scale of performance:
 - -1 below expectations
 - 0 solid performance
 - 1 examples where expectations were exceeded
 - 2 regularly exceeded expectations
 - 3 outstanding performance

This includes the potential 'earn-back' of up to 10% of pay in the event of performance failing to meet agreed objectives.

- Approved an executive performance fund representing 1% of combined salaries, individually apportioned based on performance and applied to 2018/19 salaries (see notes below).
- Considered executive salary benchmarking.
- Reviewed the executive director performance appraisals.
- Agreed to a minor salary adjustment to align an individual executive director's pay to national benchmarking.

The Committee's decisions were made in the context of national guidance and pay awards, the Trust's strategy, the performance of the Trust, the size of the organisation and the operational and financial challenges within which the Board operates.

Senior Managers' Remuneration Policy

Senior Managers' Remuneration Package: Future policy table

Senior Managers' Remuneration Package: Future policy table					A description of the framework used to assess performance					
Element	Description	How does this component support short and long-term strategic objectives of BCH	How the component operates	Maximum amount that can be paid	Description	Performance measures that apply (indication of weighting where more than one applies)	Details of the performance period	The amount (£) that may be paid in respect of minimum level of performance which results in a payment	The amount (£) that may be paid in respect of any further levels of performance set in accordance with the policy	Provisions for recovery of sums paid or for withholding payment of sums
Salary	Annual salary	Takes into account attraction and retention considerations essential to the Trust's strategy.	In accordance with agreed rates of pay	In accordance with agreed rates of pay awarded nationally	Aligned to national award/ benchmarking if performance targets met and agreed annually	None	None	None	None	None
Taxable Benefits	Lease car/ contribution to car or allowance absorbed into base salary.	Takes into account attraction and retention considerations essential to the Trust's strategy.	Paid in equal monthly instalments	£5,000	None	None	None	None	None	None
Performance-related Bonus	Performance fund representing a % of combined salaries, individually apportioned based on performance.	Executive directors are set objectives related to Trust's strategic objectives.	Following annual individual performance assessment; paid monthly.	Considered annually.	5 point performance scale.	-1 below expectations 0 solid performance 1 sometimes exceeded expectations 2 regularly exceeded expectations 3 outstanding	Financial year.	Agreed annually by A&R committee and based on organisational performance and financial position	None	Pay is subject to potential 'earn-back' of up to 10% of pay in the event of performance failing to meet agreed objectives

Notes

In 2017/18 the Appointments and Remuneration Committee agreed a Very Senior Manager (VSM) reward framework, which includes an assessment of performance linked to pay, which could result in an increase or a reduction in salary. This ensures that individual performance is recognised and provides an incentive for excellent or outstanding performance. The framework enables an annual decision to be made as to the size or existence of a performance fund based on the financial position of the organisation at that time and taking into account any direct or relevant national guidance.

The general policy for employee remuneration is to apply the national agreement as recommended by the Pay Review Body (PRB) and accepted by the treasury. The Trust would not normally deviate from this position except for VSMs.

Three senior managers were paid more than £150,000 a year: the Chief Executive Officer, the Deputy Chief Executive Officer, and the Chief Medical Officer (including salary for clinical work). The Appointments and Remuneration Committee awarded these salaries having considered the depth and breadth of each role and benchmarking (including established pay ranges in acute foundation trusts published by NHS Improvement), and is satisfied that they are appropriate. An opinion has been sought from NHS Improvement in each case.

Non-Executive Director Remuneration

Fee payable	Additional fees for other duties	Other items considered to be remuneration
Annual remuneration for non-executive Board member role	The Deputy Chairman is paid additional fees to reflect additional responsibilities.	None

Service Contracts Obligations

No obligations on the Trust are contained in any senior managers' service contracts which could give rise to or impact on remuneration payments or payments for loss of office. The Trust does not propose to include any such obligations in any future senior manager contracts.

Policy on payment for loss of office

The notice period for all non-executive directors is set at one month. The notice period for all other senior managers is set at six months.

The Trust does not have a policy for the payment of loss of office and does not propose to set such a policy. No payments were made for loss of office to a Senior Manager in 2017/18. No payments of money or other assets were made to any individual who was not a senior manager during the financial year but has previously been a senior manager at any time.

Statement of consideration of employment conditions

In making its decisions regarding components of and increases to senior managers' remuneration packages the Appointments and Remuneration Committee takes into account the pay and conditions of the Trust's employees, including any annual NHS pay award.

The Trust's employees were not consulted in 2017/18 regarding decisions relating to senior managers' remuneration.

The executive salary strategy was set in May 2017 and is based on benchmarking and taking into account national guidance and pay awards as described above.

Annual Report on Remuneration

a) Information not subject to audit

Senior Managers' Service Contracts (a senior manager is defined as an Executive or Non-Executive Director of the Board of Directors)

Senior Manager Service Contract Details (Board membership only)					
Senior Manager	Title	Date of Contract	Unexpired Term	Notice Period	Provision for compensation for early termination
Dame Christine Braddock	Chairman	01/05/2014	Term ended 31/05/2017	n/a	None
Professor Sir Bruce Keogh	Chairman	29/01/2018	2 years and 10 months	1 month (informal)	None
Mr Colin Horwath	Non- Executive Director	01/02/2017	2 months	n/a	None
Professor Judith Smith	Non- Executive Director	01/06/2014	2 years and 2 months	1 month (informal)	None
Mr Alan Edwards	Non- Executive Director	01/02/2015	2 years and 10 months	1 month (informal)	None
Dr Will Murdoch	Non- Executive Director	01/03/2015	Term ended 31/10/2017	n/a	None
Mr Vijith Randeniya	Non- Executive Director/Deputy Chairman	01/02/2015	2 years and 10 months	1 month (informal)	None
Mr Paul Heaven	Non- Executive Director	01/11/2017	1 month	1 month (informal)	None
Ms Marianne Skelcher	Non- Executive Director	01/02/2017	Term ended 31/01/2018	n/a	None
Ms Anita Bhalla	Non- Executive Director	01/02/2017	Term ended 31/03/2018	n/a	None
Ms Sarah-Jane Marsh	Chief Executive Officer	01/09/2010	Permanent appointment	6 months	None
Mr David Melbourne	Deputy Chief Executive Officer/Chief Finance Officer	01/11/2009	Permanent appointment	6 months	None
Mrs Michelle McLoughlin	Chief Nursing Officer	01/08/2007	Permanent appointment	6 months	None
Mr Tim Attack	Chief Operating Officer – Mental Health	17/09/2012	Permanent appointment	6 months	None
Mrs Theresa Nelson	Chief Officer for Workforce Development	06/06/2011	Permanent appointment	6 months	None
Mr Matthew Boazman	Chief Officer for Strategy and Innovation	01/03/2015	Permanent appointment	6 months	None
Dr Fiona Reynolds	Chief Medical Officer	16/07/2015	Permanent appointment	6 months	None
Professor Helen Young	Director of Maternity Transformation	01/02/2017	Left Trust 23/08/2017	n/a	None
Mr Alex Borg	Chief Operating Officer – Acute Services	01/10/2017	Permanent appointment	6 months	None

Appointments and Remuneration Committee

The Appointments and Remuneration Committee was established under paragraph 18 (2) of Schedule 7 to the NHS Act 2006. The Committee met four times in 2017/18. The work of the Committee is described above. The Committee is chaired by the Trust Chairman and has a core membership of Non-Executive Directors, including the Deputy Chairman/Senior Independent Director.

Appointments and Remuneration Committee Attendance				
Member of Committee	4 May 2017	Reconvened 30 May 2017	7 February 2018	29 March 2018
Christine Braddock, Chairman	x	✓	n/a	n/a
Bruce Keogh, Chairman	n/a	n/a	✓	✓
Vijith Randeniya, Deputy Chairman	✓	✓	✓	✓
Colin Horwath, Non-Executive Director	✓	✓	x	✓
Judith Smith, Non-Executive Director	✓	✓	✓	x

Sarah-Jane Marsh, Chief Executive Officer attended each meeting to provide advice and contribute to discussions, withdrawing from the meetings where potential conflicts of interest arose. Theresa Nelson, Chief Officer for Workforce Development attended meetings by invitation to provide advice and assistance to the Committee.

The Trust's policy and procedures on pay

The Trust follows national pay arrangements for employees. The Trust has a range of policies in place which describe any local variations to or the application of national arrangements.

Expenses Paid

Directors' Expenses

Year	Total number of Directors in office	Number of Directors receiving expenses	Aggregate sum of expenses paid to Directors
2016/17	18	7	£4,900
2017/18	19	6	£4,000

Governors' Expenses

Year	Total number of Governors in office	Number of Governors receiving expenses	Aggregate sum of expenses paid to Governors
2016/17	19	1	£100
2017/18	19	1	£20

b) Information Subject to audit

Salary and Pension entitlements of senior managers

2017/18 Remuneration Table

Name and Title		Notes	1st April 2017 to 31st March 2018					
			Salary & Fees	Taxable Benefits	Annual Performance-related Bonus	Long-term Performance-related Bonuses	Pension-related Benefits	Total
			(bands of £5000) £000	(to nearest £100) £00	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000
Ms Sarah-Jane Marsh	Chief Executive Officer		190-195	-	-	-	72.5-75	265-270
Mr David Melbourne	Deputy Chief Executive Officer and Chief Finance Officer	4	150-155	28	-	-	77.5-80	230-235
Mr Tim Attack	Chief Operating Officer (Mental Health Services)	5	120-125	-	-	-	42.5-45	165-170
Mr Alex Borg	Chief Operating Officer (Acute Services)	6	40-45	-	-	-	17.5-20	60-65
Ms Michelle McLoughlin	Chief Nursing Officer		120-125	-	-	-	32.5-35	155-160
Mrs Theresa Nelson	Chief Officer for Workforce Development		120-125	-	-	-	35-37.5	155-160
Dr Fiona Reynolds	Chief Medical Officer	7	170-175	-	-	-	60-62.5	230-235
Mr Matthew Boazman	Chief Strategy and Innovation Officer		120-125	-	-	-	65-67.5	185-190
Ms Helen Young	Director of Maternity Transformation	8	40-45	-	-	-	5-7.5	45-50
Dame Christine Braddock	Chairman	9	0-5	-	-	-	-	0-5
Professor Sir Bruce Keogh	Chairman	10	10-15	-	-	-	-	10-15
Mr Vijith Randeniya	Deputy Chair / Non-Executive Director	11	40-45	-	-	-	-	40-45
Mr Paul Heaven	Non-Executive Director	12	5-10	-	-	-	-	5-10
Dr Judith Smith	Non-Executive Director		10-15	-	-	-	-	10-15
Mr Colin Horwath	Non-Executive Director		15-20	-	-	-	-	15-20
Mr Alan Edwards	Non-Executive Director		10-15	-	-	-	-	10-15
Dr William Murdoch	Non-Executive Director	13	5-10	-	-	-	-	5-10
Ms Anita Bhalla	Non-Executive Director	14	10-15	-	-	-	-	10-15
Ms Marianne Skelcher	Non-Executive Director	15	10-15	-	-	-	-	10-15
			1235-1240	28	-	-	415-417.5	1655-1660

- 1) The definition of Senior Managers includes only the Chief Officers and the Non-Executive Directors. These are the senior officers of the Trust having Board of Director voting powers unless otherwise specified below.
- 2) In setting the remuneration of Executive Directors the Appointments and Remuneration Committee has met and considered a range of benchmark information on reward packages in the NHS.
- 3) Pension-related benefits do not represent an amount that will be received by the employees. This is a calculation intended to provide users of the accounts with an estimate of the benefit that being a member of the NHS Pension Scheme could provide.
- 4) Taxable Benefits relates to lease cars.
- 5) Mr Tim Attack was Chief Operating Office from 1 April 2017 until 15 October 2017 and Chief Operating Officer (Mental Health Services) from 16 October 2017, with Voting rights until 7 February 2018.
- 6) Mr Alex Borg was appointed Chief Operating Officer (Acute Services) from 16 October 2017, with Voting rights from 8 February 2018.
- 7) Salary and Fees for Dr Fiona Reynolds included £75,000-80,000 in respect of clinical work. Total remuneration included £245,000-250,000 in respect of clinical work.
- 8) Ms Helen Young was Director of Maternity Transformation until 31 August 2017.
- 9) Dame Christine Braddock was Chairman until 31 May 2017.
- 10) Sir Bruce Keogh was appointed Chairman for BWC from 29 January 2018.
- 11) Mr Vijith Randeniya was Interim Chairman from 1 June 2017 to 28 January 2018. For the remainder of the year he was Deputy Chairman/Senior Independent Director/Non Executive Director.
- 12) Mr Paul Heaven was appointed Non-Executive Director from 1 November 2017.
- 13) Dr William Murdoch resigned as Non-Executive Director on 31 October 17.
- 14) Ms Anita Bhalla was Non-Executive Director until 31 March 2018.
- 15) Ms Marianne Skelcher was Non-Executive Director until 31 January 2018.

2016/17 Remuneration Table

Name and Title		Notes	1st April 2016 to 31st March 2017					
			Salary & Fees	Taxable Benefits	Annual Performance-related Bonus	Long-term Performance-related Bonuses	Pension-related Benefits	Total
			(bands of £5000) £000	(to nearest £100) £00	(bands of £5000) £000	(bands of £5000) £000	(bands of £2500) £000	(bands of £5000) £000
Ms Sarah-Jane Marsh	Chief Executive Officer	4,5,6	105-110	-	-	-	75-77.5	180-185
Mr David Melbourne	Interim/Deputy Chief Executive and Chief Finance Officer	4,7,8,9,10	80-85	28	-	-	30-32.5	115-120
Mr Philip Foster	Interim Chief Finance Officer	11	5-10	-	-	-	0-2.5	5-10
Mr Tim Attack	Chief Operating Officer	4,12	85-90	-	-	-	37.5-40	120-125
Ms Michelle McLoughlin	Chief Nursing Officer	4,13	95-100	-	-	-	35-37.5	130-135
Mrs Theresa Nelson	Chief Officer for Workforce Development	4,14	85-90	-	-	-	22.5-25	105-110
Dr Fiona Reynolds	Chief Medical Officer	4,15,16	145-150	-	-	-	-	145-150
Mr Matthew Boazman	Chief Strategy Officer/Chief Strategy and Innovation Officer	4,17,18	85-90	-	-	-	27.5-30	110-115
Ms Helen Young	Director of Maternity Transformation	4,19	15-20	-	-	-	5-7.5	20-25
Dame Christine Braddock	Chairman	20	15-20	-	-	-	-	15-20
Mr Roger Peace	Non-Executive Director	21	10-15	-	-	-	-	10-15
Mr Paul Heaven	Non-Executive Director	22	0-5	-	-	-	-	0-5
Dr Judith Smith	Non-Executive Director	23	5-10	-	-	-	-	5-10
Mr Colin Horwath	Deputy Chair / Non-Executive Director	24	0-5	-	-	-	-	0-5
Mr Alan Edwards	Non-Executive Director		10-15	-	-	-	-	10-15
Dr William Murdoch	Non-Executive Director		10-15	-	-	-	-	10-15
Ms Anita Bhalla	Non-Executive Director	25	0-5	-	-	-	-	0-5
Ms Marianne Skelcher	Non-Executive Director	26	0-5	-	-	-	-	0-5
Mr Vijith Randeniya	Deputy Chair / Non-Executive Director		20-25	-	-	-	-	20-25
			820-825	28	-	-	240-242.5	1065-1070

1) The definition of Senior Managers includes only the Chief Officers and the Non-Executive Directors. These are the senior officers of the Trust having Board of Director voting powers.

2) In setting the remuneration of Executive Directors the Appointments and Remuneration Committee has met and considered a range of benchmark information on reward packages in the NHS.

- 3) Pension-related benefits do not represent an amount that will be received by the employees. This is a calculation intended to provide users of the accounts with an estimate of the benefit that being a member of the NHS Pension Scheme could provide.
- 4) Pension related benefits have been apportioned for periods where dual appointments between Birmingham Children's Hospital and Birmingham Women's Hospital were held.
- 5) Ms Sarah-Jane Marsh returned from maternity leave on 18 April 2016.
- 6) Ms Sarah-Jane Marsh was also Chief Executive of Birmingham Women's Hospital (BWH) from 1 July 2015 until 31 January 2017. Salary costs exclude associated recharges to BWH.
- 7) Mr David Melbourne took up post as Interim Chief Executive on 18 September 2015 until 17 April 2016.
- 8) Mr David Melbourne was also Interim Chief Executive of BWH from 18 September 2015 until 17 April 2016. Salary costs exclude associated recharges to BWH.
- 9) Mr David Melbourne was also Deputy Chief Executive and Chief Finance Officer of BWH from 18 April 2016 to 31 January 2017.
- 10) Taxable Benefits relates to lease cars.
- 11) Mr Philip Foster was Interim Chief Finance Officer until 17 April 2016.
- 12) Mr Tim Attack was also Chief Operating Officer of Birmingham Women's Hospital (BWH) from 4 July 2016 to 31 January 2017. Salary costs exclude associated recharges to BWH.
- 13) Ms Michelle McLoughlin was also Chief Nursing Officer of BWH from 5 September 2016 to 31 January 2017. Salary costs exclude associated recharges to BWH.
- 14) Mrs Theresa Nelson was also Chief Officer for Workforce Development of BWH from 4 July 2016 to 31 January 2017. Salary costs exclude associated recharges to BWH.
- 15) Dr Fiona Reynolds was also Chief Medical Officer of BWH from 5 September 2016 to 31 January 2017. Salary costs exclude associated recharges to BWH.
- 16) Total remuneration for Dr Fiona Reynolds included £75,000-80,000 in respect of clinical work.
- 17) Mr Matthew Boazman was Chief Strategy Officer until 3 July 2016 when he became Chief Strategy and Innovation Officer from 4 July 2016.
- 18) Mr Matthew Boazman was also Chief Strategy and Innovation Officer of BWH from 4 July 2016 to 31 January 2017. Salary costs exclude associated recharges to BWH.
- 19) Ms Helen Young was appointed Director of Maternity Transformation on 1 February 2017.
- 20) Dame Christine Braddock was also Chairman of BWH from 1 May 2016 to 31 January 2017. Salary costs exclude associated recharges to BWH.
- 21) Mr Roger Peace resigned as Non-Executive Director on 31 January 2017.
- 22) Mr Paul Heaven was appointed Non-Executive Director on the 01 October 2016 until 31 January 2017.
- 23) Dr Judith Smith was seconded to BWH for the period 3 October to 31 January 2017. Salary costs exclude associated recharges to BWH.
- 24) Mr Colin Horwath was appointed Non-Executive Director on 1 February 2017.
- 25) Ms Anita Bhalla was appointed Non-Executive Director on 1 February 2017.
- 26) Ms Marianne Skelcher was appointed Non-Executive Director on 1 February 2017.

2017/18 Pensions Table

Name and Title		1st April 2017 to 31st March 2018							
		Real increase in pension at retirement age	Real increase in pension lump sum at retirement age	Total accrued pension at retirement age at 31 March 2018	Lump sum at retirement age related to accrued pension at 31 March 2018	Cash Equivalent Transfer Value at 1 April 2017	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018	Employers Contribution to Stakeholder Pension
		(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	£000
Ms Sarah-Jane Marsh	Chief Executive Officer	2.5-5	0-2.5	40-45	90-95	483	57	541	-
Mr David Melbourne	Deputy Chief Executive / Chief Finance Officer	2.5-5	12.5-15	50-55	160-165	1,001	146	1,147	-
Mr Tim Attack	Chief Operating Officer (Mental Health Services)	2.5-5	0-2.5	45-50	125-130	811	86	897	-
Mr Alex Borg	Chief Operating Officer (Acute Services)	2.5-5	2.5-5	15-20	30-35	133	30	163	-
Ms Michelle McLoughlin	Chief Nursing Officer	0-2.5	5-7.5	45-50	135-140	826	91	917	-
Mrs Theresa Nelson	Chief Officer for Workforce Development	2.5-5	0-2.5	20-25	50-55	342	51	393	-
Dr Fiona Reynolds	Deputy Chief Medical Officer	2.5-5	2.5-5	60-65	160-165	1,048	61	1,110	-
Mr Matthew Boazman	Chief Strategy Officer	2.5-5	2.5-5	25-30	60-65	263	59	323	-
Ms Helen Young	Director of Maternity Transformation	0-2.5	0-2.5	35-40	105-110	598	29	627	-

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred

to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the institute and Faculty of Actuaries.

Real Increase/(Decrease) in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Employer contributions to the NHS pension scheme are 14.3% of the pensionable pay of scheme members. Employee contributions are based on annualised, full-time salary. For directors where this figure falls between £70,631 and £111,377 the contribution rate is 13.5% of pensionable pay, while it is 14.5% for those where this figure is in excess of £111,377.

2016/17 Pensions Table

Name and Title		1st April 2015 to 31st March 2016							
		Real increase in pension at retirement age	Real increase in pension lump sum at retirement age	Total accrued pension at retirement age at 31 March 2017	Lump sum at retirement age related to accrued pension at 31 March 2017	Cash Equivalent Transfer Value at 1 April 2016	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2017	Employers Contribution to Stakeholder Pension
		(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	(bands of £5000) £000	£000	£000	£000	£000
Ms Sarah-Jane Marsh	Chief Executive Officer	5-7.5	10-12.5	35-40	90-95	369	114	483	-
Mr David Melbourne	Deputy Chief Executive / Chief Finance Officer	2.5-5	7.5-10	50-55	150-155	910	91	1,001	-
Mr Philip Foster	Interim Chief Finance Officer	2.5-5	2.5-5	35-40	95-100	535	51	586	-
Mr Tim Attack	Chief Operating Officer	2.5-5	2.5-5	40-45	125-130	741	70	811	-
Ms Michelle McLoughlin	Chief Nursing Officer	2.5-5	7.5-10	40-45	130-135	753	73	826	-
Mrs Theresa Nelson	Chief Officer for Workforce Development	0-2.5	2.5-5	20-25	50-55	298	44	342	-
Dr Fiona Reynolds	Deputy Chief Medical Officer	0-0	0-0	45-50	125-130	760	0	760	-
Mr Matthew Boazman	Chief Strategy Officer	2.5-5	0-2.5	20-25	55-60	235	29	263	-
Ms Helen Young	Director of Maternity Transformation	0-2.5	5-7.5	35-40	105-110	519	74	593	-

Median Remuneration

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 at the Trust in the financial year 2017/18 was £191,000-191,500 (2016/17, £180,000-185,000). This was 6.66 times (2016/17, 6.41 times) the median remuneration of the workforce, which was £28,746 (2016/17, £28,462).

The increase in the ratio is a result of the remuneration of the highest paid director increasing slightly in advance of the increase in the median salary as a result of the added responsibilities of the role. The changes in the mix of workforce have not impacted upon the median salary of the Trust.



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Sarah-Jane Marsh
Chief Executive Officer
24 May 2018

Staff Report

Analysis of staff costs

	2016/17	2017/18
Costs of permanently employed staff	£174,635k	£234,205k
Costs of other staff	£5,939k	£8,454k

This increase compared to the previous year reflects the additional staff employed by the Trust following acquisition of Birmingham Women's Hospital in February 2017 towards the end of 2016/17.

Analysis of average staff numbers

2017/18

Average number of employees (Whole Time Equivalent basis)	Total	Permanent	Other
Medical and dental	537.96	273.16	264.80
Administration and estates	1,348.24	1,234.47	113.77
Healthcare assistants and other support staff	472.93	470.55	2.38
Nursing, midwifery and health visiting staff	1,700.52	1,679.42	21.10
Nursing, midwifery and health visiting learners	0.00	0.00	0.00
Scientific, therapeutic and technical staff	637.51	601.83	35.68
Healthcare science staff	364.43	337.07	27.36
Other	27.17	6.17	21.00
Total average numbers	5,088.76	4,602.67	486.09

2016/17

Average number of employees (Whole Time Equivalent basis)	Total	Permanent	Other
Medical and dental	437.21	216.21	221.00
Administration and estates	984.00	885.00	99.00
Healthcare assistants and other support staff	308.00	305.00	3.00
Nursing, midwifery and health visiting staff	1,259.00	1,235.00	24.00
Nursing, midwifery and health visiting learners	0.00		
Scientific, therapeutic and technical staff	551.00	515.00	36.00
Healthcare science staff	166.00	158.00	8.00
Other	13.00	1.00	12.00
Total average numbers	3,718.21	3,315.21	403.00

Breakdown of the gender of our personnel as at 31 March 2018

	Male (Number)	Female (Number)	Male (%)	Female (%)
Board members	9	6	60%	40%
Other employees	1002	4816	17%	83%

We published our first gender pay gap report in March 2018. The gender pay gap shows the difference in the average pay between all men and women in a workforce. If a workforce has a particularly high gender pay gap, this can indicate there may be a number of issues to deal with, and the individual calculations may help to identify what those issues are.

The mean gender pay gap for the whole of the Public Sector economy (according to the October 2017 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 17.7%. At 26.86% the Trust's mean gender pay gap is therefore above that of the wider public sector. This is reflective of the pattern from the wider UK healthcare economy; traditionally the NHS has had a higher female workforce due to the range of caring roles, which tend to be in the lower bandings, and a predominantly male workforce in the higher paid Medical and Dental professions.

We have undertaken additional analysis beyond the legislative requirements to identify the gender pay gap within each staff professional group and within each pay band. The results have helped us inform our plans to improve, which include:

- Using our leadership programmes to encourage more women to progress into leadership roles.
- Embedding talent management principles.
- Exploring how we can attract more men into clinical support roles to create more gender balance.
- Raising awareness of shared parental leave entitlement and flexible working opportunities.
- Exploring the development of local clinical excellence award application and assessment criteria.

Sickness Absence

Directorate	% of overall sickness absence	
	2016/17	2017/18
Corporate	3.11%	3.80%
Diagnostics & Therapies	3.20%	2.81%
Facilities (BW)	5.17%	6.90%
Genetics	1.96%	2.39%
Gynaecology & Fertility	5.32%	4.90%
Head & Neck	1.85%	2.25%
Maternity Services	6.48%	5.94%
Mental Health Services - FTB	4.65%	2.90%
Mental Health Services - Tier 4	4.11%	3.95%
Neonatal Services	5.78%	5.04%
Neuro & Head/Onc (CHINOS)	4.05%	4.06%
Specialised Medicine	4.36%	4.55%
Surgical Care	4.26%	4.51%
Transplant, GI & Cardiac	2.87%	3.04%
Urgent & Critical Care	3.29%	3.81%
Trust	3.94%	4.04%

Top Four Reasons for Sickness

Sickness Reason	% of overall sickness absence		Average Length Of Absence (days)		Days Lost in each year	
	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18
Stress (work and non-work related)	0.95%	0.98%	25.4	25.3	20774	21843
Musculoskeletal	0.55%	0.79%	17.7	16.7	16911	16558
Gastrointestinal	0.38%	0.39%	3.7	3.9	8159	7296
Cold, Cough, Flu	0.35%	0.39%	3.4	3.4	7433	8251

Average Length of Absence

	2016/17	2017/18
Average Length Of Absence (days)	8.84	8.73

Sickness rates slightly increased in 2017/18 compared to 2016/17. The top reason for sickness absence was stress (work and non-work related), followed by musculoskeletal problems. We have a range of resources that managers and staff can use to support them in dealing with these issues and with sickness absence in general, including:

- A new Attendance Management (Sickness Absence) Policy, toolkit and online training package.
- A Management of Stress at Work Policy, stress risk assessment guidance and online training package.
- Mental health and wellbeing resources.
- Building resilience training.
- Confidential Care counselling service.
- Fast-track physiotherapy referral service.

Occupational Health

During 2017/18, following the integration of Birmingham Women's and Birmingham Children's hospitals, there continued to be two separate Occupational Health (OH) providers:

- Birmingham Children's Hospital site: Heart of England (HeFT) OH
- Birmingham Women's Hospital site: Team Prevent (TP) OH

The OH service activity data for 2017/2018 is highlighted below in tables 1 and 2; the breakdown shows the trend in activity for the numbers of management referrals and work health screening assessments over the last few years.

Table 1: Birmingham Children's Hospital - Occupational Health (HeFT); Management Referrals and Work Health Assessment activity

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of Referrals	376	392	352	456	435	554
Number of Work Health Screening Assessments (WHA/PEQ)	1277	1379	1542	1099	1033	1431

Table 2: Birmingham Women's Hospital - Occupational Health (Team Prevent (TP)); Management Referrals and Work Health Assessment activity

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Number of Referrals	Not available	266	401	403	388	401
Number of Work Health Screening Assessments (WHA/PEQ)	Not available	456	514	405	472	472

Following integration the Trust tendered for a single OH contract. The new contract was awarded to PAM, and began on 1 April 2018. With the single OH contract there will be a number of benefits including consistency in service provision across the Trust and improved data, enabling better monitoring and reporting on Trust-wide issues.

Staff policies and actions applied during the financial year: Equal Opportunities for Disabled Staff

We know that people perform their best when they can be themselves. Attracting and developing a diverse workforce is essential if we are to deliver our strategic priorities and unlock potential. Our Diversity and Inclusion Strategy sets out our commitment to ensuring equality and human rights will be taken into account in everything we do, both as an employer and a provider of healthcare. We have maintained our Personal, Fair and Diverse accreditation from NHS Employers.

The standards laid out in our Recruitment and Selection Policy are applied to all candidates for posts and the Trust's Recruitment and Selection Toolkit provides advice on equal opportunities. The aim of the policy is to ensure that all applicants who declare a disability are offered an interview if they meet the minimum requirements for the post. Monitoring and auditing is used to help identify and eliminate possible discrimination and to constantly improve recruitment processes.

Reasonable adjustments are made for staff with a disability in relation to training and all other work related activities. This is based on individual needs with occupational health advice in consultation with the member of staff.

Consulting and involving Staff

We maintain regular contact with staff in a number of ways to ensure they are involved with the Trust's performance:

- Annual InSync engagement week.
- Bi-annual Leadership event.
- Daily email bulletin containing significant items of Trust and site specific news linked to the intranet.
- Weekly operational activity blog by the Chief Operating Officer.
- Monthly Chief Executive Briefing sessions on both sites (vodcasts stored on intranet).
- Regular Managers Briefing.
- Invitation to Board of Directors meetings in public.

We involve our staff in all decisions about our future strategy, their working environment and the development of services. During 2017/18 we consulted with staff in the following key areas:

- The development of a vision and set of values for our integrated organisation.
- Setting goals and objectives to achieve our vision.
- Working with our estates and facilities teams to engage them in the early thinking of transferring the services they provide and their employment to the Trust's new wholly owned subsidiary before the commencement of formal consultation under TUPE regulations.

Health and Safety Performance

The most significant risks to the non-clinical safety of our patients, staff and visitors are monitored by our Non-Clinical Risk Coordinating Committee. A Non-Clinical Safety Report is presented regularly to our Quality Committee to provide assurance about what is being done to make sure our environment and practices are as safe and secure as they can be.

In 2017/18 there were:

- No Dangerous Occurrences as defined in Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR).
- No Diseases as defined in RIDDOR.
- Nine Major Injuries as defined in RIDDOR (over 7 days' absence).
- No HSE improvement notices.
- No HSE prohibition notices.
- Five non-clinical safety related Serious Incidents Requiring Investigation.
- No non-clinical safety related Never Events.

Counter Fraud and Corruption

In accordance with NHS Standard contract, the Trust has on-going programme to prevent fraud and bribery and ensure proper use of public funds. The Counter Fraud service at BWC aims to prevent fraudulent activity which threatens this principle. This is supported by the Trust's Counter Fraud, Bribery and Corruption Policy.

The Trust has continued to promote the awareness of fraud and bribery throughout the year, creating an anti-fraud culture and ensuring that all employees are aware of their role and responsibilities with regard to identifying and preventing suspicious activity. This has been achieved by the inclusion of counter fraud training at the core of our mandatory training programme, supplemented with an online learning module and presentations by the Local Counter Fraud Specialist. A staff survey was also circulated to all employees, to identify areas for development, and to ensure that the counter fraud programme is risk based. Responses demonstrated clear awareness and knowledge of fraud and bribery within the NHS and how to raise concerns.

We have continued to proactively identify and prevent fraud, undertaking proactive reviews alongside the Internal Auditor and assisting with the implementation and review of key policies and procedures, in accordance with best practice guidance. Where referrals have been received, the Trust has demonstrated a zero tolerance approach and internal and external investigations have been undertaken where necessary. We have an annual counter fraud plan for 2018/2019 which will continue to raise the awareness of fraud and bribery and respond to emerging issues identified nationally and locally by the NHS Counter Fraud Authority, so that appropriate controls are implemented to safeguard public funds. The Trust has implemented recommendations following a review of counter fraud arrangements last year and continues to perform well against this organisational assessment.

Staff Survey Results

For the 2017 National NHS Staff Survey we undertook a census survey to ensure we gave as many staff as possible an opportunity to give feedback about what it's like to work here, what's great and what's not so great. We take our results very seriously and use these to inform work-streams to improve staff experience over the year.

Birmingham Women's and Children's NHS Foundation Trust was formed in February 2017 following the integration of Birmingham Women's Hospital and Birmingham Children's Hospital. We undertook our first annual National Staff Survey as an integrated organisation between September and December 2017 and received our results in February 2018. The survey data therefore does not

show any comparative 2016 data although we are able to look at the 2016 data for the two separate organisations to see how we have changed.

Through these results, we have heard that the satisfaction of our staff is lower than we would like.

Our overall engagement score is 3.83 (on a 1-5 scale) and whilst this is a slight dip from the previous year, we are still pleased that this tells us that around three quarters of our staff are still engaged, feel motivated and enjoy working at the Trust.

Our plans for improvement include:

- Providing our clinical group leadership teams with a breakdown of their own results for them to discuss with their teams and understand what could help improve how staff feel.
- Feeding the qualitative feedback we receive into further focus groups so we can 'dig deeper' into what is going on for staff.
- Continuing with our work on staff wellbeing for which we are an exemplar.
- Improving leadership visibility.
- Working with NHSI on a pilot around violence and aggression to staff.
- Focusing on how we improve how our black and minority ethnic (BME) staff feel and how we embed inclusion.
- Supporting staff to engage in improvements.

Our aim is to see:

- Our engagement score increase by a minimum of 0.10 next year.
- Our recommender score increase by a minimum of 0.10 next year.

Summary of 2017 Staff Survey Performance

Response rates				
	2016	2017	Benchmarking group average	Trust improvement
Response rate	No data	35.6%	43%	No data
Areas of Concern and Action Plans from 2017 Survey				
Improvements already on plan		Further Improvements		
Providing our clinical group leadership teams with a breakdown of their own results for them to discuss with their teams and understand what could help improve how staff feel.		Development work with HR managers to equip them to better support clinical group leadership teams with engagement.		
Feeding the qualitative feedback we receive into further focus groups so we can 'dig deeper' into what is going on for staff.		Adapt our approach to focus groups to improve accessibility for front line staff; for example area based and walkabout focus groups.		
Continuing with our work on staff wellbeing for which we are an exemplar.		Pilot a 'random' monthly staff wellbeing survey via text message for a volunteer cohort of 300 staff to improve our responsiveness to wellbeing concerns.		
Improving leadership visibility in a range of ways.		Exploring the introduction of a reverse mentoring scheme for senior leaders to be mentored by front line staff.		

Working with NHSI on a pilot around violence and aggression to staff.	Establishing a violence and aggression multi-disciplinary internal task force.			
Focusing on how we improve how our BME staff feel and how we embed inclusion.	Exploring introducing a dedicated Inclusion lead.			
Supporting staff to engage in improvements.	Continue to build on the work of the transformation team and roll out of the 'improvement huddle approach'.			
Staff Survey 2017 - Top 5 ranking scores				
	2016 (previous year)	2017 (current year)		Trust improvement/ deterioration
	Trust No Data	Trust	Benchmarking group (trust type) average	No Data
KF23. Percentage of staff experiencing physical violence from staff in the last 12 months (lower score better)		1%	1%	
KF22. Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months. (lower score better)		8%	7%	
KF29. Percentage of staff reporting errors, near misses or incidents witnessed in the last 12 months.		91%	93%	
KF20. Percentage of staff experiencing discrimination at work in the last 12 months. (lower score better)		10%	9%	
KF3. Percentage of staff agreeing that their role makes a difference to patients/service users		90%	90%	
Staff Survey 2017 – Bottom 5 ranking scores				
	2016 (previous year)	2017 (current year)		Trust improvement/ deterioration
	Trust No Data	Trust	Benchmarking group (trust type) average	No Data
KF16. Percentage of staff working extra hours (lower score better)		76%	73%	
KF6. Percentage of staff reporting good communications between senior management and staff		33%	37%	
KF18. Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves (lower score better)		56%	51%	
KF15. Percentage of staff satisfied with the opportunity for flexible working patterns		48%	54%	
KF27. Percentage of staff/colleagues reporting most recent experience of harassment, bullying or abuse		49%	47%	

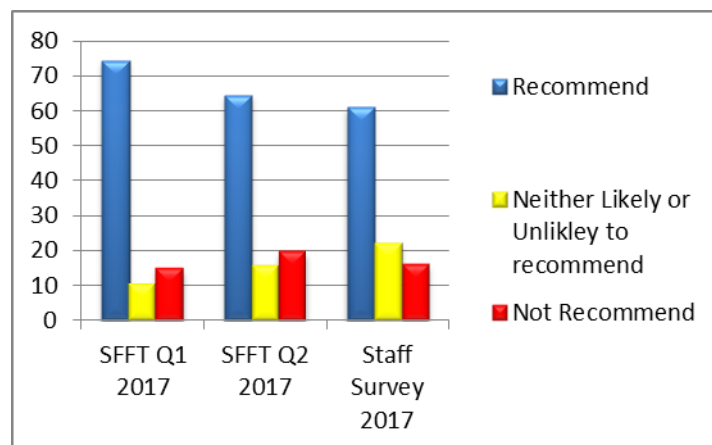
The full Staff Survey 2017 report for Birmingham Women's and Children's NHS Foundation Trust can be found on www.NHSstaffsurveys.com

Summary of Local Staff Surveys and Results

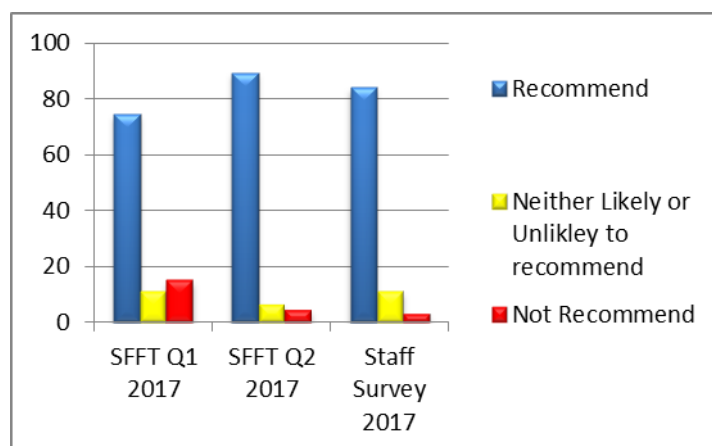
Staff Friends & Family Test

The Staff Friends and Family Test asks staff two key questions. We run this quarterly within the Trust, asking different staff groups within each quarter so that as many people as possible are asked at least once a year. The results are set out below, compared with the annual staff survey results.

- How likely are you to recommend Birmingham Children's Hospital to friends and family as a place to work?



- How likely are you to recommend Birmingham Children's Hospital to friends and family if they needed care or treatment?



Improvements at a local level will be monitored as part of the Performance Management Framework. The Quality Committee will monitor Trust-wide improvements during 2017/18.

Freedom to Speak Up

In 2016 the National Guardian's Office was established to lead cultural change in the NHS and to encourage speaking up. All NHS trusts and foundation trusts were required to appoint Freedom to Speak Up Guardians to lead this change within their organisations. Our Staff Ambassador has been in post performing this role since 2014. Working across the Trust the Staff Ambassador encourages staff to be open, honest and to speak out, provides a safe forum for staff to raise concerns, ensures all concerns are listened to and acted upon, and shares learning and positive outcomes from concerns raised.

In 2017/18 the Staff Ambassador:

- Met regularly with the Chief Executive to discuss individual concerns and indications of wider cultural issues.
- Held workshops with staff about how to raise concerns appropriately and exploring barriers to raising concerns. Subsequently there has been an increase in the number of concerns raised, resulting in local resolutions.
- Held bespoke listening and feedback events with groups of staff.
- Raised the profile of the Staff Ambassador role at Birmingham Women's Hospital following the Trust integration.

In 2018/19 plans include:

- Using the Staff Survey results to identify areas of the Trust requiring focused support and a review of any barriers to raising concerns appropriately.
- Establishing a network of Staff Champions to help provide support for staff in their local areas. They will have training, peer support and a direct link to the Staff Ambassador.

Freedom to Speak up Data 2017/18	
Number of concerns raised with Staff Ambassador	24
Number of concerns raised anonymously	0
Number of concerns relating to behaviours, including bullying and harassment	12
Number of concerns relating in whole or in part to patient safety/quality	5
Number of cases with evidence of detriment as a result of speaking up	0
Number of concerns raised by profession	
Doctors	2
Nurses	3
Midwives	3
Allied Health Care Professionals	5
Administrative and clerical	4
Ancillary staff (cleaning/catering/maintenance etc)	7

Expenditure on consultancy

The Trust's expenditure on consultancy in 2017/18 was nil.

Since the introduction of NHS Improvement's controls in June 2015, the Finance and Resources Committee has undertaken the role of approving in advance consultancy expenditure over £50k.

High Paid Off-payroll engagements

The Trust allows off-payroll arrangements to be made only in circumstances where vital specialised roles cannot, in the short-term, be supported through standard payroll arrangements. The Trust regularly monitors and reviews all high paid off-payroll arrangements to ensure alternative solutions are sought in order to reduce the duration of such arrangements to the minimum. This includes the use of HMRC's online employment status indicator tool. The Trust seeks evidence that appropriate arrangements are in place in relation to tax and national insurance from individuals with whom such arrangements are made.

The Trust does not make off payroll arrangements with members of the Board of Directors.

Table 1: All off-payroll engagements as of 31 March 2018 for more than £245 per day that last for longer than six months

Total number of existing engagements as of 31 March 2018	5
Of which...	
Number that have existed for less than one year at time of reporting	1
Number that have existed for between one and two years at time of reporting	4
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time	0

Table 2: All new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £220 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	13
Of which...	
Number assessed as within the scope of IR35	13
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to trust) and are on the Trust's payroll	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: Any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during 2017/18	0
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during 2016/17, including both off-payroll and on-payroll engagements.	19

Sarah-Jane Marsh

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Sarah-Jane Marsh
Chief Executive Officer
24 May 2018

NHS Foundation Trust Code of Governance

Birmingham Women's and Children's NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

Board of Directors and Council of Governors

Constitutionally formed, the Council of Governors has the following key responsibilities:

- **Strategic** – Providing advice on our general direction and ensuring that our plans assist in the delivery of our long-term goals;
- **Guardianship** – Ensuring that the Board of Directors conforms to the terms of authorisation, acting as a trustee of the Trust;
- **Advisory** – Providing advice to the Board of Directors to ensure the Trust continues to deliver services to meet the needs of the patients, parents, families and the wider local communities.

The Council of Governors is also responsible for:

- Representing the views of the members and acting as a source of information on members' views;
- Working with the Board of Directors to inform the Trust's strategic direction;
- Appointing (and removing) the Chairman and Non-Executive Directors;
- Setting the remuneration of the Chairman and Non-Executive Directors;
- Approving the appointment of the Chief Executive Officer;
- Appointing the External Auditor;
- Receiving copies of our annual reports, annual accounts and the External Auditor's report;
- Holding the Non-Executive Directors individually and collectively to account;
- Approving any amendments to the Core Constitution.

The Board of Directors is legally accountable for the services we provide and is specifically responsible for:

- Setting the Trust's strategic direction (having taken into account the Council of Governors' views);
- Ensuring that clinical services provide high-quality and safe care for patients, parents and their families;
- Ensuring that governance arrangements are implemented to provide assurance that there are safe systems of internal control in place;
- Ensuring that a rigorous performance management framework is implemented which ensures the Trust continues to perform well against national and local targets;
- Ensuring the Trust is at all times compliant with its Terms of Authorisation.

The Constitution sets out the key responsibilities of the Board of Directors. The accountability framework defines the Committees of the Board and sets out within the approved terms of reference the responsibilities for each of these Committees. Non-Executive Directors are members (or the Chair) of each of these Committees.

In the event of a dispute between the Council of Governors and the Board of Directors, the Council of Governors and the Board of Directors should meet and attempt to resolve the dispute by negotiation. If agreement cannot be reached, the dispute should be referred to the Chairman, whose decision shall be final. In the event that a dispute is referred to the Chairman and the Chairman considers that he/she has a perceived or real interest in the outcome of that dispute and

that the dispute would be better resolved externally, then the Chairman may refer the dispute for resolution by arbitration under the Rules of the Chartered Institute of Arbitrators (as amended or re-issued from time to time).

Governors' views are shared with the Board of Directors through the formal meetings of the Council of Governors, which are chaired by the Chairman who presides over the Board of Directors and are attended by the Non-Executive Directors. The Executive Directors are invited to attend the meetings to present reports and information. In addition, the Council of Governors and the Board of Directors hold joint meetings where the focus is on strategic or policy issues.

The Governors' Scrutiny Committee is a well-established committee of the Council of Governors which provides a forum to support the Council to meet its obligations under the Health and Social Care Act 2012, in particular, to hold the Non-Executive Directors to account. This Committee is chaired by the Deputy Chairman and has a core membership of Governors, including the Lead Governor, and is open to all governors to attend meetings as they wish. Meetings of the Committee are also attended by Non-Executive Directors and Executive Directors for appropriate agenda items.

Board of Directors meetings

**Board members are not routinely required to attend Council of Governors meetings. All Board members attended Council of Governors meetings when invited or requested to do so.*

NON-EXECUTIVE DIRECTORS					
All the Non-Executive Directors of the Board are considered to be independent					
Board member	Title	Meeting Attendance –attended/possible			
		Board of Directors	*Council of Governors	Appointments & Remuneration Committee	Audit Committee
Christine Braddock	Chairman (until 31.5.17)	1/1	0/1	1/2	n/a
Bruce Keogh	Chairman (from 29.1.18)	3/3	n/a	2/2	n/a
Vijith Randeniya	Interim Chairman (1.6.17-28.1.18) Deputy Chairman (from 29.1.18)	11/11	5/5	4/4	n/a
Colin Horwath	Non-Executive Director	10/11	1/5	3/4	n/a
Judith Smith	Non-Executive Director	10/11	2/5	3/4	6/7
Alan Edwards	Non- Executive Director/ Chair of Audit Committee	8/11	2/5	n/a	7/7
Will Murdoch	Non-Executive Director (to 30.9.17)	6/6	3/4	n/a	n/a
Paul Heaven	Non-Executive Director (from 1.11.17)	5/5	1/2	n/a	n/a
Anita Bhalla	Non-Executive Director	10/11	2/5	n/a	5/7
Marianne Skelcher	Non-Executive Director (until 31.1.17)	9/9	0/4	n/a	n/a

EXECUTIVE DIRECTORS			
Board member	Title	Meeting Attendance attended/possible	
		Board of Directors	*Council of Governors
Sarah-Jane Marsh	Chief Executive Officer	11/11	2/5
David Melbourne	Deputy Chief Executive Officer/ Chief Finance Officer	10/11	3/5
Michelle McLoughlin	Chief Nursing Officer	11/11	0/5
Tim Attack	Chief Operating Officer (until October 2017) Chief Operating Officer – Mental Health (from October 2017)	10/11	1/5
Theresa Nelson	Chief Officer for Workforce Development	10/11	2/5
Matthew Boazman	Chief Officer for Strategy and Innovation	9/11	1/5
Fiona Reynolds	Chief Medical Officer	11/11	2/5
Helen Young	Director of Maternity Transformation (until 31.8.17)	3/4	0/2
Alex Borg	Chief Operating Officer - Acute Services (from October 2017)	6/6	0/2

Council of Governors and Meetings

Governor	Constituency/ Class	Tenure	Meeting Attendance –attended/possible		
			Council of Governors	Governors Scrutiny Committee	Nominations Committee
Elected Governors					
Zaira Akhtar	BCH Patient	3 years from February 2014	2/5	n/a	1/1
Zafin Aktar	BWH Patient/Carer	3 years from June 2017	4/4	2/2	n/a
Christopher Allen	Rest of West Midlands	3 years from September 2017	1/3	n/a	n/a
Kate Archer	BWH Patient/Carer	3 years from June 2017	2/4	1/2	n/a
Alex Baum	Staff – Non-Clinical	3 years from September 2017	3/3	n/a	n/a
Elizabeth Bernthal	BWH Patient/Carer	3 years from June 2017	2/4	n/a	n/a
Lynda Cooper	Black Country	3 years from July 2016	4/5	n/a	2/3
Justine Craig	Staff – Midwifery	3 years from June 2017	0/4	n/a	n/a
Sue Davies	Staff – Nursing	Ended February 2018	0/4	n/a	n/a
Kiah Ferrarin	Birmingham and Solihull	3 years from September 2017	1/3	n/a	n/a
Robert Foster	Rest of West Midlands	3 years from September 2014	2/2	0/2	n/a
Omega Gavaza	Rest of West Midlands	3 years from December 2015	1/5	n/a	n/a
Rizwan Jalil	Black Country	3 years from June 2017	1/4	n/a	n/a

Andrea Jester	Staff – Medical/Dental	3 years from September 2017	2/3	n/a	n/a
Chris Jones	Birmingham and Solihull	3 years from March 2014	4/5	n/a	n/a
Karen Kelly	Staff – Non Clinical	Ended September 2017	2/2	2/2	n/a
Clare Maceachen	BCH Carer	3 years from June 2017	4/4	n/a	n/a
Daniel Matthews	Rest of West Midlands	Ended September 2017	2/2	2/3	2/2
Musa Nela	BCH Patient	3 years from September 2017	3/3	n/a	n/a
Rebecca O’Sullivan	Staff – Clinical Other	3 years from July 2016	4/5	3/4	n/a
Claire Terry	Birmingham and Solihull	3 years from January 2017	5/5	n/a	n/a
Nicola Turner	Birmingham and Solihull	3 years from January 2017	5/5	n/a	n/a
Elizabeth Walker	BCH Carer	3 years from January 2017 (second term)	0/5	n/a	0/4
Sandra Wallace	Staff – Mental Health	3 years from September 2017	2/3	n/a	n/a
Timothy Wilson	Black Country	3 years from January 2017 (second term)	2/5	n/a	n/a
Carola Wolf	Birmingham and Solihull	3 years from December 2015	4/5	3/4	n/a
Appointed Governors					
Ian Blair	Birmingham City University	3 years from November 2015	3/5	4/4	3/4
Karen McCarthy	Birmingham City Council	3 years from June 2017	3/4	n/a	n/a

Balance and Completeness of the Board of Directors

The Executive and Non-Executive Directors of the Board provide a balance and breadth of knowledge, experience and skills. The Executive Directors have at a senior level considerable NHS experience in a range of areas including finance, medicine, nursing, midwifery, strategic and operational planning, research and workforce development. Their expertise is complemented by the Non-Executive Directors who have extensive private and public sector experience in business, commerce, banking, accounting, audit, research, management and leadership, marketing, NHS service provision, medicine, health care and health policy, human resources, organisational development and local enterprise.

The Nominations Committee and the Appointments and Remuneration Committee consider the balance and breadth of knowledge, experience and skills required on the Board at each appointment and reappointment of directors and have ensured the maintenance of a balanced and complete Board throughout the year.

The Chairman has no other significant commitments.

Individual Board Member Skills, Expertise and Experience (members as at 31 March 2018)

Professor Sir Bruce Keogh - Chairman	
Appointed	January 2018
Expertise and Experience	Sir Bruce has had a distinguished international career as a cardiac surgeon. He has had a longstanding interest in healthcare quality and has served on the boards of the Commission for Health Improvement and Healthcare Commission. He was appointed Medical Director of the NHS in 2007. For a decade he was responsible for clinical policy, clinical leadership and innovation across the health service. In 2018 he became Chair of the Birmingham Women's and Children's NHS Foundation Trust. He is keen to encourage a focus on training, research, clinical outcomes and taxpayer value. He was knighted for services to medicine in 2003.
Qualifications	MD, DSc, FRCS, FRCP
Colin Horwath – Non-Executive Director	
Appointed	February 2017 (previous term May 2008 – March 2016)
Expertise and Experience	Colin was an audit partner at KPMG, from 1987 to 2007, with responsibility to develop public sector audit practice in the Midlands. Colin was a Non-Executive director at BCH from 2008 until 2016, and subsequently became a NED at BWH before returning to the Board of the integrated organisation in February 2017. Colin is the Chair of the Quality Committee. He is also a Non-Executive director at Birmingham Children's Trust.
Qualifications	BSc, CIPFA, ACA, PIIA
Anita Bhalla – Non-Executive Director	
Appointed	February 2017
Expertise and Experience	<p>Anita is Chair of Performances Birmingham PLC, Chair of Creative City Partnership, Director of Greater Birmingham and Solihull LEP, Governor of the RSC, Member of the High Speed Rail College, and Chancellor of Birmingham Children's University. Anita's media career has been extensive of which over 25 years with the BBC; from setting up the BBC Asian Network to being Head of Political and Community Affairs in England then Head and Editor of the BBC's Public Space Broadcasting and President of Circom (a European wide group of public service broadcasters).</p> <p>Anita has a strong commitment to public service and her portfolio in this area ranges from being a Commissioner on The Chancellor's Commission (Warwick University), member of Birmingham's Social Inclusion Commission to being the past chair of mac (Midlands Arts Centre), a previous chair of a Junior and Infant School, member of the governing body of Birmingham City University to currently being a Trustee of the Children's University.</p> <p>Anita has won several awards including the CRE's Race in the Media National Television News Award and the Windrush Broadcaster of the Year. In 2009 she was awarded an OBE for her services to Broadcasting and Communities. In 2012 Anita was the High Sheriff for the West Midlands. Anita has been awarded Honorary Degrees from Wolverhampton University, Birmingham City University and Warwick University. She is also a fellow of the Royal Society of Arts.</p>
Qualifications	OBE DL
Vijith Randeniya – Deputy Chairman, Senior Independent Director	
Appointed	February 2015
Expertise and Experience	Vij is the former Chief Fire Officer for the West Midlands Fire Service, spanning a thirty year career, Vij was also the elected President of the UK Fire Chiefs

	Association and served as the Chairman of Birmingham Metropolitan College. He led the Fire Service during a five year period which saw real terms budget cuts of 20%, yet improving outcomes for the public. Formerly a Chairman of Birmingham St Mary's Hospice, Vij is now the Vice Chairman for the Royal Society for Public Health and sits on Aston Universities Board. For the last three years he has been the Chairman of the Environment Agency's Trent River flood and coastal committee. He is a consultant with KPMG and is part of the Grenfell Tower Fire enquiry process.
Qualifications	BA (Hons) History, MA Management, Diploma in Business Excellence, Honorary Doctorate in Science from Aston University, Member of the Institute of Fire Engineers, Fellow of the Royal Society for the Arts and a Fellow for the Royal Society for Public Health.
Judith Smith – Non-Executive Director	
Appointed	June 2014
Expertise and Experience	Judith is Professor of Health Policy and Management and Director of the Health Services Management Centre (HSMC) at the University of Birmingham. She has worked in health services research and policy analysis for over 20 years in the UK and New Zealand, prior to which she was a senior manager in the NHS, and a graduate of the NHS Management Training Scheme. Judith took up post at HSMC in June 2015 following six years as Director of Policy at the Nuffield Trust, an independent charitable health research foundation in London. Earlier in her career, she was Fellow, Senior Lecturer and Director at HSMC from 1995-2007. Judith is on the board of Health Services Research UK, and is Vice-Chair of the Commissioning Panel of the National Institute of Health Research's Health Services & Delivery Research Programme. Previous roles have included: expert advisor on NHS organisation and commissioning, and policy assessor to the Mid Staffordshire NHS Foundation Trust Public Inquiry; and chair of the Royal Pharmaceutical Society Commission on Future Models of Care
Qualifications	BA (Hons) French Language and Literature, Diploma in Health Services Management, MBA, PhD Health Services Management.
Alan Edwards – Non-Executive Director	
Appointed	February 2015
Expertise and Experience	Alan Edwards is an experienced public sector board member having previously been Chair of the Royal Wolverhampton NHS Trust and an Independent Member of the Board of the UK National Policing Improvement Agency. He is currently Deputy Chair of the Ethics, Transparency and Audit Panel for Staffordshire Police and Crime Commissioner. He is also Chair CIPFA Development at the Chartered Institute of Public Finance and Accountancy. Most of his career has been spent as a management consultant having been a consulting Partner at PwC, KPMG and IBM. Alan is Deputy Chair of the Accountancy Europe Public Sector Committee and a member of the International Federation of Accountants PAO Development Committee.
Qualifications	BA (Hons) Business Studies and CPFA (Chartered Public Finance Accountant)
Paul Heaven – Non-Executive Director	
Appointed	1 November 2017
	Paul has more than 20 years general management experience and is by profession a qualified chartered accountant. Paul served his articles at Clement Keys & Co and his corporate finance apprenticeship at Ernst & Young before moving into the technology sector in various financial and management roles. Over the years Paul has become an expert in corporate finance, venture capital, private equity and asset lending and has extensive experience of acquisitions, disposals, flotation and fund raising. Paul formed Blue Sky Corporate Finance in

	1998 which specialises in helping small to medium sized businesses, across a diverse range of sectors, with their business and finance requirements. Paul is a member of the West Midlands Regional Finance Forum, Chairman of the GBSLEP Access to Finance sub-group and Chairman of the GBSLEP Growing Places Fund.
Qualifications	ACA
Sarah-Jane Marsh – Chief Executive Officer	
Appointed	June 2009
Expertise and Experience	Sarah-Jane joined the NHS via the Graduate Management Scheme, holding various roles in primary and secondary care and at the Department of Health, before promotion to Director of Planning and Productivity at Walsall Hospitals NHS Trust. Appointed Chief Operating Officer at Birmingham Children’s Hospital in December 2007, and Chief Executive Officer in March 2009, the Trust has been under her leadership for over nine years and was named ‘Provider Trust of the Year’ by the Health Service Journal in 2015, and rated Outstanding by the CQC in February 2017. In 2015, Sarah-Jane took on the additional role of Chief Executive of Birmingham Women’s NHS Foundation Trust, before going on to integrate the two Trusts to create the first Women’s and Children’s NHS Foundation Trust in Europe, just 18 months later. She also led the development of an innovative new mental health partnership for 0-25 year olds in the city – Forward Thinking Birmingham, the first of its type in the NHS. Sarah-Jane is also Chair of the NHS England Maternity Transformation Programme Board, which aims to make maternity care across England safer, and give women greater control and choice. Her passions are exceeding the expectations of patients and families, and making Birmingham Women’s and Children’s the very best place to work and be cared for.
Qualifications	BA (Hons) History, MA Russian and Eastern European Studies, MSc Health Care Management
Michelle McLoughlin – Chief Nursing Officer	
Appointed	August 2007
Expertise and Experience	Michelle is an experienced Board Director who operates as a system and organisational leader. With extensive healthcare knowledge, she combines her clinical and leadership skills to put Women, Children, Young People and families at the centre of Birmingham Women’s and Children’s NHS Foundation Trust. Clinically, she is a trained adult nurse, sick children’s nurse and District Nurse. As an executive director, she has a wide and varied portfolio ranging from nursing to facilities. Her national profile includes being the Chairman of the National Association of Chief Children’s Nurses (ACCN) and is currently the Chairman for a national project focusing on safe and sustainable workforce for Children and Young People’s inpatient hospital care.
Qualifications	MSc, RGN, RSCN, DN, Diploma in Community Nursing
Tim Atack – Chief Operating Officer (Mental Health)	
Appointed	September 2012
Expertise and Experience	Tim started his career in the field of IT, working for both NHS and commercial providers. With a growing interest in using information and IT to transform and improve healthcare, he moved into the hospital sector, holding various roles before becoming Director of ICT at Sandwell and West Birmingham Hospitals. In this role he took on more development and operational responsibilities, ultimately becoming Chief Operating Officer. Tim took a similar role in Coventry before being appointed as the Director of Performance and ICT at Birmingham Children’s Hospital in 2010, and was appointed as Chief Operating Officer in September 2012. In support of improving our Mental Health services, from October 2017 Tim has focussed on this service as the Chief Operating Officer –

	Mental Health. Since April 2015 Tim has also been a Trustee of BCH Charities.
Qualifications	BSc (Hons) Maths and Computing
Alex Borg – Chief Operating Officer (Acute Services)	
Appointed	October 2017
Expertise and Experience	Alex started his career in the NHS on the Graduate Management Training Programme, during which time he worked in the acute sector and commissioning. Alex then worked for a period for a community provider organisation before he moved into the hospital sector in 2009, holding various operational management roles at Worcestershire Acute NHS Trust. In May 2013, Alex moved to Birmingham Children’s Hospital as the Associate Service Director for the Medical Directorate, before being appointed to the role of Deputy Chief Operating Officer for the Trust in April 2015. Alex took on the role of interim Chief Operating Officer for acute services in October 2017. Alex is passionate about clinical leadership development and contributes to junior doctor training days, and is a visiting lecturer on the clinical leadership module at Keele University. He continues to support the future leaders of the NHS by remaining active in supporting the leadership academy and current trainees.
Qualifications	BSc (Hons) Business and Psychology, Msc Healthcare Leadership and Management, MBA Executive Leadership
David Melbourne – Chief Finance Officer/ Deputy Chief Executive/ Interim Chief Executive Officer	
Appointed	November 2009
Expertise and Experience	David joined the NHS from KPMG in the late 1990s and has held a variety of Board positions in Derbyshire, Lincolnshire and Birmingham. David joined BCH in late 2009 and his current roles include Board responsibility for finance, information and technology, performance, fundraising, estates and capital planning. He is a board member of Birmingham Children’s Hospital Pharmacy Limited that operates the outpatient pharmacy. He is also a board member and chair of finance at the Health Exchange - a community interest company that provides health advice to communities across the West Midlands. He was selected as NHS Director of Finance of the year in December 2011. David is also a member of the NHS National Procurement Customer Board and chairs the Midlands Procurement Customer Board.
Qualifications	BA (Hons) Economics and History, ACA, CPFA, MBA
Theresa Nelson – Chief Officer for Workforce Development	
Appointed	September 2011
Expertise and Experience	Theresa joined the NHS in 2003 following a long career with Marks and Spencer where she held roles in Commercial Management and Human Resources. She has extensive workforce development experience operating in senior board level roles and has led the people element of the merger of two NHS organisations. She held a national role as lead for Clinical Leadership at the Department of Health and continues to champion clinical leadership through her regional roles. Theresa is passionate about workforce development and getting the best out of people through staff engagement, culture development and coaching. Through her leadership at BWC, the people agenda is a top priority in delivering high quality care for children, young people and their families.
Qualifications	FCIPD; NLP Practitioner and Executive Coach
Fiona Reynolds – Chief Medical Officer	
Appointed	July 2015
Expertise and Experience	Fiona joined Birmingham Children’s Hospital in 2002 as a Consultant Paediatric Intensivist and held a variety of clinical leadership roles. Between 2007 and 2010 she was the clinical lead in PICU, overseeing a major expansion of the

	department. She was appointed as Deputy Chief Medical Officer in 2010. In 2012, Fiona led implementation of BCH becoming a Major Trauma Centre. She has led projects in long term ventilation, paediatric palliative care, electronic prescribing and e-learning. Fiona's major interests include patient safety and service and workforce redesign.
Qualifications	BSc, MBChB, FRCA
Matthew Boazman – Chief Officer for Strategy and Innovation	
Appointed	March 2015
Expertise and Experience	Matthew first joined the NHS in 2002, via the Graduate Management Training Scheme and has worked in a variety of NHS roles across Kent and the South East within secondary care, before moving to the Aids Committee of Toronto in Canada. In 2004 he joined the Whittington Hospital NHS Trust in North London as a General Manager, before going on to become Director of Operations for the Trust in 2011 and subsequently Whittington Health when it merged with the local community NHS Trust. Matthew joined Birmingham Children's Hospital in 2013 as Director of Strategy and Planning before becoming Chief Officer for Strategy and Innovation when Birmingham Women's and Children's was formed in 2017. His particular areas of interest are maternal and infant health, child health, rare diseases and genomics and he is leading the development of the Children's work programme for the Birmingham and Solihull STP as well as the West Midlands, Oxfordshire and Wessex genomics medicine consortium development.
Qualifications	MSc (Hons) Biological Chemistry, MChem Biological Chemistry, MSc Health Care Management

Nominations Committee

The Nominations Committee is a committee of the Council of Governors, chaired by the Trust's Chairman. The Committee is responsible for the identification and nomination of non-executive directors for appointment (including the Chairman), giving consideration to succession planning and the balance of skills, expertise and experience required on the Board of Directors. The Nominations Committee is also responsible for deciding upon the termination or non-renewal of non-executive terms of office.

The Committee also oversees the terms and conditions of office and remuneration of all Non-Executive Directors for the approval of the Council of Governors.

During 2017/18 the Nominations Committee made the following decisions, which were recommended to and accepted by the Council of Governors:

- To appoint Professor Sir Bruce Keogh as Chairman.
- To approve the appointment process for four new non-executive directors.
- To appoint the following new non-executive directors:
 - Sue Noyes
 - Niti Pall
 - David Richmond
 - David Adams
- To reappoint the following non-executive directors for a further term:
 - Judith Smith
 - Vij Randeniya
 - Alan Edwards
- To extend the current terms of the following non-executive directors:
 - Colin Horwath
 - Marianne Skelcher

- Anita Bhalla
- To appoint Paul Heaven for an interim term.

Open advertising and an external search partner were used for the appointments of the Chairman and the Non-Executive Directors that were appointed during the year. No external advisors were members of or had a vote on the Nominations Committee.

Performance evaluation of the Board, its committees and its directors

The Board has conducted a review of the effectiveness of its system of internal control. During the year the Board obtained significant assurance through the work of the Internal Auditor which is described in detail in the Annual Governance Statement. In addition, internal evaluation was undertaken as follows:

- The Audit Committee received two reviews of the governance framework and internal controls, using the well-led framework as a tool, focused on two quality assurance issues.
- Annual review of the Audit Committee.
- Internal review of clinical governance arrangements.
- Annual appraisal and Performance Development Review for each Executive Director by the Chief Executive.
- Annual appraisal and Performance Development Review of Chief Executive by the Chairman.
- Annual review of performance appraisal of Executive Directors and Chief Executive by Appointments and Remuneration Committee.
- Annual performance and development reviews of each Non-Executive Director by the Chairman.
- Annual review of performance of Non-Executive Directors and Chairman by the Nominations Committee.

Responsibility for Preparation of the Annual Report and Accounts

The Directors are responsible for preparing the annual reports and accounts. The Directors consider that the Annual Report and Accounts 2017/18, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance, business model and strategy.

The Audit Committee

The Audit Committee's key role is to provide oversight and assurance to the Board, specifically with regard to the Trust's financial reporting, audit arrangements, risk management and internal control processes and governance framework. The Committee:

- Provides assurance of independence for external and internal audit.
- Ensures that appropriate standards are set and that compliance with them is monitored.
- Monitors corporate governance.

The Committee reviews the adequacy of:

- The structures, processes and responsibilities for identifying and managing key risks;
- Risk and control related disclosure statements;
- The underlying assurance processes that indicate the degree of the achievement of our corporate objectives;
- The policies for ensuring that there is compliance with relevant regulatory, legal and code of conduct requirements;
- The operational effectiveness of relevant policies and procedures;
- The policies and procedures relating to fraud and corruption as set out in Secretary of State Directions and as required by the NHS Counter Fraud and Security Management Service;

- Our 'whistle blowing' procedures to ensure that arrangements are in place for the proportionate and appropriate investigation and follow-up of allegations.

The Audit Committee ensures that there is an effective internal audit function established by management that meets Government Internal Audit Standards and provides appropriate independent assurance to the Audit Committee, Chief Executive and Board of Directors. The Internal Audit function is provided by KPMG.

The Audit Committee reviews the work and findings of the External Auditor and considers the implications of the External Auditor's work and our response to it. The External Audit function is provided by Deloitte.








We last tendered in respect of our external auditors in 2013. The Council of Governors awarded a 3 year contract with the option to extend for a further 2 years, which was taken in 2015. The value of external audit services is £93k including VAT. Our external auditor also provides non audit services; the value of the non-audit services provided is £23k including VAT, which is for regulatory reporting.

In 2018/19 we will tender for external audit services again. The approach to this was approved by the Audit Committee and the Council of Governors in 2017/18.

Where the External Auditor provides non-audit services, these are overseen by the Audit Committee. The Audit Committee is assured that the External Auditor's internal controls and appropriate challenge by the Committee ensure that auditor objectivity and independence is safeguarded.

The Audit Committee monitors the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance.

In 2017/18 the Audit Committee considered the following topics and applied an assurance rating (red/amber/green) to each:

Topic	Assurance rating
Off-payroll legislation – implementation of changes	
The approval process for prescribing high-cost drugs, the use of which is not commissioned nor funded.	
Reference Costs	
Cyber security	
Board assurance processes regarding incidence of never events.	
Board assurance processes regarding quality issues in Forward Thinking Birmingham	
General Data Protection Regulations	

The Committee also approved the following, where there were no significant issues:

- Annual Reports and Accounts
- Revised Scheme of Delegation
- Accounting Policies, Practices and Estimation Techniques
- Donated Assets Accounting Treatment
- Provision for Doubtful Debts
- Acceptance of Charitable Donations (Ethical) Policy

Membership Report

Eligibility

Membership of Birmingham Women's and Children's NHS Foundation Trust is open to:

- Any person who is or has been a patient/service user of Birmingham Children's Hospital or Birmingham Women's Hospital in the last five years
- Any person who is or has been a parent/carer of a patient/service user of Birmingham Children's Hospital or Birmingham Women's Hospital in the last five years
- All permanent staff members and those staff members who are on a temporary contract of 12 months or greater
- Any member of the public aged 10 or over who lives in one of the following constituencies:
 - Birmingham and Solihull
 - The Black Country
 - Rest of England

Membership Numbers

Birmingham Children's Hospital NHS Foundation Trust set and achieved a target of 10,000 members by 2010/11 and this has been maintained since that time.

Following integration the staff and patient members of Birmingham Women's NHS Foundation Trust automatically became members of the integrated Trust. Each patient member was given the opportunity to opt-out. The public members of Birmingham Women's NHS Foundation Trust were invited to apply become members of the integrated Trust and many have done so.

The numbers of members in each constituency are as follows:

Membership 2017/18	
Constituency	Members at 31 March 2018
Total Public Members	4,035
Total Patient/Carer Members	5,012
Total Staff Members	5,585
TOTAL	14,632

Membership Engagement

During 2017/18 we continued our approach to membership communication through fully electronic means by issuing a quarterly newsletter to all public, patient and carer members.

Each year we hold an Annual General Meeting (AGM) to which the public, staff, patients and families and our members are invited to hear about how the Trust has performed over the year. In 2017/18, as well as presenting our Annual Report and Accounts for the previous year we published a video which summarised the reports, widening accessibility to this information.

Our Young Person's Advisory Group (YPAG) has evolved from our membership and has maintained links with the Council of Governors. In 2017/18 the Council of Governors received updates from YPAG and we plan to repeat this during 2018/19. More information about the activities of this group can be found in the Accountability Report above.

Our staff members are engaged throughout the year on the Trust's strategy, and their input sets the agenda of InSync, our major engagement event of the year, which drives the Trust's strategy development. In 2017/18 the focus of the event was the development of vision, values and

objectives for the integrated Trust. More information about how we have engaged with staff can be found in the Staff Report.

Membership Strategy

We are able to access a range of information about the make-up of our membership. The data allows us to determine whether our membership is representative of the population we serve. This assists us to identify where sections of the population are under-represented and this helps to inform our membership strategy.

In 2018/19 we will continue to work to ensure that our members are representative of the communities we serve and the services we offer.

In 2018/19 we will also focus on increasing communication and engagement with our current members, and we will aim to achieve and maintain a membership that is truly representative. We will do this by:

- Communication through our website and social media platforms.
- Distributing regular information to members via email.
- Inviting members to attend events, such as Council of Governors meetings and the Annual General Meeting.
- Supporting Governors to communicate with members and the public using regular email updates and the Governor's page on our website.
- Actively publicising governor elections.
- Encouraging members to communicate with Governors.

Members can communicate with Governors as follows:

By email: bwc.foundationtrustoffice@nhs.net

By post:

Birmingham Women's and Children's NHS Foundation Trust
Foundation Trust Office
Birmingham Children's Hospital
Steelhouse Lane
Birmingham
B4 6NH

Details of all material interests held by Governors are contained in a Register of Interests which is open to the public and may be obtained via the Publication Scheme on the Trust's website.

NHS Improvement's Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

Use of Resources Ratings 2017/18

Area	Metric	Q1 2017/18 Score	Q2 2017/18 Score	Q3 2017/18 Score	Q4 2017/18 Score
Financial sustainability	Capital service capacity	1	1	1	1
	Liquidity	1	1	1	1
Financial efficiency	I&E margin	3	2	1	1
Financial controls	Distance from financial plan	1	2	2	1
	Agency plan	1	1	1	1
Overall scoring		1	1	1	1

The score of '3' for financial efficiency in quarter one was the result of cost pressures linked to Forward Thinking Birmingham and the timing of the delivery of the Cost Improvement Programme.

This segmentation information is the Trust's position as at 31 March 2018. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Sustainability Report

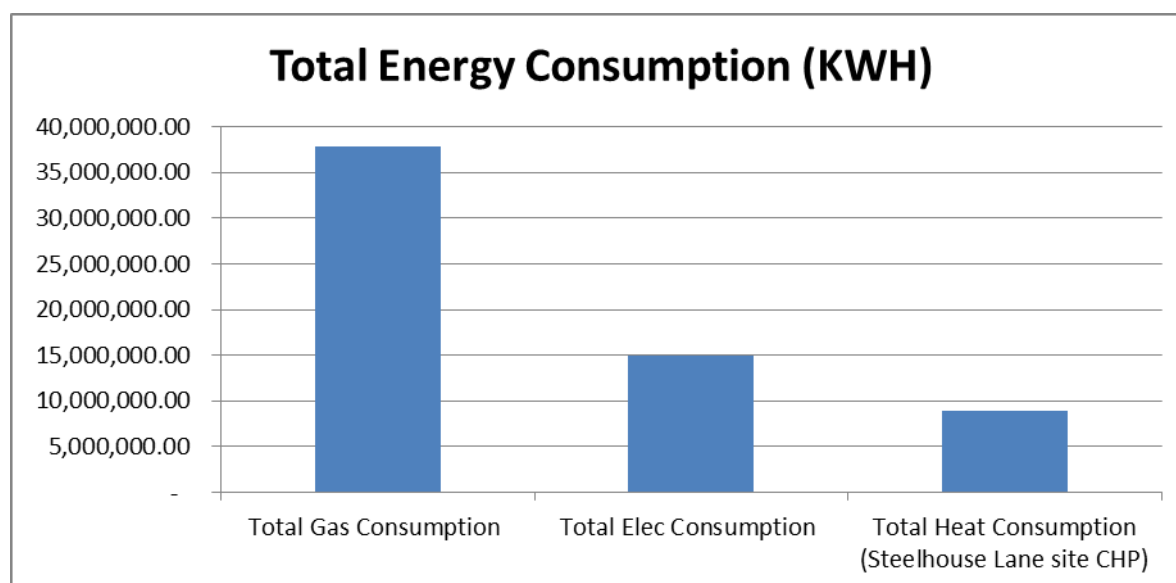
Environmental sustainability is making sure that we meet the needs of today, without compromising the ability of future generations to meet needs of their own.

As a major consumer of resources, Birmingham Women's and Children's NHS Foundation Trust is committed to environmental and social sustainability and has been working over the last few years to improve our performance. We recognise the importance of embedding sustainability into the heart of the organisation and that using resources, for example energy and water, efficiently will reduce wastage and deliver cost savings.

Energy and water use in our buildings

We remain committed to working to become more energy and water efficient. The total energy consumption for the Trust across all sites for 2017-18 is 61,711,464 KWH. At the Steelhouse Lane and Birmingham Women's Hospital sites, Combined Heat and Power (CHP) units are in place to reduce our impact on the environment and energy costs.

Figure 1: Total energy consumption for 2017-18 across all Trust sites



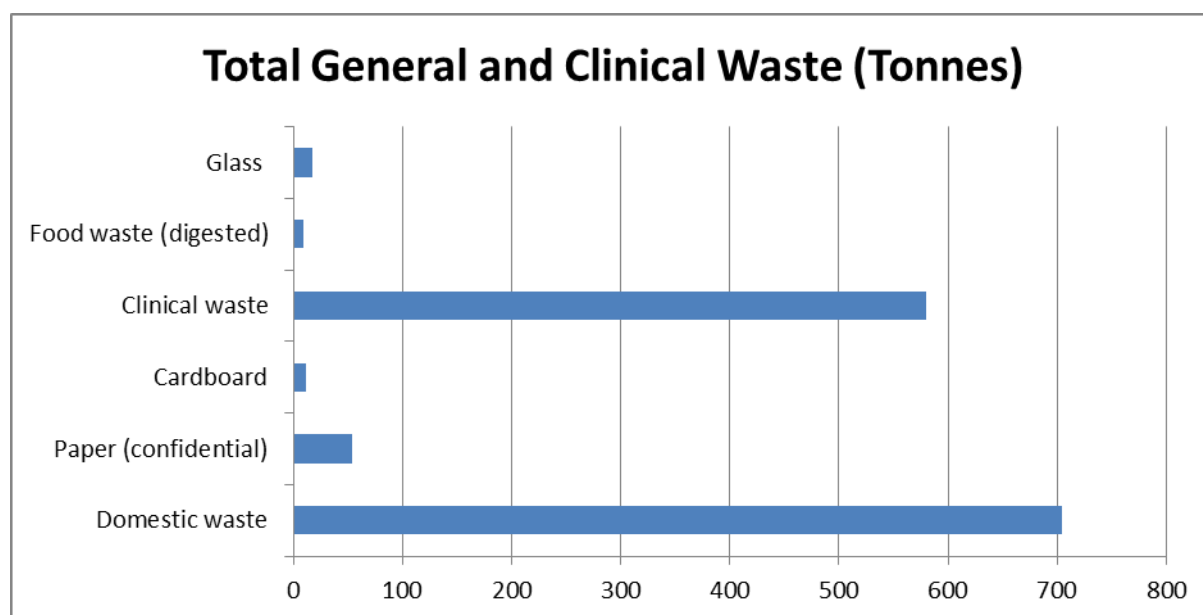
Water is essential in maintaining high levels of hygiene. Water consumption across all sites for 2017-18 is 131,473 m3. As the Trust takes on more services and increases in activity, further water is required. Water systems throughout the Trust are flushed regularly in order to maintain a safe water supply, increasing consumption. Through constant monitoring, leak detection and repair, the Trust endeavours to keep water wastage to a minimum.

Waste

The Trust is working to reduce the amount of unnecessary waste we produce and seeking the most sustainable methods for disposing of the waste we generate.

Since the end of 2013, the Trust has been diverting a majority of its general (domestic) waste from landfill. This waste is instead incinerated (burnt at very high temperatures) with energy recovery. Energy recovery is an excellent method of avoiding landfill and allows us to capture the energy from the incineration process. Electricity generated during this process supplies around 30,000 homes and many businesses in and around Birmingham. Confidential paper waste is destroyed and then recycled and clinical waste is incinerated with energy recovery.

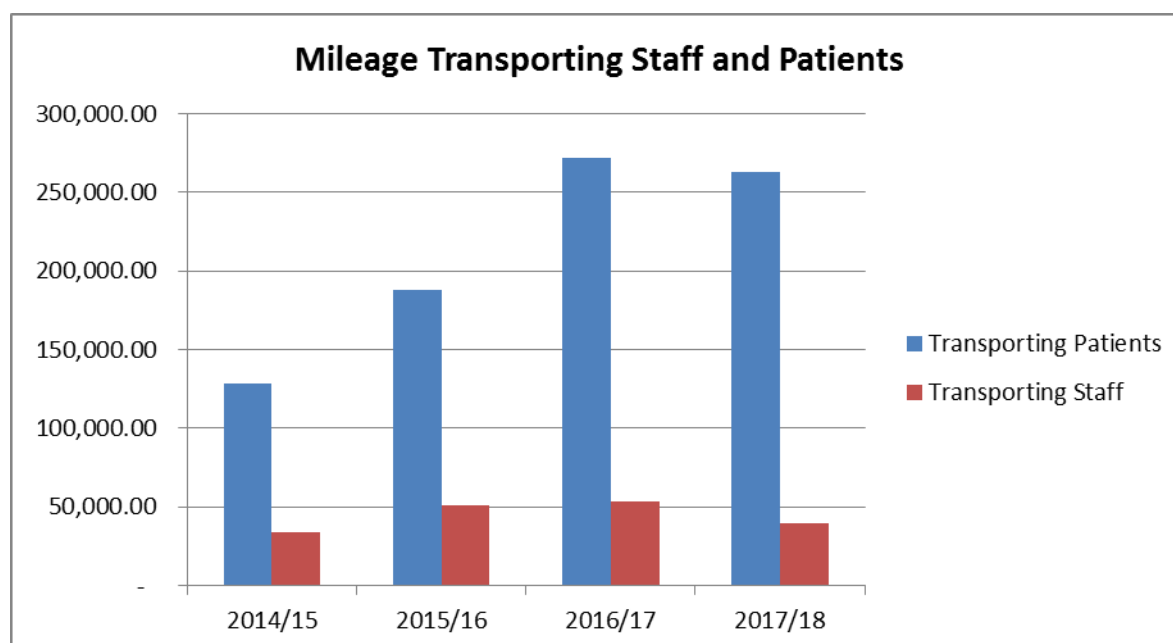
Figure 3: General and clinical waste tonnage for 2017/18



Transport and Travel

In 2017-18, the Trust travelled 302,322 miles transporting patients and staff. The Trust is working to improve the efficiency of our transportation services to reduce costs and associated environmental impacts, e.g. careful and combined journey planning, use of teleconferencing.

Figure 4: Trust transport mileage transporting staff and patients from 2014-15 to 2017-18



We are also working to promote sustainable and active travel to encourage our staff and patients to travel to hospital via public transport, by walking or cycling where possible. We have a cycle to work scheme for staff, cycle parking facilities, promote car sharing, and work with external transport agencies.

Sustainability and future plans

The Trust is working to operate in a resource efficient way to reduce carbon emissions and costs. We have developed a 'Sustainability and Environment Policy' and an 'Energy Management Policy' to embed Sustainability across the Trust and provide guidance. Our plans include:

- Maintaining PC shutdown software to power down computers when not in use;
- Sustainability Working Group;
- Building a staff-based 'Green Team' to drive Sustainability into all departments;
- Wider staff and patient engagement and support on Sustainability initiatives
- Energy efficient lighting roll-out;
- Efficiency controls on essential air conditioning units;
- Improved heating and ventilation controls;
- Ensuring that future buildings are as energy efficient as possible;

Please note that some of the data has been estimated as at the time of compiling this report the data is not yet available from suppliers.

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF BIRMINGHAM WOMEN'S AND CHILDREN'S NHS FOUNDATION TRUST

The NHS Act 2006 states that the Chief Executive is the accounting officer of the NHS Foundation Trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

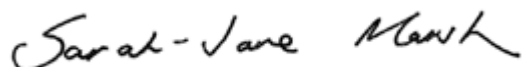
NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Birmingham Women's and Children's NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Birmingham Women's and Children's NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- prepare the financial statements on a going concern basis.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.



.....
Sarah-Jane Marsh
Chief Executive
24 May 2018

Annual Governance Statement 2017/18

1. Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Birmingham Women's and Children's NHS Foundation 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 Foundation 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 Foundation Trust Accounting Officer Memorandum.

2. 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 Birmingham Women's and Children's NHS Foundation 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 Birmingham Women's and Children's NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

3.1 Leadership

The Board of Directors has ultimate responsibility for risk management and internal control. This is managed through the Board's corporate governance arrangements, including layers of risk reporting through the Board's committee structure which ensures a link between risk management at Board and at local department level.

3.2 Risk Management Training

Staff are trained and equipped to manage risk in the following ways:

- Mandatory risk training for new staff on induction, including Duty of Candour and the importance of incident feedback to staff.
- Refresher risk training every three years for all staff.
- Higher level risk training available to all managers.
- Training implications are considered as part of all Root Cause Analysis investigations into serious incidents.

3.3 Learning from Good Practice

Learning from good practice is as important as learning from when things go wrong. This is achieved at the Trust in a number of ways, including:

- Learning from Excellence Reporting: episodes of excellent practice are identified and reported by staff members and learning is shared.
- The staff intranet is used to share learning about safety, including good practice, such as 'Reverse SIRC' case summaries, which explore episodes of excellent care through a root cause analysis approach.

- An annual medicines safety month is used to raise awareness around medicine safety and to share good practice and innovations.
- Staff at each hospital site are awarded 'Star Awards' each month; the actions that led to their nominations by staff and families are shared across the Trust, including the Board of Directors meetings.

4. The Risk and control framework

4.1 Key Elements of the Risk Management Strategy

The aim of the Trust's risk management framework is to help the organisation understand the risks it faces and to make informed decisions about the extent to which risk can be tolerated and controlled. This is achieved by supporting staff at all levels with risk management tools and training and by maintaining governance systems and frameworks.

The Board, through engagement with staff, sets and regularly reviews its strategic objectives. The most significant risks to achievement of those objectives are set out in the Board Assurance Framework (BAF). The BAF describes the ways in which each risk is controlled, the actions required to further control and manage each risk and the assurances as to the effectiveness of those controls.

The Board agrees its appetite or tolerance for each individual risk by setting the target risk score, which is regularly reviewed and updated.

The BAF is a live document, informed by the work of the Board and its committees through Key Issues and Assurance Reports, which assign an assurance rating to each issue considered. In turn the agendas of the committees are informed by the need for assurance or oversight of action implementation highlighted by the BAF.

The sub-committee review of risk is informed through regular reports from the Trust's clinical and corporate departments and through oversight and analysis of the Trust's Risk Register. The sub-committees and other executive committees also report to the Board's committees through Key Issues and Assurance Reports, which enables the Board and its committees to focus its attention on areas with lower levels of assurance.

The Risk Assessment Policy sets out the responsibilities and accountability for the assessment of risk and provides guidance on day to day risk management.

The Clinical Safety and Quality Assurance Committee and the Non-Clinical Risk Coordinating Committee are responsible for reviewing information about risks escalated by the Clinical Groups and corporate departments, and for ensuring appropriate controls and mitigations are in place. The Information Governance Committee monitors risks regarding the way in which the Trust handles its information. These Committees report to the Board via the Quality Committee.

The Finance and Resources Committee monitors financial and performance risks, receiving reports from sub-committees and groups including the Investment Committee, the Financial Sustainability Group and the Performance Board. During the year the Finance and Resources Committee also maintained close oversight of the progress of the Waterfall House building project through reports from the project board. This new healthcare facility will house a range of clinical services and, once opened, will have a major impact on the Trust's clinical operations and achievement of its strategic objectives. The Committee played a key role in overseeing management of the operational and financial risks associated with implementation of the project, which is reflected in the Board Assurance Framework.

The Trust is subject to a range of reviews by external bodies, including regulators and peer reviewers. Processes are in place to identify and monitor the risks to compliance with the standards assessed by these external bodies, and the implementation of actions to address these risks and any concerns identified by the external reviews. During 2017/18 the Regulatory Compliance Committee

regularly reviewed this information and reported its level of assurance to the Quality Committee. During 2017/18, following a review, the Regulatory Compliance Committee was disestablished, with monitoring of external reviews now undertaken by the sub-committees and directly by the Quality Committee.

The Trust's risk management processes are used to identify any potential risks to compliance with Care Quality Commission (CQC) registration requirements. Any areas of concern are reviewed in depth to identify actions for any improvement required.

4.2 Data Security

The Internal Auditor undertakes an annual review of IT controls, including data security, to help the Trust identify risks and areas where improvements are required. In the reporting period the Internal Auditor also reviewed data quality governance arrangements. The findings are summarised below at paragraph 8.5.

During the reporting period the Trust also took part in an independent Cyber Essential Plus assessment of its internal and external systems. This identified a range of areas where improvements were required to address vulnerabilities and to meet best practice requirements. The Internal Auditor and Local Counter Fraud Specialist will complete a joint Cyber Security review in the next reporting period which will include an assessment of progress in these areas.

In 2018/19 the Trust is undertaking a self-assessment against NHS England data security standards and is developing plans to address the recommendations of the Internal Auditor following a Cyber Maturity Assessment.

The Board recognises the significance of the Trust's cyber security risks and this will be an area of priority focus in 2018/19.

4.3 Well-Led Framework Assessment

New guidance was published by CQC and NHS Improvement (NHSI) in 2017/18 on developmental reviews of leadership and governance using the well-led framework. During the year the Board undertook a process of internal assessment against the new guidance to identify areas of leadership and governance that would benefit from further targeted development work. The Board intends to undertake an externally facilitated developmental review using the well-led framework in 2018/19 to ensure an independent perspective.

In addition, the Audit Committee received two reviews of the Board's oversight of key quality issues based on the well-led framework:

(a) Never Events

In 2015/16 a high incidence of never events was reported at Birmingham Children's Hospital (BCH). The Board commissioned an independent review to aid an understanding of any causal factors not already identified by the analysis of each individual event. The Board delegated to the Quality Committee the task of monitoring implementation of the independent recommendations. In 2016/17 and in the first half of 2017/18 further never events were reported at BCH.

A review was undertaken on behalf of the Audit Committee to provide assurance regarding the Board's oversight of these never events and the actions taken by the Board to manage any relevant internal controls.

The review concluded that the Board met the standards of the well-led framework but there were a range of recommendations regarding information quality and flow.

(b) Forward Thinking Birmingham

Forward Thinking Birmingham (FTB) is a partnership of organisations that provides mental health services for young people aged up to 25. The Trust is the lead partner and is responsible for delivery of community mental health services for 0-18 year olds. Although the service only commenced in April 2016 the CQC inspected the 0-18 service in May 2016 and gave an overall rating of Requires Improvement. The report was published in February 2017 with seven Requirement Notices.

In May 2017 FTB was rated at the lowest level on the Trust's internal performance framework and special measures were taken including the instigation of an intervention plan, additional senior support and an independent review of the clinical model.

In July 2017 the CQC undertook an unannounced re-inspection of the 0-18 service and followed this in September 2017 with an inspection focused on medicines management. Early feedback indicated that while there were issues, there were no immediate significant safety concerns. However, the final report (published in February 2018) rated the overall service as Inadequate and highlighted a range of basic safety and care issues and a failure to fully address the Requirement Notices.

The Trust received a first draft of this report in October 2017 and in response the intervention plan and senior support were significantly enhanced with the short-term aim of the rapid improvement of immediate care and safety concerns and the delivery of a sustainable solution for the longer term. Detailed reports summarising progress against this plan were submitted each month to the Board's Committees which reported the level of assurance received to the Board.

The intervention plan included the appointment of a Mental Health Improvement Director who implemented a process of self-assessment in FTB based on the CQC methodology. By the end of March 2018 the self-assessment demonstrated that overall the service had improved from Inadequate to Requires Improvement.

In January 2018 the Audit Committee considered a detailed report that reviewed the Board's oversight of FTB from the date of its launch in April 2016 against key elements of the well-led framework. Similarly to the Never Events review, the FTB review concluded that the Board met the standards of the well-led framework but there were a range of recommendations regarding information quality and flow and the relationship between the Quality Committee and its sub-committees.

In 2018/19 the Board will receive further assurance regarding FTB from the Internal Auditor. In the meantime, while major concerns remain regarding the FTB service this remains a high-rated strategic risk on the Board Assurance Framework (see below).

The Quality Committee has approved an action plan for a range of improvements as per the recommendations of the two reviews to ensure clearer, more consistent reporting and closer links between the Quality Committee and its subcommittees.

4.4 Major Risks

The major risks faced by the organisation at the end of 2017/18 are detailed below. They are regularly reviewed as part of the Board Assurance Framework by the Board and its Committees.

RISK	IN YEAR OR FUTURE	MANAGEMENT AND MITIGATION	ASSESSMENT OF OUTCOMES
Inability to recruit and retain the right staff with the right skills.	In year and future	<ul style="list-style-type: none">• Career pathways and development opportunities• Skill-mix reviews and introduction of new roles• Recruitment and retention premiums for	Vacancies in key positions. Numbers of applicants. Number of

		key roles <ul style="list-style-type: none"> • Staff well-being and resilience support schemes • Flexibility – working hours, retirement options • Partnership working with education providers • Subsidiary model flexibilities • Partnership working across STP 	vacancies unfilled after interview.
Failure to deliver financial and performance efficiency targets.	In year and future	<ul style="list-style-type: none"> • Capacity Transformation Programme • Paybill efficiency strategy • Non-pay efficiency strategy • Subsidiary model flexibilities 	Achievement of financial targets.
Failure to manage capacity and flow through our services.	In year and future	<ul style="list-style-type: none"> • Opening new facility in 2018/19 • Utilisation of vacated space on existing site • Capacity Transformation Programme supported by new Operating Principles 	Achievement of operational performance targets.
Failure to successfully deliver the Forward Thinking Birmingham model and planned benefits.	In year and future	<ul style="list-style-type: none"> • Intervention Plan to address immediate quality issues. • Adoption of 18-25 element of service. • Review of clinical and workforce models. 	Improved CQC assessment. Improved internal performance assessment.
Failure to detect and contain risks to cyber security and protect the Trust's critical data sets.	In year and future	<ul style="list-style-type: none"> • Implementation of recommendations of independent assessment. • Implementation of NHS England standards 	Improved assessment of good practice compliance.

4.5 Corporate Governance Statement

The Board is assured that the Trust is fully compliant with NHS Foundation Trust Licence Condition 4 (foundation trust governance).

The Board receives independent assurance on an annual basis from the External and Internal Auditors that its corporate governance systems are appropriate, which provides validity to this statement.

The principal risks to compliance with Condition 4 are:

- The ability to recruit and retain the right staff with the right skills.
- Failure to detect and contain risks to cyber security.
- Failure to successfully deliver the Forward Thinking Birmingham model.

These risks are described in the Board Assurance Framework as above.

4.6 Embedded Risk Management

The Trust's Risk Management policies clearly set out responsibilities for risk management within the organisation. As Chief Executive Officer I have overall responsibility and accountability for risk management. This is shared with the Executive Directors who are responsible for ensuring that the risk management framework is systematically implemented and developed across the organisation.

In addition they, through the Board of Directors' Committee structure, are responsible for providing assurance to the Board that risk management continues to be an essential element of all management systems and corporate planning, as well as the setting of strategy and objectives.

Incident reporting is openly encouraged through risk management training of all staff and through communications such as staff publications, with a particular focus on demonstrable change as a result of incident investigation.

Non-executive members of the Board are involved in the majority of Root Cause Analyses of Serious Incidents Requiring Investigation, which provides Board-level oversight to the process and increases the level of understanding at the Board of the key operational risks faced by the organisation.

In order to assess risks to compliance with the Trust's obligations on equality and diversity the Trust requires every formal policy to include an equality impact assessment. On an annual basis the Trust publishes a report describing compliance with national, regional and local standards including the Workforce Race Equality Standard and the Equality Delivery System for the NHS.

4.7 Public Stakeholders

The Trust provides information and assurance on risk management to the public through the Council of Governors, which includes Governors elected by the public, patients, carers and staff, and Governors appointed to represent our key partners.

This information and assurance is provided in a range of ways, including:

- Provision of all papers of the public meetings of the Board of Directors and an opportunity to discuss the contents of these papers at each meeting of the Council of Governors.
- Reports on the work of the Board and its committees and the key issues they consider.
- Reporting led by the non-executive members of the Board to provide assurance on how the Board is controlling risk.
- Joint workshops with the Board.
- Engagement in the development of the Trust's strategic priorities, vision and values.

The Governors' Scrutiny Committee, a committee of the Council of Governors, meets on a quarterly basis to undertake detailed scrutiny of matters pertaining to quality, finance and governance. Assurance in these areas is provided to the Committee by members of the Board (particularly the non-executive chairs of the Board committees) to support the Council of Governors to effectively perform its duty to hold the non-executive directors to account for the performance of the Board. During 2017/18 the Committee scrutinised and provided supportive challenge regarding some of the Trust's most significant issues, in particular the cluster of never events and the quality issues identified in FTB (see paragraph 4.3) and is a important component of the Board's assurance framework.

4.8 Board Statements

- The Trust is not fully compliant with the registration requirements of the Care Quality Commission (CQC). In February 2018 the Trust's community Child and Adolescent Mental Health service was rated Inadequate. The Trust's internal assessment demonstrates that the service has improved in each of the CQC quality domains, however, the CQC has yet to re-inspect the service.
- 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 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 all the organisation's obligations under equality, diversity and human rights legislation are complied with.
- 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.

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

The Trust has a range of processes embedded throughout the organisation to monitor the economic, efficient and effective use of resources and these are reported each month to the Board through a detailed Resources Report and an Integrated Performance Report. The latter provides a summary of performance against key indicators relating to operations, finance, workforce and quality. This includes efficiency and productivity measures.

The Finance and Resources Committee undertakes on behalf of the Board regular in-depth reviews of the Trust's financial position, business cases for significant revenue and capital investments, and the investment of cash balances.

The Audit Committee supports the delivery of effective, efficient and economic services through detailed review of the internal controls in areas such as procurement, reference costs, accounting policies and practices, financial reporting and fraud.

The Audit Committee is supported by the work of the Internal Auditor, which undertakes reviews of core risk areas such as financial controls, payroll, data quality and risk management.

A range of processes are embedded within the operational management of the organisation which provide a framework for ensuring that value for money is secured from the resources available. These include:

- Local budget management arrangements.
- Regular performance review at Clinical Group level to assess progress against financial and operational plans and objectives.
- The use of a patient level costing system that identifies the resources used in the provision of care at a patient, specialty and directorate level.
- The use of a programme management approach to the delivery of efficiency saving targets.
- The use of benchmark information to assess the economy and efficiency of services.

In 2018/19 the Trust, alongside the wider NHS, expects to find it increasingly challenging to attain a balance between the delivery of high quality services and the achievement of financial efficiency. The Audit Committee plans to support this challenge by establishing a Value Scrutiny Panel as part of the Committee, which will regularly review the core systems, processes and controls related to the delivery of effectiveness, efficiency and economy. The Panel will seek support where required from other Board members and senior managers, as well as the external and internal auditors. Through this work the Committee will make recommendations for improvement where necessary and a summary of the work will be reported to the Board.

6 Information Governance

Risks to information are managed through the use of the NHS Information Governance Toolkit (IGT). The Trust's Information Governance Policy and the Incident Reporting Policy provide documented mechanisms for the reporting and investigation of actual or suspected information security breaches

and potential vulnerabilities. The IGT submissions and the annual plan to improve compliance with the relevant standards are approved and regularly reviewed by the Information Governance Committee, which reports to the Board via the Quality Committee.

The IGT score for 2017/18 was 68% assessed as *Satisfactory with Improvement Plan* (Green). The improvement plan relates to our performance with annual mandatory information governance training for all staff which fell below the target of 95%.

Three information governance incidents classed as level two in the Information Governance Reporting Tool were reported in 2017/18. Two incidents involved the theft of hardware, and one incident involved the theft of patient information. In response to the incidents measures have been put in place to further secure hardware, and portable devices have been issued to enable secure electronic access to patient information whilst off site. All three incidents were reported to the Information Commissioner.

7 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. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

7.1 Assurance to the Board

The steps taken to ensure that the Quality Report presents a balanced view based on accurate data include:

- Production of the report led and overseen by the Chief Medical Officer and the Deputy Chief Nurse.
- Priorities reported are linked to the Trust's Quality Strategies which reflect analysis of data from clinical safety incidents and feedback from staff and patients.
- The report includes statements from key stakeholders, including the Council of Governors, Commissioners and Healthwatch, which help ensure the Quality Report presents a balanced view. The Council of Governors in particular focuses on whether the Quality Report is reflective of the information presented by the Board throughout the year and of its own observations of our services.
- The quality of the Trust's operational performance data is monitored by a Data Quality Group which reports to the Information Governance Committee. The Trust has developed a Data Quality Assurance Framework to ensure the performance data reported is of the highest quality.
- A selection of the Trust's priority quality indicators are reviewed by the Trust's External Auditor each year to provide assurance on the annual Quality Report. Many of the indicators are included in the report each year and the majority of the indicators have now been subject to this independent review (see paragraph 7.2).
- The External Auditor also assesses whether the Quality Report is consistent with the information reviewed by the Board and its Committees during the year.
- The Quality Committee reviews the report before publication.

7.2 Quality and accuracy of waiting list data

During 2017/18 further development work has been undertaken to continue to improve processes to assure the quality and accuracy of elective waiting time data and the risks to the quality and accuracy of this data. This has been supported by validation undertaken by the External Auditor and implementation of their recommendations. In particular:

- A new Gynaecology patient treatment list (PTL) has been introduced at the Women's Hospital site, replacing the previous PTL. This PTL now includes every open clock on the Patient Administration System. Introducing this has involved the validation of all open Referral To Treatment (RTT) clocks in this specialty. This on-going process ensures we are counting every patient waiting and will produce a far more accurate calculation of the incomplete 18 weeks RTT position than was previously available.
- Role-specific mandatory training has been introduced to improve the understanding and application of the rules. The training includes an assessment which each relevant staff member is required to pass.
- A new electronic system called OPTIMS has been installed which enables the clinician to record the outcome of a clinical appointment in real-time, which links immediately with the Patient Administration System.

The External Auditor tested the RTT data as part of their annual external assurance of the Quality Account. The findings resulted in a 'modified opinion' as testing indicated a number of issues in capturing data required in line with the six dimensions of data quality as set out in the Detailed Guidance for External Assurance on Quality Reports 2017/18. In response to the Auditor's recommendations, the Trust will be implementing a number of additional actions to ensure improvement.

8 Review of Effectiveness

As Accounting 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 NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Report attached to 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 Board, the Audit Committee, Finance and Resources Committee and Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

8.1 Role of the Board

The Board maintains oversight of the system of internal control through a framework of governance and assurance. The Board delegates assurance functions in relation to quality, workforce, finance and operational performance to its Committees, enabling the Board to focus on the most significant risks and issues and to set a strategic direction which is based on clarity around the quality of the Trust's services and the strength of its internal controls.

Key elements of the governance and assurance framework are:

- The Finance and Resources Committee, which provides assurance to the Board as to the effective management and utilisation of the Trust's resources and maintains oversight of financial control and management arrangements. This includes:
 - Approving strategies and monitoring their implementation.

- Receiving regular reports from sub-committees and groups that are responsible for managing matters such as workforce, operational performance, financial sustainability and capital project implementation.
 - Approval of business cases for investment and review of the achievement of business case benefits post-investment.
- The Quality Committee, which provides assurance to the Board that there are adequate controls in place to ensure the provision of high quality and safe care. This includes:
 - Receiving regular reports from sub-committees and groups focused on the core elements of quality – safety, effectiveness and patient experience, plus key areas of regulatory control, such as information governance and the Mental Health Act.
 - Monitoring compliance in areas such as safeguarding, infection control and safe working.
 - Reviewing independent assurance on quality from the internal auditor and regulatory and other review bodies.
 - Monitoring key quality metrics through regular reports on quality, workforce and non-clinical safety.
 - Reviewing the effectiveness of governance and assurance processes such as mortality review.
 - Overseeing the implementation of significant quality improvement schemes.
- The Audit Committee, which is responsible for providing assurance to the Board on the Trust's financial and internal controls and risk management systems, the integrity of the financial statements and the effectiveness of the internal audit function. The Audit Committee plays an important role in reviewing the effectiveness of the Quality Committee and the Finance and Resources Committee by receiving an annual report from each Committee.
- An annual report from the Audit Committee reviewing its own effectiveness in fulfilling its terms of reference.
- The Research and Service Innovation Committee which supports and oversees the development and implementation of the Research and Development Strategy and associated strategies and improvement programmes.
- Key Issues and Assurance Reports from each meeting of each Board Committee, which draw the Board's attention to areas where the Committees have rated assurance as low.
- The Integrated Performance Report which provides the Board with an integrated summary of key metrics within four quadrants of performance: quality, workforce, operations and finance.
- Regular review of the Board Assurance Framework, including recommendations from the Board Committees, which monitor the risks relevant to their respective terms of reference.
- Regular refresh of the Board Assurance Framework to ensure it reflects the changing internal and external environment and the Trust's shifting priorities and objectives.

The Board's assurance role is supported and overseen by the Council of Governors, which seeks assurance regarding the performance of the Board from the non-executive directors (see paragraph 4.7).

8.2 Quality Committee

Key areas of focus for the Quality Committee in 2017/18 were the clinical services rated Requires Improvement by the CQC in 2016/17. The most recent assurance ratings applied in each case during the reporting period were as follows:

- Neonatal services (BCH): Amber rating – the Committee was assured that the relevant Requirement Notices were addressed and that improvement plans were resulting in positive change.
- Maternity Outpatients: Amber rating – the Committee was assured that significant progress had been made in radiology with a positive impact on patient experience, and was assured by the plans to affect improvements in the antenatal pathway.
- Abortion Care: Green rating – the Committee was assured by the improvements made and the positive changes demonstrated in the service.
- Community CAMHS (FTB): Red rating – the Committee had major concerns regarding FTB during the year (see paragraph 4.5) and received a detailed monthly report on progress of the Intervention Plan from July 2017. By March 2018 the Committee had an increased degree of assurance that care standards had improved but remained not assured that the risks relating to capacity and workforce could be adequately managed and controlled, due in part to external factors.

Throughout the year the Trust's commissioners also maintained close scrutiny of the FTB improvement plans, providing further validity to the Quality Committee's assurance findings. Additionally, in April 2018 the Trust's FTB intervention plans and progress to date were presented to a Quality Summit where the Trust's regulators (NHS Improvement and CQC), commissioners and other stakeholder bodies were represented. The Quality Summit was satisfied with the controls the Trust had put in place.

The Quality Committee also reviewed its own effectiveness during the year in response to the reviews of FTB and never events (paragraph 4.3), introducing new reports and governance processes to ensure improved flow and quality of information.

8.3 Finance and Resources Committee

Key areas of focus for the Committee during the year included:

- Approval of operational and financial plans and business cases for major investments.
- The finance and workforce risks and controls within FTB.
- Implementation of key workstreams in the delivery of the efficiency target.
- Strengthening financial controls to support achievement of the financial target.
- Areas of operational under-performance.
- Implementation of a major capital project – Waterfall House.
- Recruitment and retention risks and controls.

8.4 Audit Committee

During the year the following were key areas of focus for the Audit Committee in providing assurance to the Board as to the effectiveness of internal controls:

- Two reports providing assurance regarding the governance framework (see paragraph 4.3).
- The reviews undertaken during the year by the Internal Auditor.
- The work of the Local Counter Fraud Specialist.
- Internal procurement controls.
- Processes and controls to manage conflicts of interest.

- Processes to ensure compliance with off-payroll legislation changes.
- Reference costs processes.
- Cyber security.

8.5 Role of Internal Audit

The Trust uses a comprehensive Internal Audit service as part of its assurance process around internal controls. An annual risk-based internal audit work programme is approved by the Audit Committee and progress is reported at each meeting. The work programme may be amended during the year to respond to changing needs of the Trust or emerging risks.

Reports of each review within the work programme include an assurance rating; either:

- Significant Assurance
- Significant Assurance with minor improvement opportunities
- Partial Assurance with improvements required
- No assurance

Each review also includes a management response which describes the actions the Trust will take to address the recommendations for improvement. The Audit Committee receives regular reports on progress to implement these actions.

The following areas were reviewed by the Internal Auditor in 2017/18 with a rating of Significant Assurance with minor improvement opportunities:

- Key Financial Controls
- Payroll
- Board Assurance Framework
- Human Tissue Act
- Information Governance Toolkit
- CQC Compliance – Abortion Care

The Internal Auditor gave a rating of Partial Assurance with improvement required to the following reviews:

- Risk Management

Key issues related to the need for a single governance model across both hospital sites to ensure consistent treatment across the Trust, and for robust action planning to address issues identified by internal reviews.

- IT General Controls – Genetics

High priority areas for improvement included the need to update the IT Strategy and introduce strengthened reporting and monitoring, and to improve data protection prior to the implementation of the General Data Protection Regulations.

- Data Quality Governance

The high priority recommendation related to the need to update the Data Quality Policy and Strategy and improve monitoring of implementation.

- E-Rostering (BWH)
- Data Quality - Nurse Staffing (BWH)

The two linked reports highlighted system design issues resulting in ineffective e-roster utilisation and a lack of assurance around data quality. The Audit Committee was assured by plans to deliver improvements based on established practice at BCH

- CQC Compliance – Neonatal Surgical Ward (BCH)

The review followed up on the findings of the CQC following their inspection in May 2016 resulting in a rating of Requires Improvement. Key recommendations related to compliance with hand hygiene standards, multi-disciplinary communication and consistent care documentation. As above, the Quality Committee subsequently reviewed progress in this area and had an improved degree of assurance.

- Controlled Drugs

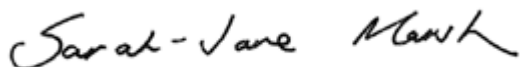
This follow up review identified key issues relating to record keeping and audit, as well as the monitoring of action plans to address earlier recommendations.

The Audit Committee was assured by the plans to address the issues identified by these reviews.

The Head of Internal Audit and the Audit Committee have advised me that 'significant with minor improvements assurance can be given on the overall adequacy and effectiveness of the Trust's framework of governance, risk management and control'.

9 Conclusion

There are no significant internal control issues that I wish to report. I am satisfied that all internal control issues raised have been, or are being, addressed by the Trust through appropriate action plans and that the implementation of these action plans is monitored.



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Sarah-Jane Marsh
Chief Executive Officer
24 May 2018

Quality Report

Quality Report 2017/18

1. Statement from CEO

Birmingham Women's and Children's NHS Foundation Trust (BWC) officially launched on 1 February 2017, bringing together Birmingham Children's Hospital and Birmingham Women's, to create the first NHS foundation trust of its type in the UK. The integration of the two organisations followed years of close working to develop a shared vision of women's and children's healthcare, built around the family - and to finally achieve our goal was simply fantastic.

Whilst our ambition for a brand new state of the art hospital has remained a key principle throughout, the individual hospital names and locations have stayed the same for now, as have our incredible teams, with over 6,000 staff working together to provide amazing care to thousands of patients and families each year.

Our year 2017/18

2017/18 might have been a year of change and new beginnings, but it has also been one of consistent high quality care, and despite increased demand and financial pressures across many of our services, we have delivered on all of the key quality indicators including the Emergency Department, 18-Week, Cancer and Diagnostic Standards.

However, everyone at BWC is constantly striving to do better, and to always be at the forefront of what is possible, and we have been working tirelessly to improve a number of important areas.

Raising the bar with neonates and abortion care

Our neonatal care has come a long way since the 2016 Care Quality Commission (CQC) visits, and the strong working relationship that has been formed across our hospitals has proved invaluable in terms of sharing expertise and impacting positively on the babies and families we look after. Weekly visits by a group of physiotherapists, dieticians, speech and language and occupational therapists giving advice to parents and staff at the Children's Hospital, are now in full flow. This includes feeding, positioning of babies and general support on how best to support their development. We know we still need to look at reducing the number of non-elective neonatal readmissions though, as the rates have stayed very similar to last year. This will include focusing on specific areas such as how we treat babies with jaundice.

There have been marked improvements within our abortion care service too. Staff have really grown in confidence, and now realise their full potential when caring for the women who access our service. We have also changed the way we prescribe medication for women awaiting surgery, to reduce unnecessary upset for them and their partners.

Forward Thinking Birmingham reflections

The quality issues in our Forward Thinking Birmingham (FTB) service have been the dark spot of our year, and these were brought into stark relief when the CQC published its report following an inspection of our community mental health services last summer, and concluded the service we were providing was 'inadequate'. We already knew that our standards of care were not what our young people and families rightly expect from us, and their feedback, plus the details from the report, really helped to focus our minds.

The basic standards are now firmly in place, and many more young people have a personalised, responsive care plan to ensure the care they receive is tailored to their individual needs. We have also listened to our staff's suggestions to improve the working and treatment environments - and following a series of changes our vacancy rates are at their lowest levels since we first launched the service.

Never events and cancelled operations

Following a difficult 2016/17, we are very pleased to have had no Never Events in theatres this year. This is testament to the enormous amount of work our teams have done to reaffirm the importance of the World Health Organization (WHO) Surgical Safety Checklist. We are also confident that staff feel more empowered to support and challenge each other, to ensure operations and other surgical procedures are carried out safely.

There were, however, two Never Events reported outside the theatre environment, both of which thankfully caused no harm to the patients involved. But as with all Never Events, we have used these incidents as an opportunity to take stock of what we do and make the necessary changes to ensure safe care.

Cancelled operations also remain a focus, and while we have seen a reduction compared to last year, 415 patients cancelled on the day of their surgery is still way too high. Although all but four of these operations were rescheduled and carried out within 28 days, we know that having your long awaited surgery cancelled is exceptionally stressful. This is most often due to emergency demand and capacity issues - particularly during winter months - and we are planning to see a further decrease in numbers next year with the opening of our fantastic new Waterfall House facility.

Effectively engaging and communicating

Engaging and communicating with our women, children and families has continued to be at the heart of our organisation. At the Children's Hospital we are very aware that while we are the medical experts, parents know their children better than we ever could that is why we have re-launched our 'Listening To You' initiative, meaning that in situations where parents continue to feel concerned about their child, they can now speak directly to experts in critical care without needing a referral from the ward team.

With 250 different languages spoken in the West Midlands, and many of our women and families not speaking English as their first language, this can inevitably cause issues with communication and worries around dignity of care. So I am particularly delighted that our Women's Hospital team have been out and about in the community, talking to women and asking them to share their stories and feedback with us. This has proved invaluable in helping us to improve how we communicate with, and listen to, women and families and make them feel more comfortable when they come into hospital.

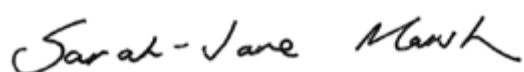
Creating our new Quality Strategy

Looking forward to the year ahead we are in the process of creating a joined up Quality Strategy for the whole organisation, which will pave the way for our quality priorities for the next three years. Linking in with our new Trust Vision and Values, our frontline staff are currently determining what should be included in the strategy to underpin three core areas - clinical effectiveness, safety and patient experience. This new strategy will be launched in the autumn, and will also be put a greater focus on measuring our clinical outcomes to ensure they are either in line with, or exceeding national best practice.

A good year

With our first year as Birmingham Women's and Children's NHS Foundation Trust complete, I could not be more proud of all we have achieved together. We have seen important improvements across many areas, and yet continuously recognise that our work is never done, as we strive to match the quality standards of the leading hospitals of the world. As ever, our staff have remained dedicated and committed throughout and I cannot thank them enough for the ambition, bravery and compassion they display daily.

To the best of my knowledge the information contained in this Quality Account is accurate.



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Sarah-Jane Marsh – Chief Executive

2. Priorities for Improvement and Statements of Assurance from the Board

2.1 Quality Priorities

Mission, vision and values

In February this year we celebrated our first birthday as Birmingham Women's and Children's NHS Foundation Trust. During 2017 we set about planning our key priorities for our future.

Mission
To provide outstanding care and treatment, to share and spread new knowledge and practice, and to always be at the forefront of what is possible.

Our vision
A world-leading team providing world-leading care.

Our goal
The best place to work and be cared for, where research and innovation thrives, creating a global impact.

Our values
Ambitious, Brave and Compassionate.

Enabled by
Sustainable workforce, digital revolution, new buildings and effective use of resources.

NHS
Birmingham Women's and Children's
NHS Foundation Trust

The infographic features an illustration of six diverse healthcare professionals standing on a green field, holding signs that read 'Ambitious', 'Brave', and 'Compassionate'. Behind them are stylized trees in blue, purple, and red. The background is a light blue sky.

We were delighted to welcome approximately 2000 of our staff to our open house events and Chief Officer-led focus groups to share their feelings about our aspirations and goals as we set out on a shared journey to be a leader in the care of women, children and families.

This year has been all about integration, aligning our quality systems, processes and priorities from the best practice that we found within our Women's, Children's and Forward Thinking Birmingham services.

We have been laying the foundations for the development of our first joint Quality Strategy in 2018 with the first few building blocks of:

- New Risk Management Framework
- New Clinical Audit and Effectiveness Framework
- Learning from Deaths process
- New Complaints Management Approach
- Integrated Patient Experience Strategy
- Integrated Quality Governance Committee Reporting Structure

and further ones being worked on for implementation in early 2018 /2019:

- New SRI and Duty of Candour Frameworks
- Integrated risk management information system
- Better organisational sharing of learning from complaints

Our Quality Committee, a Board level Committee, is chaired by a Non-Executive Director and has continued to provide focus and scrutiny on the strategic risks to Quality faced by the organisation. The Committee receives Key Issues and Assurance Reports from Executive led subcommittees and holds them to account for the management of operational risk. This year the Quality Committee has particularly maintained close scrutiny on:

- Sustaining our organisation learning from our Surgical Never Events in 2016 and 2017;
- Responding to the challenges faced by our Forward Thinking Birmingham Partnership, re-iterated in the CQC inspection report which gave the service an overall rating of 'inadequate';
- Implementing sustainable improvements in response to the recommendations from the CQC reviews of both BWC and BCH in 2016/17.

More recently the Committee has reviewed the way that it, supported by its subcommittees works, maintaining a careful balance between strategic oversight and meaningful assurance of quality and safety of our services.

Listening to what our priorities should be

There are many ways we gather information so we can understand where we need to improve to make our quality of care better:

- Listening to the women, children and families that use our services: There are lots of ways they can tell us what they think, and we take account of it all to work out what's most important to them, supported by our Patient Experience Team:

- Feedback cards
 - Patient stories
 - Consultations
 - Social Media
 - Complaints
 - Surveys
 - Expert patient / family groups
 - Websites like NHS Choices and Patient Opinion
 - PALS, comments and concerns
- Listening to our staff: The views of the staff who work in our Trust everyday are vital and we encourage them to tell us what they think through surveys, consultations and 'One Team- In Sync' our annual week of events for staff involvement and feedback. It is also really important that we keep an eye on their wellbeing and make sure they are fully supported so that they are able to deliver the best services they can.
 - Listening to others: The views of groups like the Young Person's Advisory Group (YPAG) at Birmingham Children's Hospital and the Family and Patient Advisory Committee (FPAC) at Birmingham Women's Hospital help us focus on how to make the improvements that are needed. Our Governors, representing the interests of our NHS Foundation Trust Members, and the public in general also provide us with further insight on the quality of our services and the priorities for improvement.
 - Analysing information about the quality of services, such as patient and staff safety incidents, risk registers, as well as internal and external reviews and clinical audits.
 - Listening to our stakeholders, including those who commission and regulate our services, the educational bodies that support our student and trainee staff, royal colleges and other professional bodies.
 - Using best practice examples, national targets and learning from and benchmarking with other organisations.

We strive to take on board feedback and improve services as a result. Three case studies, one from each hospital and one from FTB demonstrate this approach in practice.

Birmingham Children's Hospital Case Study - Feedback in action:

'Listening to You'

Parents know their child better than anyone and we truly value working in partnership with them and the important role that they play in their child's care. Feedback tells us that on the whole we're good at listening to parents but when the communication isn't as effective as it

could be, or breaks down the impact can be enormous – not just in terms of time but the emotional cost to all those involved too.

The 'Listening to You' initiative was revitalised to assure our parents of our commitment to listening to and acting upon their feedback. The initiative sought to provide ways to capture their concerns, clearly explain who is who on their ward and clarify what the escalation process is and how we will respond to them.

After hearing from some of our families that they weren't always feeling listened to, or that their concerns weren't being taken seriously, we undertook a consultation with our children, young people and families and have redesigned and re-launched our Listening to You leaflets and process.

The key change is that parents can now escalate clinical concerns themselves directly to our PACE team (Paediatric Assessment Clinical Intervention & Education) if they don't feel their clinical concerns have been heard and acted upon by other staff. This is an innovative step and provides further parental / carer assurance.

In addition our Intensive Care Unit introduced a pilot study where all parents of children who have been an in-patient in hospital for 10 days are formally invited to meet with a senior sister and talk through any concerns or worries they may have. The aims of the appointment are to improve communication, identify and address any issues, concerns or worries early. It is also an opportunity for the parents to share where care has been exemplary too – to ensure learning is gained from all feedback. The appointments have proven to be incredibly valuable to both staff and parents and have further encouraged our partnership approach to ensure the best care for their child.

Following the success of this pilot study, ward sisters were keen to take a similarly active approach to checking that families feel listened to and enabled to voice their concerns. Invitations to meet with the Ward Sister are now in the process of being rolled out across all wards within the Trust.

Birmingham Women's Hospital Case Study - Feedback in action:

Community based listening events

We were not confident that we were listening to the voices of women who do not speak English. Our interpreting team with support from the patient experience team began holding community based listening events where we would monthly visit a specific area where a language was spoken—Polish, Romanian, Urdu, Arabic, etc. and we asked women to come and share their stories and feedback with us. The stories were powerful in that in some cases we discovered new areas where we could improve care for women, such as modesty during caesarean birth, and in other areas we found their feedback to mirror those

themes of the majority of women: listening, kindness, compassion, including of partners overnight for care.

Forward Thinking Birmingham - Feedback in action:

Improving our waiting rooms

Following feedback from users of the services, via the services Friends and Family Test and from young people involved in the services young people's groups (Including Think 4 Brum), the waiting rooms in the four clinical hubs within the service were improved.

The work started with a de-clutter of the waiting room areas, including information on the notice boards, and the room were treated to a deep clean and refresh.

Bids were submitted to Birmingham Children's Hospital Charity and funding was secured to purchase branded activity sheets and colouring books, install Wi-Fi, and provide interactive tablets, TV's and other resources to occupy the children, young people & young adults whilst they were waiting for their appointments.

We have received positive comments on the work so far, with the waiting rooms being considered more welcoming. We continue to have the support and involvement of some of our service users as we continue to improve the waiting room spaces.

There are many channels used to let us know how to improve our services, and we triangulate these to monitor the performance of our care. As shown throughout this report, this feedback has a direct impact on how we make things better at Birmingham Women's and Children's NHS Foundation Trust.

Using this information helped us to identify Quality Priorities for the two integrated organisations, and these are the main areas we wanted to focus on to improve quality during 2016/17. This is not an exhaustive list of all our priorities, but the key priorities that relate to the three elements of Quality; Patient Experience, Clinical Effectiveness and Safety:

These priorities and what we've achieved in 2017/18 are set out over the next few pages of this Quality Account.

Birmingham Women's and Children's NHS Foundation Trust Priorities 2017/18

The integration of the two hospitals in February 2017 provided us with an opportunity to reassess the local priorities of the whole Trust. Both Birmingham Children's Hospital NHS Foundation Trust's and Birmingham Women's NHS Foundation Trust's services were inspected by the Care Quality Commission (CQC) as part of a comprehensive inspection of compliance with quality standards during 2016/17. Feedback following the inspections highlighted a number of areas that required improvement across both organisations. Whilst these issues had already been recognised as areas of concern, the findings of the CQC and triangulation with patient feedback confirmed that these should form the basis of our 2017/18 priorities:

The following were identified high priority areas for quality improvement:

2017/18 Priorities		
Patient Experience	Clinical Effectiveness	Safety
Priority 1: Neonatal Care		
Bliss Baby Charter	% Approved neonatal clinical guidelines, policies and protocols	Neonatal non-elective readmissions ≤28 days of delivery
Priority 2: Abortion Care Service		
Number of 'need to improve' comments received through patient experience feedback linked to abortion care	Compliance with '5 days to treatment' standard	Number of scheduled surgical terminations delivered as medical terminations of pregnancy
Priority 3: Antenatal Radiology Pathway		
Patient Experience	Waiting times audit	Staff Experience Redistribution of antenatal capacity
Priority 4: Never Events (WHO Surgical Safety Checklist Compliance)		
	WHO checklist compliance	Rate of Surgical Never Events
Priority 5: Cancelled Operations		
Cancelled Operations Measures		

Neonatal Care

Summary: During 2017/18 we have made steady progress with this priority. Working toward the Baby Bliss Charter, we have implemented a developmental care round, run by a range of our Allied Health Professionals and have developed a neonatal care course for our nursing staff. We have reviewed and updated all of our neonatal policies, developing an intranet page where they can all be easily accessed. Over the coming year we will be working upon developing and sharing regional pathways of care for neonates requiring surgery. We have developed a model for a community neonatal outreach team and have developed a multidisciplinary Infant Feeding Steering Group that reports to our Neonatal Care Board.

Neonatal care is very much an on-going priority for us and the work we have undertaken this year is just part of the journey. This priority will remain in the quality account next year but will focus more on jaundice as a standalone quality improvement measure for neonatal care.

Bliss Baby Charter

After our CQC inspection of 2016, we identified the need to improve the developmental care we provide for neonates across our Children's Hospital. In the public domain there are two nationally and internationally recognised frameworks that enable organisations to self-assess and plan improvements in this area as well as recognising the achievement of standards via accreditation. These are the Bliss Baby Charter and UNICEF Baby Friendly Initiative; both reference the other and it is unlikely that level 3 UNICEF accreditation can be achieved unless Bliss Baby Charter requirements have been fulfilled and validated.

Looking back on 2017/18 - How have we done?

Over that last year we have completed a baseline assessment against the Bliss Baby Charter for all of our wards across our Children's Hospital caring regularly for neonates.

Conversations with our regional Bliss lead have informed a plan based upon our readiness to complete and submit audits to gain accreditation.

As a result our first phase has been to raise awareness and develop our capability to deliver improved developmental care. This has included a developmental care round run by a range of our Allied Health Professionals, including physiotherapists, speech and language therapists, dieticians, occupational therapists and nurses. Every Tuesday afternoon they focus their attention on visiting neonates and speaking to both staff and parents with advice on how best to care for their babies.

Through this route we were able to identify a knowledge deficit and accelerated plans to design, develop and deliver an in-house two day neonatal care course for nursing staff. We

have piloted the course with staff from a range of wards and will now be delivering it four times a year and demand from staff is high.

Our medium term aim is to appoint a neonatal coordinator to oversee and develop the care of neonates across our Children's Hospital site. In support of this endeavour we have appointed a specialist nurse from the Neonatal Intensive Care Unit who will deliver the care plan put in place by the visiting neonatologist. Three days a week will support the planning and delivery of improved developmental care across our Children's Hospital and in conjunction with ward managers establish the systems and processes necessary to ensure this happens into the future.

Looking forward to 2018/19 - What are we doing to improve?

Early in April we will reassess ourselves against the Bliss Baby Charter and identify where improvements have been made and priorities for the next six to twelve months. We will then ask independent colleagues from our sister hospital to independently audit our practice in September. Based on these results we will set out a timetable with our Bliss regional lead to complete and submit an audit for their validation.

We will also establish a Practice Development Team including our specialist nurse, AHP colleagues and ward managers to coordinate the delivery of the action plan identified from our self-assessment.

Percentage of approved neonatal clinical guidelines policies/protocols

As a tertiary paediatric centre all children of all age ranges receive care under one or more specialisms. As such we had a variety of policies and protocols relating to the care of neonates produced by individual specialisms. This resulted in overlap, duplication and in some cases conflicting advice.

Looking back on 2017/18 - How have we done?

Early in the year we undertook a significant trawl of all electronically available policies and protocols relating to the care of neonates at our Children's Hospital. These were listed and catalogued. Our then Clinical Director for Neonatal Services, Dr Alison Bedford-Russell reviewed and categorised all of the policies as: to be removed, out of date and requires updating, to be reviewed and amended or correct.

Whilst policies were being reviewed, updated and amended; a dedicated area of the intranet was created to house all relevant and up to date policies and protocols as well as general information on neonatal care. This area is now live and contains all up to date neonatal policies, information on training dates and training materials. The majority of

policies developed by the neonatal operational delivery networks have allocated leads from our neonatal workforce at the women's hospital.

This year we will be implementing a single intranet site for both hospital sites, allowing us to create a single area for all neonatal services across both sites. This will enable us to further consolidate our neonatal policies and procedures and establish a mechanism to manage regular reviews, updates and amendments.

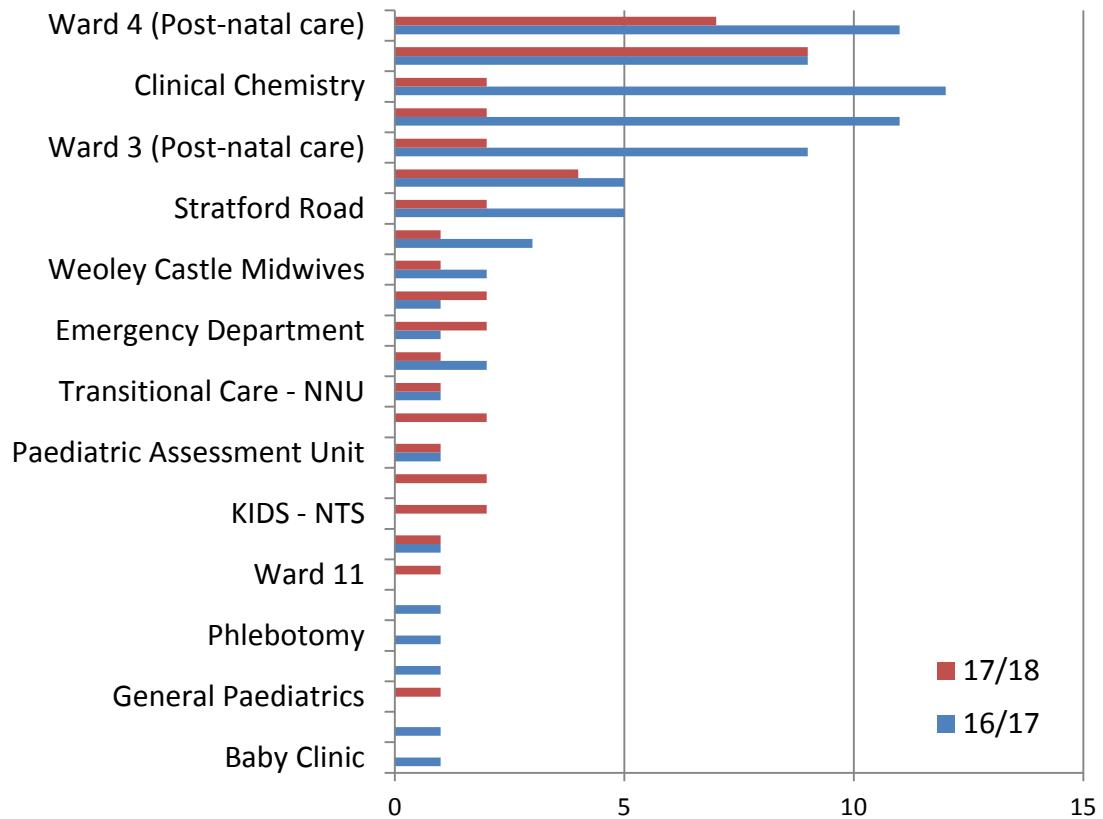
Building on this local work within the Trust, over the coming year we will work across the neonatal and surgical networks to develop and share regional pathways of care for neonates requiring surgery.

Looking forward to 2018/19 - What are we doing to improve?

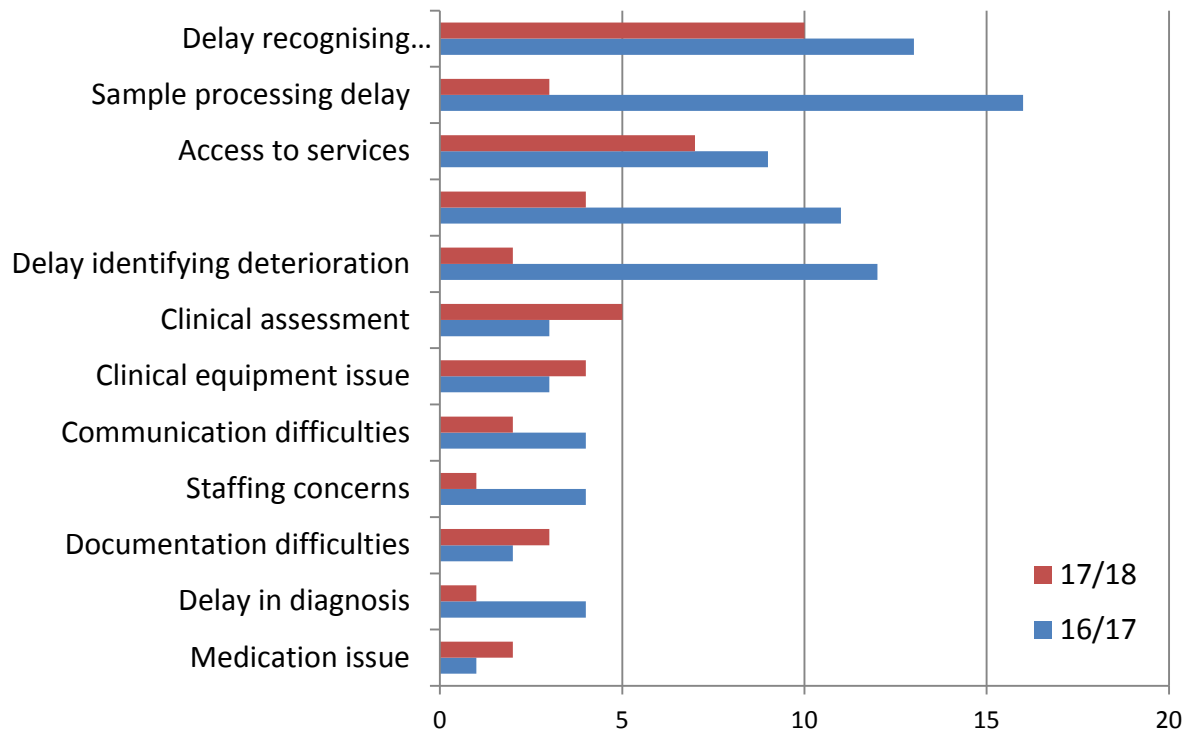
The original plan for this work is now complete and a re-launched Care Board is in place working on a programme of improvement across both our Women's and Children's Hospitals.

This year, we will focus on key initiatives that will significantly improve the quality of care we provide newborns, mothers and their families and have chosen to look at how we diagnose and treat jaundice across the whole Trust. Work is already underway and underpinned by an analysis of all jaundice related incidents reported from January 2016 to December 2017, and the reasons why, and supporting learning from jaundice related serious incidents.

Jaundice incident data by area reporting



Jaundice incident categories



Neonatal non-elective readmissions ≤28 days of delivery

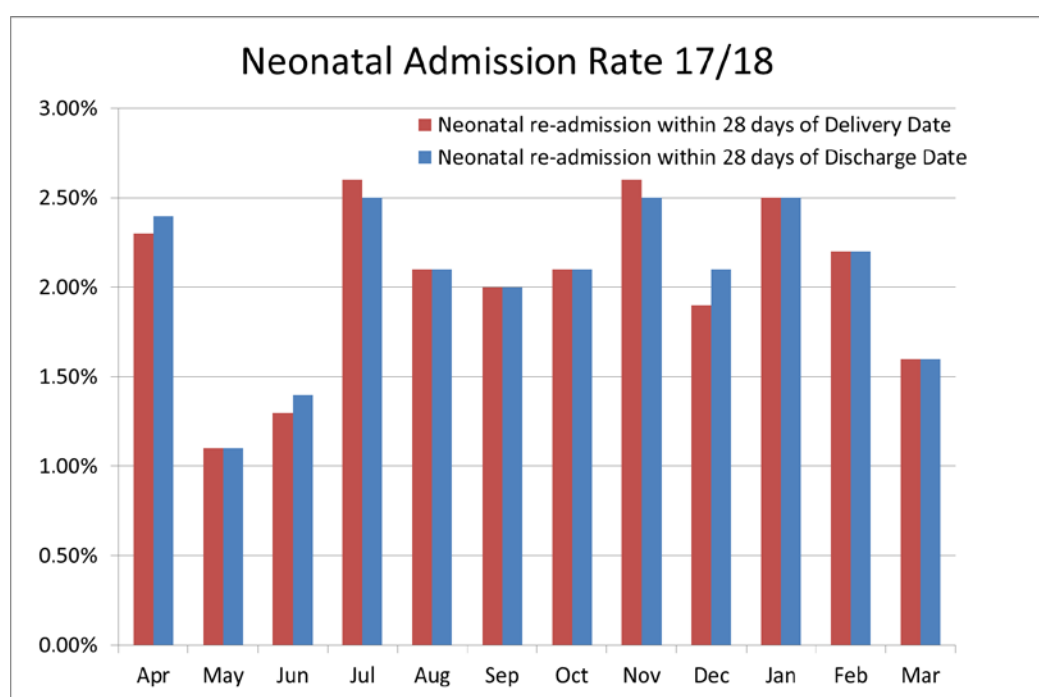
Last year we reported on this indicator, as we had been identified during 2015/16 as an outlier for two main diagnoses: neonatal jaundice and weight loss. As highlighted above the diagnosis and treatment of jaundice will become our focus for this year.

Looking back on 2017/18 - How have we done?

Over the last year we have developed a model for a community neonatal outreach team that will support the care of neonates with jaundice and feeding issues out in the community.

However, recognising that these issues can be dealt with along the maternity and neonatal care pathways we have established an Infant Feeding Steering Group that reports to our Neonatal Care Board; led by our Chief Nursing Officer. This is a multi-disciplinary group looking at infant feeding across the whole Trust.

Our readmission figures for 2017/18 are as follows for readmissions within 28 days of delivery and within 28 days of discharge:



Comparing this data with the 2016/17 neonatal readmission rates ≤ 28 days of delivery listed below (as published in last year's quality account), the rates remain broadly similar

16/17	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Rate	2.0	2.2	1.69	2.6	1.8	1.8	2.6	1.7	2.5	2.4	1.9	1.8

The new Infant Feeding Steering Group, established over the last few months, has mapped out current feeding pathways and has also begun to audit the number of attendances at our Children's Hospital (A&E) within 14 days of discharge from the women's hospital due to jaundice and weight loss.

Looking forward to 2018/19 - What are we doing to improve?

Over the next year we will begin to look at jaundice as a stand-alone quality improvement measure for neonatal care as outlined above. In terms of readmissions we will expand the scope to include a broader data set that will support better flow, access and outcomes.

These include:

- Neonatal readmissions within 28 days of delivery (back to our Women's Hospital)
- Neonatal readmissions within 28 days of discharge (back to our Women's Hospital)
- Unexpected term admissions to the Neonatal Intensive Care Unit (NICU)
- A&E attendances at our Children's Hospital within 14 days of discharge from the women's hospital
- Unplanned admissions at our Children's Hospital within 14 days of discharge from the women's hospital

The neonatal care priority will be monitored through our Neonatal Care Board

Abortion Care Service

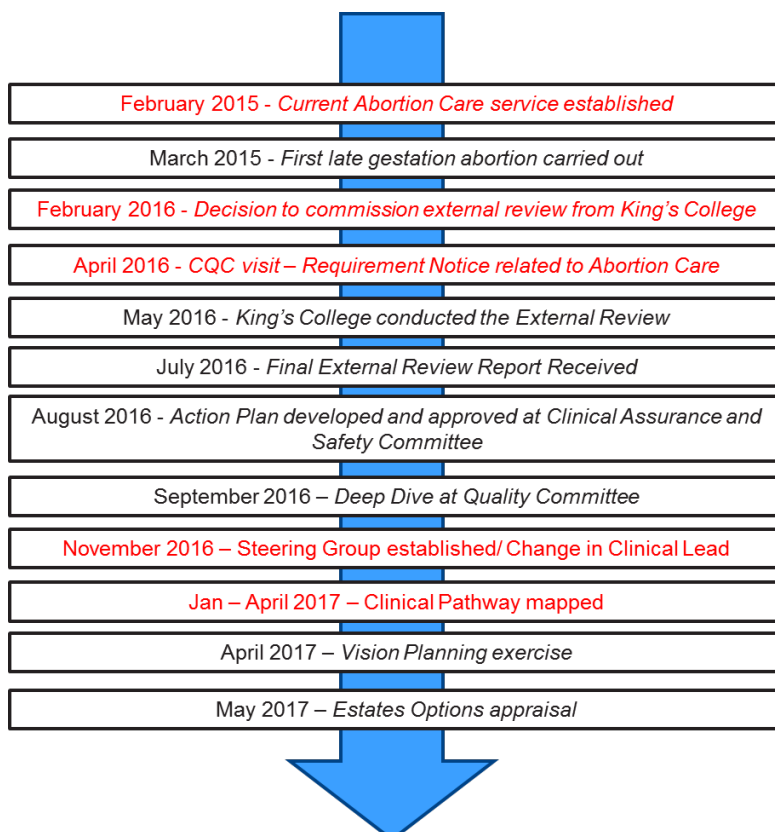
Summary: Work to improve our abortion care service started in 2016 following the CQC inspection and external review reports. During 2017/18 we have focussed upon improving our patient experience, working to improve the physical environment as well as supporting our staff to feel confident as they support our patients along the new clinical pathway. We are pleased to have received some of the patient stories and comments that are included within this section.

The five days to see standard remains very challenging for us. Whilst we aspire to this standard we cannot meet the demand with this timescale and therefore aim to see patients within 10-14 days.

Learning from our peers we have introduced a new medication regime for surgical terminations of pregnancy. We have had no surgical terminations delivered as medical terminations of pregnancy since we made this change.

Whilst there is still much to do as we aim to become a national lead for abortion care, we believe that the progress made over 2017/18 is sufficient for us to retire this as a local priority in 2018/19.

Prior to the CQC inspection, the Board already had some concerns about this service as a result of an increase in complaints and incidents. An external review was commissioned from peers at King's College Hospital London to focus on clinical governance, patient pathways, clinical policies and guidelines, staffing and training.



The review was undertaken during May 2016 and the findings were subsequently reviewed at an extraordinary meeting of the Quality Committee in September 2016.

Following this, an Abortion Care Service Steering Group and associated working groups were established to address the immediate issues highlighted by the External Peer Review and CQC Report.

Figure 1: Timeline of Abortion Care Service Improvement Project

Their first task was to articulate their Mission Statement. They chose to do this for each stage of the journey as illustrated below:

Arrival: We will ensure that women in need of our help and support know how to get it, with a single point of access providing a clear route to a robust and resilient triage. Our focus on providing appropriate care within a timescale that meets the needs of the women in our care will be enabled by early clinical input.

Treatment: We will offer a service which provides treatment at a time and place to suit the women in our care, with the capacity to meet fluctuating demand. The service will be delivered by staff who are compassionate, empathetic and highly trained to meet their needs in a familiar environment.

Information and support will be provided to help women make an informed choice that is right for them, balancing both physical and psychological well-being, and promoting access to psycho-social counselling.

We will provide nurse-led care, with named designated nurses for every woman able to immediately access to co-located medical staff when required

Discharge and follow up: Women will leave our care equipped with the information they need to access follow-on support for any medical and psychological needs, whether from us or from other providers, ensuring they experience seamless care of the highest quality which meets both their physical and emotional needs.

Completion of short/medium term actions following External Review	✓	This translated into seven key workstreams as illustrated below:
Identify Best Practice models from other providers	✓	
Introduce Clinical Supervision Model	✓	As well as involving clinical champions from each of the stakeholder areas, these workstreams have been accompanied by a lot of listening activities, clinical supervision sessions, drop in sessions and other events to give staff the time, opportunity and confidence to verbalise any concerns or reluctance they may have about the changes proposed.
Develop nursing competencies package	✓	
Identify and Implement the preferred short term Estates model	✓	
Redesign the current Clinical Pathway	✓	
Set the long-term Vision for the Service	✓	

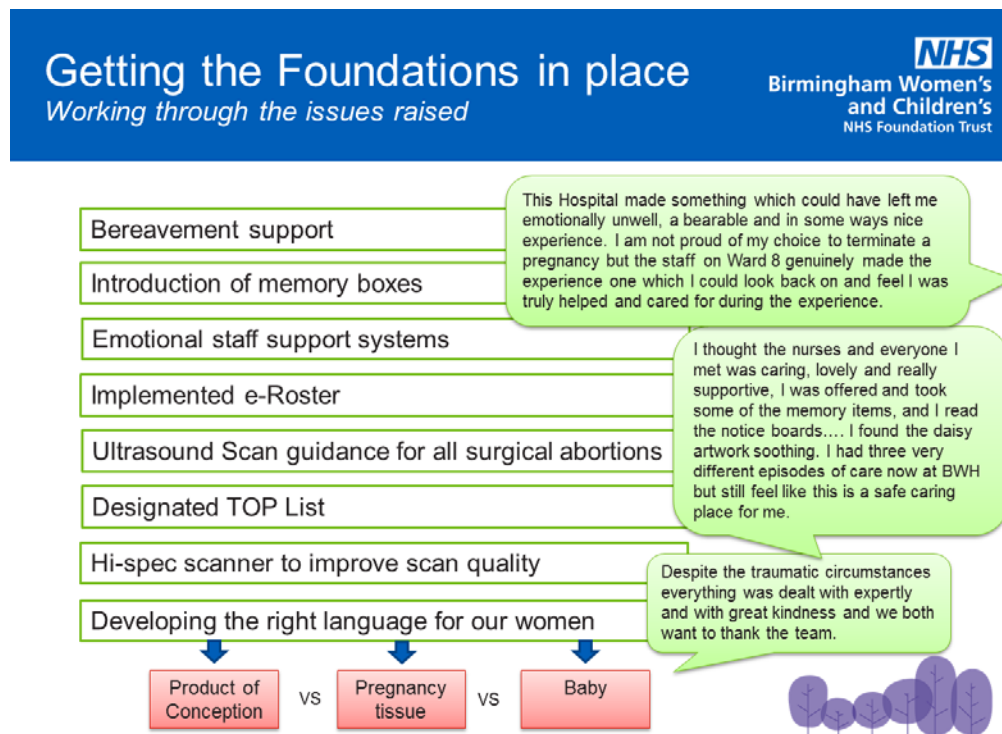
The changes in practice, relevant training and competencies that have been developed as part of this improvement project will have a positive impact upon the wider gynaecology service with many of the skills and competencies highly transferable to other clinical areas.

Looking back on 2017/18 - How have we done?

We have continued to collect patient feedback through the friends and family test and other routes. We have received very little feedback which illustrates concerns with the abortion care service and certainly not enough to enable any meaningful statistical analysis.

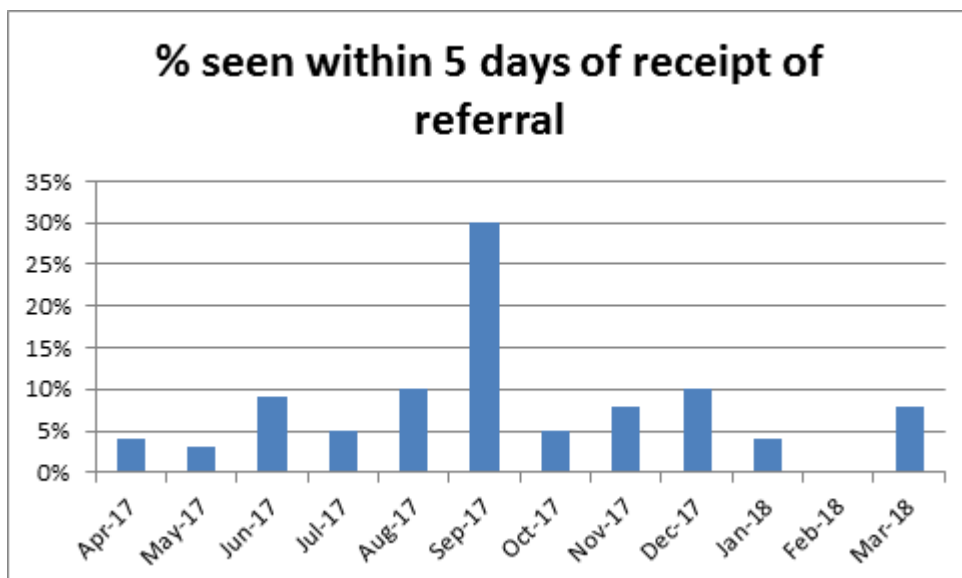
The only concern which we continue to hear is about is the request for a side room to enable the privacy which patients on our abortion care pathway would appreciate.

We have received feedback in support of the changes we have made, as illustrated below:



Compliance with the “5 days to treatment” standard:

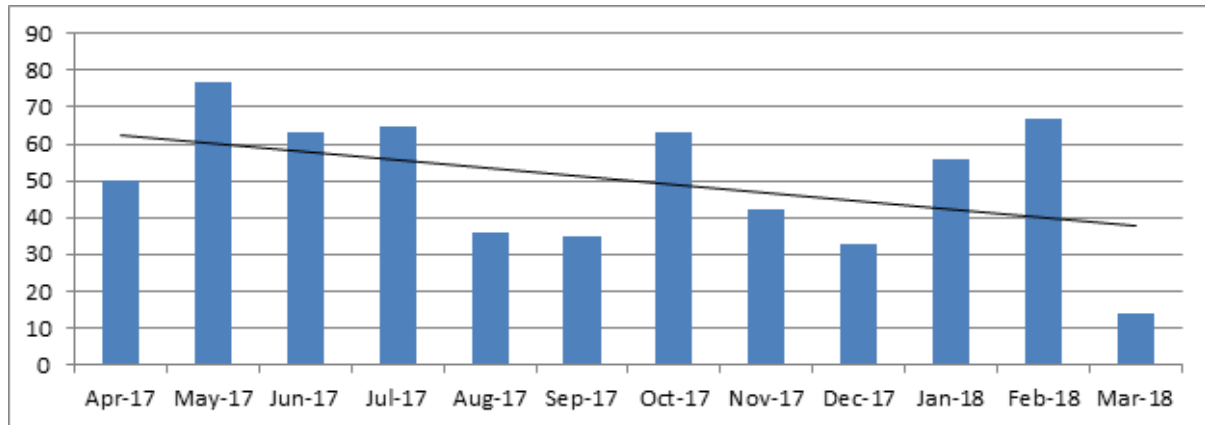
The Royal College of Obstetricians and Gynaecologists (RCOG) have published comprehensive guidelines for Abortion Care Services. One of the recommendations within these guidelines is commonly interpreted as ‘5 days to see’ and ‘7 days to treat’. Whilst these are the standards that we aspire to the reality of our service is that the ‘5 days to see’ is particularly challenging for us.



In January 2015 we expected to see 285 patients within our first year, this year we expect to see over 750 patients, an almost threefold increase in demand.

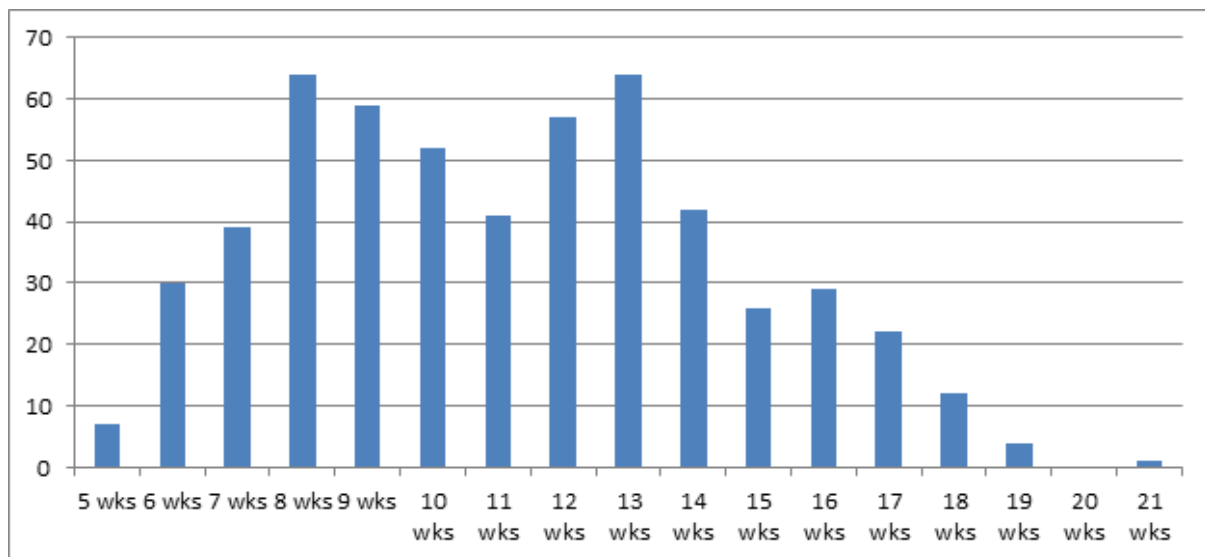
Whilst we have increased the number of clinics we run to three per week, we cannot meet this demand within the '5 days to see standard', instead we aim to see our patients within 10 to 14 days. We are not alone with this challenge with some other units working to a 4 weeks to see timeframe.

Number of Patients



Whilst the '7 days to treat' timescale is achievable for patients on our medical pathway, it is again more challenging for those on our surgical pathways as we only have one theatre per week. This becomes even more complex for later gestations (>14 weeks) where we are reliant upon a single consultant (one of only a very few nationally) who is appropriately trained to provide this service. To maintain resilience in this service this we also have an honorary contract with another consultant who is also appropriately trained, but the national picture means that they too are always very busy.

Gestation (wks)



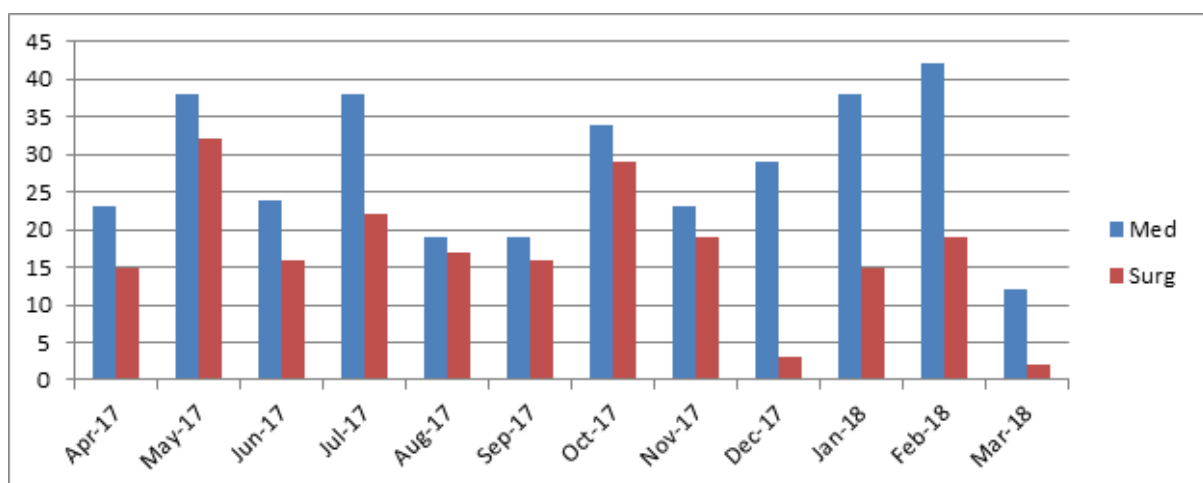
Number of scheduled surgical terminations of pregnancy delivered as medical terminations of pregnancy

One of most impactful changes we have made is the implementation of a new medication regime for patients on the Surgical Termination of Pregnancy pathway. Previously the medication regime we used was the same as for Medical Termination of Pregnancy pathway but learning from our peer reviewers we introduced a different regime.

This change was complimented by the implementation of a dedicated theatre list one day a week which allowed more precise scheduling of procedures and therefore more precise timing of medication.

Since June 2017, when these changes were put in place, we have had no surgical terminations of pregnancy delivered as medical terminations of pregnancy. Previously we would have expected this to have occurred two or three times per year.

Medical or Surgical Terminations of Pregnancy



The possibility of a medical delivery is still a recognised risk which is now included as part of the surgical consent process so patients are aware of the possibilities.

Before these changes were introduced we were also experiencing a higher rate of deliveries with transient signs of life than we would have expected. This can be very distressing for both patients and staff so we have supported our staff with training and designed a resource pack for when this does occur, to ensure that they have easy access to everything they need and know what to do and who to call.

All of these changes have been accompanied by strong support from the bereavement team who have set aside dedicated time to support this group of patients.

Looking forward to 2018/19 - What are we doing to improve?

Whilst we have made progress with the estates issues, focussing our work on ward 7, there is still further work that will be needed to improve our estate, however that will be intrinsically linked to the long term vision for the service. We are holding an improvement summit in April 2018 to share the journey of our improvements and understand what is next for our service and the impact of regional and national change.

Whilst there is still much to do if we are to take the next step that we set out in last year's quality account, and become a national lead for abortion care, we believe that the progress made over 2017/18 is sufficient for us to retire this as a local priority in 2018/19

Whilst this will no longer be a local priority, and therefore will not be reported upon in the 2018/19 quality account, we will continue to keep a watchful eye on progress and performance through the Clinical Safety and Quality Assurance Committee (CSQAC)

Antenatal Radiology Pathway

Summary: The department has redesigned the obstetric scan clinic template. It works across 6 individual rooms and allocates times for each type of scan according to FASP guidelines. Sonographers were provided with up to date 3VT training and a trainee sonographer post was created to support training and development and staffing issues within the department.

Our data shows significant improvement in waiting times within the radiology department. Feedback from our staff has been very positive and demonstrates that they feel able to provide a better service to their patients

Looking back on 2017/18

Our Antenatal radiology pathway had been raised as a concern within a report by the Care Quality Commission in November 2016, in terms of patient waiting times - our patients were waiting more than an hour each day for a booked scan.

Equally during staff feedback sessions, the same concerns had been raised along with the impact this had on staff - our staff were working over and above their contracted hours almost every day.

Our department had also been recognised by Public Health England as not having implemented the Fetal Anomaly Screening Programme (FASP) guideline recommendations regarding scan appointment times and three vessel trachea (3VT) view of the fetal heart on mid trimester scans. Overall the department was at risk of losing their screening accreditation as a result of the poor patient experience that was being provided by the Trust.

Historically, numerous attempts had been made to address capacity and waiting time issues across the antenatal radiology pathway, including Rapid Improvement Events and ongoing work by NHS Elect to assess the spread of demand on the services. Despite this, services had not experienced significant reconfiguration; demand on the services had continued to increase and a collaborative and radical review of how the services were delivered to the woman had not been successfully carried out.

Overall demand exceeded the capacity available in clinical by 43% and the department was faced with a large number of unfilled sonographer vacancies, in part due to the departments poor reputation and low staff experience. Staff raised their concerns about repetitive strain injuries due to the sheer volume of scans they were expected to perform each day. They expressed an overall lack of support for the department and no longer found satisfaction in their roles.

Staff Experience

Following on from a capacity and demand exercise the department re-designed the obstetric scan clinic template. The new clinic template was designed to be booked for 6 individual rooms to ensure sonographers could have accountability for their own workloads and manage their own lists. The template ensured that each type of scan had the correct time allocated for it, according to FASP guidelines.

The department changed the way that they booked patients into clinics to ensure sonographers were only being asked to see the number of patients that they could expect to scan within the 7.5 hours clinic time. Any additional patients, for whom additional scanning slots were unavailable, would be escalated within the team as a capacity issue.

The department ensured all sonographers had the relevant and up to date 3VT training to start performing this screening on all patients.

Communication about the changes that had been made within the department and the impact that it was having on staff workload was an important part of improving our reputation amongst the sonographer community; this in turn helped support recruitment and retention within the department. The department also created Trainee Sonographer posts under a 2 year contract to support training and development within the department and to address the long term staffing issues.

Staff Comments:

"I feel there has been a dramatic improvement in the experience of patients attending for an obstetric scan since new template introduced. Most patients are seen very close to their appointment times - I would say the vast majority of patients wait well below 30 minutes for their scan. The waiting room is much less crowded and a more pleasant environment for patients and staff"

We now have the proper amount of time to perform the examination as the lists are not overbooked. This is obviously better for patients as staff not feeling so stressed and also better for staff - less risk of RSI from scanning too many patients.

Because lists are not overbooked we are more able to accommodate extra requests from clinic and the wards and fit in extra scans in a timely manner. This is especially so where the manager of the day does not have a list booked but is free to manage department effectively and accommodate extras. This is probably also better for medical staff - less time spent searching for the manager of the day to request extra scans.

I think the template has made a massive difference overall - it is almost like working in a different department compared to before this was introduced".

1. How have you felt as staff since the template has gone live in regards to workloads and morale?

I have noticed a big difference after the implementation of the new template in my workload in ANC scanning. Previously certain people will end up scanning lots, while other seems to do less with their scan list. This personally used to affect my morale thinking there is discrimination with people who work hard who end up overloaded with scans. However with the new system, the list is even, the stress is less, adequate time slots for scans, less error, injury and sickness and high morale.

2. Are you finding you are getting enough scan time for your patients?

Definitely. The new system allows enough time with each scans giving less chance for any errors to happen.

3. Do you have any feedback from patient experience when talking to your patients?

I have noticed, patients are more willing to give feedback as they are less stressed with reduced waiting times. The US waiting area is not crowded as before reducing chance of any possible public behaviour issues, staff safety or medical attendance to a pregnant women in case of an emergency.

4. Would you say it has been a positive change to the new department?

The new system certainly has a positive impact on its way of work. A small area of improvement I suppose is; some days the lists are minimally booked which I don't know is due to the volume of patients we have at the time of booking."

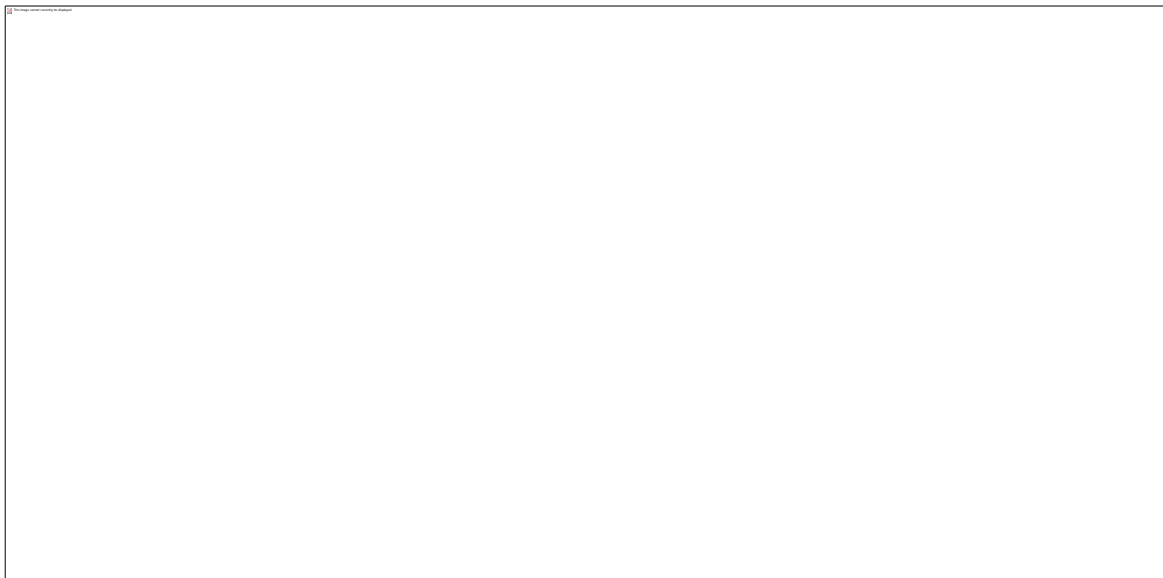
Patient Experience

To ensure our patients were getting the best quality of care we developed a Quality Assurance Template for mid trimester scanning to ensure the 3VT scan was being carried out correctly as well as all other screening. The Quality Assurance programme involves a monthly peer to peer review of 5% of scans for each sonographer (as advised from the royal college of Radiologists) where each scan is assessed by a different sonographer to highlight any issues of concern. The department also developed peer to peer review to support education within the department in regards to carrying out image review assessments.

To further improve our patients' experience we have reviewed the physical environment in which our patients wait. As well as redecorating the area and providing a magazine stand for our patients' use the impact of reducing our waiting times has meant that the area is no longer overcrowded.

Waiting times Audit

Following these changes, we have been monitoring the patient waiting times and have been delighted to see them significantly reduce. The department aims for our average waiting times to be less than 30 minutes. The graph below indicates the reduction in our waiting times, and shows that we are now meeting that benchmark.



The department has been recognised within the Trust for its transformation and changes and the department has won a 'Trust Acorn' an accolade awarded by the innovation team for teams who are engaged in local improvements, for its development and changes within obstetrics.

Looking forward to 2018/19 - What are we doing to improve?

The departmental aims for next year are to ensure that we sustain our improvement in our waiting times with substantive sonographers to help support the Trust with cost improvement savings and to support recruitment and retention within the Trust.

We will work with the patient experience team to improve the way we get patient feedback about our services so that we can set further objectives for our continued improvement. We will also seek to improve patient experience and support staff development through customer service training

We will continue to streamline our systems and further improve scan rooms and waiting rooms with better air conditioning or use of heat and cool heaters.

This priority will be monitored through Quarterly Maternity and Radiology Reports to Clinical Safety and Quality Assurance Group (CSQAC)

Never Events (WHO Surgical Safety Checklist)

Summary: During 2017/18 we have had zero Never Events reported within any of our theatre settings.

In 2015/16 we noted a significant increase in the number of Never Events reported from theatres services at Birmingham Children's Hospital. Never events are established on the assumptions that if existing guidance is implemented and followed, the strong, systemic protective barriers which guidance provides renders these serious incidents wholly avoidable. For surgical never events, that guidance is the WHO surgical safety checklist and associated guidance.

During 2016/17 we made improvements to the intra-operative pathways and theatre staff were trained in the new, standardised approach. We have continued to develop a culture of co-operation and teamwork so that WHO continues to be correctly applied.

However, despite these efforts, during 2016/17, four further surgical Never Events occurred; three at Birmingham Children's Hospital and one at Birmingham Women's Hospital. This led us to keep Never Events as a priority in this year's quality account.

World Health Organisation (WHO) Surgical Safety Checklist

Looking back on 2017/18 – How have we done?

During 2017/18 Birmingham Children's Hospital Theatres Department continued with their plan to embed the use of the standardised WHO Safety Checklist.

The Theatre Project Board continued to meet regularly, reviewing the progress and implementation of new processes, specifically looking at the improvement and maintenance of surgical safety through:

- ***Focus upon Human Factors:*** The Trust employed a Human Factors Advisor to observe non-technical skills in Theatres and review how the WHO safety checklist was undertaken by the multi-disciplinary team. Following this, the Theatre Training and Education Team received coaching from the Human Factors Advisor, focusing on team objectives and best practice for the WHO safety checklist.
- ***Theatres Operational Centre (TOC):*** A theatres operational team meeting every morning before surgery starts to provide senior staff support and ensure all theatres are sufficiently staffed, in terms of both numbers of staff available and the skill mix that they can provide. Plans made at this meeting can include crucial decisions to balance risks across the organisation to maintain theatre safety through:

- the redeployment of staff to cover staffing or skill mix shortfalls;
 - monitoring levels of work on emergency and trauma lists to ensure there is sufficient capacity.
 - cancelation of theatre lists and surgical activity if safety cannot be maintained through other measures.
- **Morning "Band 7 Huddle" implemented** - to discuss strategy for the operating day across all theatres and highlighting any issues for the day to be dealt with in real time.
- **Red hat wearers:** Learning from our colleagues at the Women's Hospital, the Theatre Department has also introduced a Theatre Lead Practitioner (red hat wearer) to support each theatre session. They are responsible for ensuring the WHO safety checklist is implemented effectively and the process is carried out correctly. A theatre Lead 'red hat wearers' away morning has been organised to develop accountability, team objectives, team working and ethics.

All Theatre users have signed up to the introduction of new Theatre Standards:-

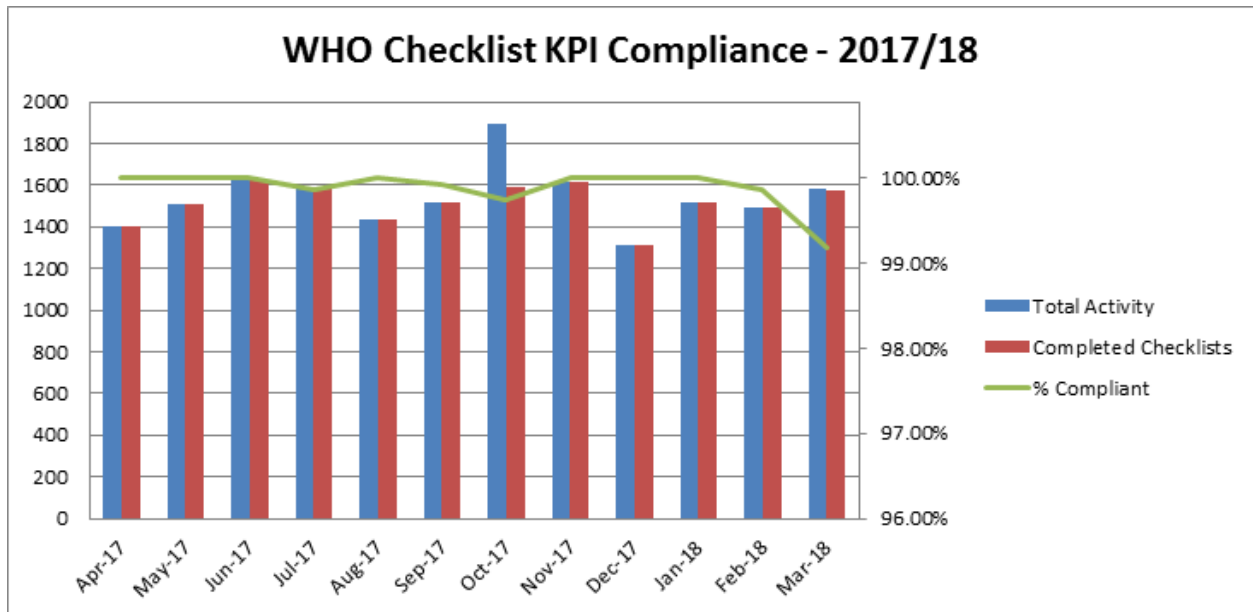
Trust	We trust in each other's knowledge and abilities and gain trust through openness and honesty. We give each other feedback in a positive environment
Respect	We believe everyone is equal and has an important part to play. We always show respect for individuality and difference for the skills, experience and talents we each bring in our roles
Compassion	We show care and kindness in our contact with patients, families and to each other
Commitment	We go the extra mile for our children and families and for each other. We are always striving to improve
Courage	We speak out and challenge poor behaviour and poor practice in a professional manner. We admit to our errors

All Speciality swab boards have been updated to a standardised format across all Theatres to ensure the same format of working for all staff and to avoid misinterpretation.

Theatre Training and Education team have initiated a 'Training Together' safety programme. The focus of learning together enables a shared language and the ability to challenge more effectively as everyone has heard the same messages. At the same time it supports a true 'team culture' and provides an on-going platform for learning and development.

The WHO surgical safety checklist is completed as part of the 'Five Steps to Safe Surgery', measuring compliance of this alongside other quality improvement measurements, can help to demonstrate improved quality of care and efficiency. As an organisation we currently

include the five steps as part of our 'Operating Room Management Information System' process, and as such each step is able to be audited on an individual patient level.



Looking forward to 2018/19 - What are we doing to improve?

From May 2018, Human Factors training will commence for clinical staff at all levels. This will encompass:-

- **Team purpose:** Appreciating the roles and responsibilities of everyone in attendance to a theatre list with a focus on team working, team purpose and objectives
- **Engagement and understanding:** Education on the safety rationale and intention behind the implementation of the checklist, greater understanding of best practice and more consistent use of the WHO checklist and 5 steps to safer surgery
- **Team working:** Understanding team dynamics, effective communication and working and learning culture

We have adapted these training sessions to fit more flexibly around our theatre activity in an effort to reduce the impact on patients and productivity.

A monthly 'Training Together' safety newsletter will be launched in Theatres from April 2018 and this will include articles on learning from excellence, IR1s, IR2s and critical incidences.

Although there have been no Never Events reported within any of our theatre settings during 2017/18 we have had two Never Events occur in other clinical settings at Birmingham Children's Hospital. Both incidents were associated with the retention of guide wires after

interventional procedures and are being addressed as part of our work to implement NatSIPPS (further information on SIRI's and Never Events is included in section 3.1)

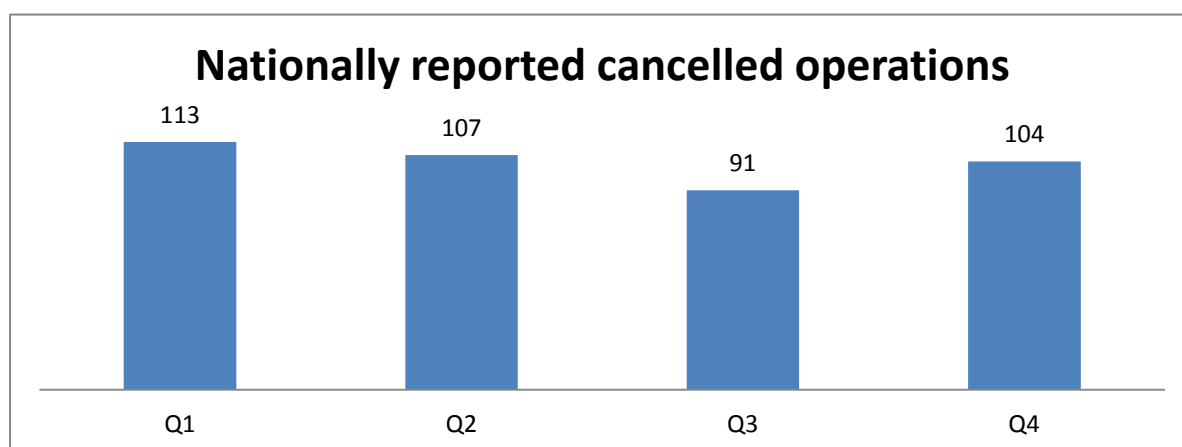
Never events, widened to incorporate NATSIPSS will be monitored through the Theatre Management Group and through regular updates to Quality Committee

Cancelled Ops

Summary: Across 2017/18 our Trust has cancelled 415 operations on the day and was not able to readmit 4 of these patients within 28 days of their cancellation date. 365 of the operations were at the children's site and the remaining 50 were at the women's site

Looking back on 2017/18 - How have we done?

Across the 2017/18 the number of patients that have been cancelled on the day has been reducing. Graph 1 indicates the total number of patients cancelled on the day of their admission by quarter and illustrates an overall decreasing number of operations cancelled per quarter.



Graph 1: Nationally reported cancelled operations on the day of admission

Across the year, we cancelled **415** patients on the day. There is no comparator figure for the combined number of cancelled operations on the day across both of our sites for 2016/17. However, our figures show that we have cancelled less on the day that we did at the children's site alone last year so have seen positive progress.

Our demand for procedures continues to increase and as a trust, we have seen an increasing number of patients needing and having an operation. We are always working on our theatre scheduling and understanding of the flow through our beds and theatres to avoid cancellations on the day where we can. However, there are occasions when we do have to cancel operations on the day of admission. We review and validate all of our cancelled operations on the day and understand that our most common reason for cancellations is access to either our acute beds, access to intensive care beds or is where an emergency patient has to take priority.

Of all the patients that we did cancel on the day, all but 4 were rescheduled and readmitted within 28 days of the initial cancellation.

Looking forward to 2018/19 - What are we doing to improve?

We continue to closely monitor and learn from our cancelled operations on the day, with a focus and aim to reduce these going forward. We are always aiming to increase the utilisation of our beds and utilise our theatre capacity in the most effective way. We look forward to the opening of Waterfall house which will give us new theatres and wards and help reduce the numbers of patients we unfortunately cancel.

Over the course of 2017/18 we have made significant focus on developing 23 hr pathways, and Waterfall House gives us a dedicated facility which will enable us to operate on children and young people on this pathway whilst minimising the impact that emergency demand might have on their operation. During 2018/19, we expect to increase the number of procedures undertaken as a 23 hour model of care.

As a trust, we have also agreed a focus on theatres and the surgical pathway as a cornerstone of our transformation programme with the intention of improving the efficiency of our theatres, which in turn should result in a better experience for our patients and families.

We have focused on cancelled operations in our Quality Account at the Children's Hospital for the past seven years. We have continued to see rising demand for our services and based on our planning for the future we anticipate that this will continue.

It is clear that cancelled operations remain a source of concern for our children, young people and their families as well as our hard working staff. Cancelling operations is stressful and inconvenient for children, young people and their families as it can disrupt work, travel and child care arrangements.

Unfortunately we know there have been examples of children and young people who have been cancelled several times for the same operation and we have heard stories from families of the impact this can have on the whole family.

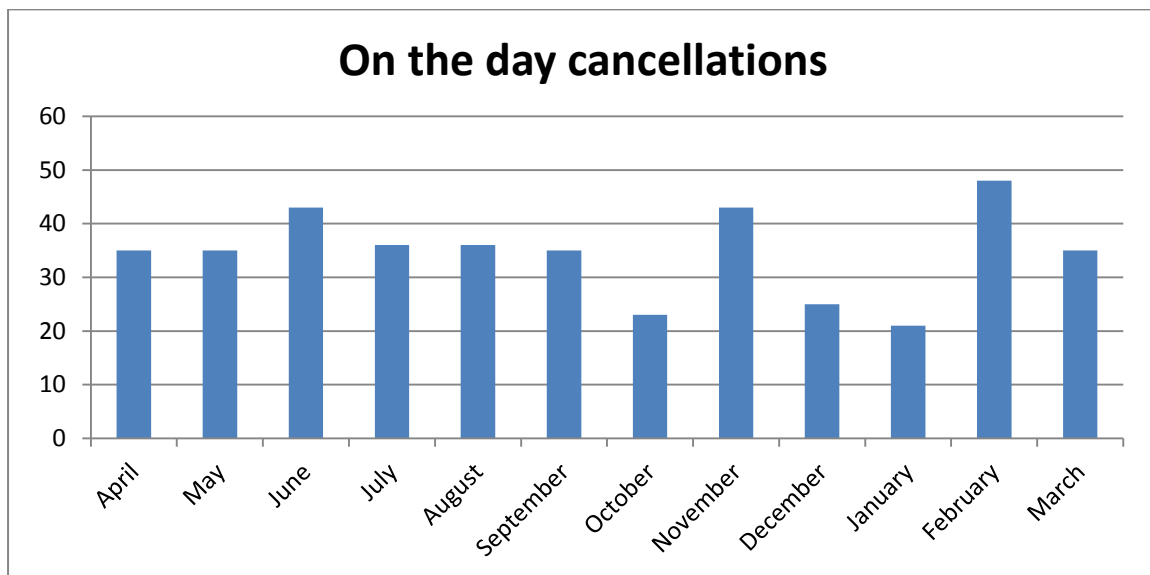
It is also difficult and stressful for our staff to explain to anxious children, young people and their families that an operation has had to be cancelled and for them to not be able to deliver the treatment a child needs at the time we said we would.

Rate of Cancelled Operations

Looking back on 2017/18 - How have we done?

	Nationally reported on the day			All cancelled operations		
	BCH	BW	Combined	BCH	BW	Combined
April	34	1	35	207	12	219
May	32	3	35	284	12	296
June	41	2	43	250	10	260
July	29	7	36	275	16	291
August	29	7	36	219	8	227
September	25	10	35	238	12	250
October	21	2	23	244	9	253
November	39	4	43	276	12	288
December	18	7	25	202	21	223
January	16	5	21	251	13	264
February	46	2	48	267	7	274
March	35	0	35	221	6	227
Total	365	50	415	2934	138	3072

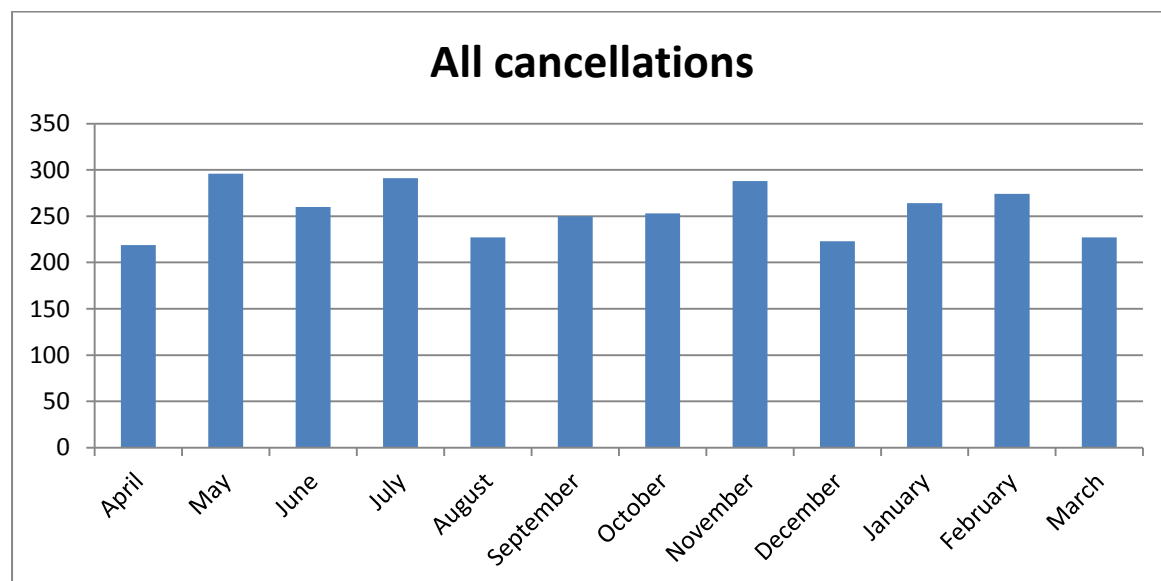
Cancelled Operations



We continue to provide further trauma lists, as referenced in last year's quality account.

This ensures we have more capacity for emergency and trauma patients, and reduces the potential need to cancel elective operating on the day of surgery due to there not being enough capacity for the emergency operations that need to be undertaken on a particular day

Moving forward, once Waterfall House opens, as well as providing us with an additional theatre for elective work, these additional trauma lists become part of our normal theatre schedule.



We will continue with the roll out of our extended pre op assessment service, which has already resulted in a significant improvement for cancellations due to reasons that can be linked to pre assessment, as detailed in last year's quality report, with only 1 in 200 children, which is significantly better than if a child does not go through pre assessment.

Bed capacity

As usual, during the busiest part of the winter we opened seven additional beds to enable us to admit children and young people as emergencies and try and reduce the knock-on impact of cancelled non-emergency operations on our patients. Furthermore, we have committed to an expansion in our consultant workforce in the emergency department and we have now been able to appoint to 2 of these posts.

Looking forward to 2018/19 - What are we doing to improve?

Waterfall House: We are finalising the plan for the vacated space once our haematology and oncology services move to the new Waterfall House development. In addition, we have

received support from commissioners and NHSE in the form of some additional capital funding to expand our urgent care footprint.

Theatre capacity: Waterfall House will enable us to expand the provision of 23 hour surgery, for a wider cohort of surgical procedures, as well as facilitating day case surgery. Furthermore, this development will provide us with a further 10 theatre sessions and provides 18 purpose built day case beds.

Improving processes: We have recently refreshed the focus of our transformation and improvement programme and have made theatres and the surgical pathway, as well as discharge processes, cornerstones of this programme. It is anticipated that this will result in improved efficiencies in our theatres, reduced waiting times for our patients and a reduction in cancellations, particularly on the day of surgery.

We will continue to report upon Cancelled Operations as a priority in 2018/19, paying particular attention to the experience of our children, young people and their families from delays and cancellations around insertion / removal and management of lines

We will monitor this priority through our weekly waiting list management meetings and at our performance board, which reports through to board via finance and resource committee on a monthly basis.







New priorities for 2018/19

Forward Thinking Birmingham:

Forward Thinking Birmingham (FTB) was established as a partnership of five organisations to provide mental health services for people up to the age of 25. The Trust, as the lead partner was responsible within the partnership for delivery of community mental health services for 0-18 year olds. Although the service only commenced in April 2016 the CQC inspected the 0-18 service in May 2016 as part of the Trust's comprehensive inspection. As the service was new and had inherited a range of challenges the overall rating of Requires Improvement was not unexpected, though the report was not published until February 2017.

The Board and its committees maintained oversight of FTB, both before and after launch of the new service, and the range of strategic, financial and operational challenges and issues that the new service faced. In response to this an intervention plan was developed coupled with additional senior support and an independent review of the clinical model.

The CQC returned at the end of July 2017 to carry out a follow up inspection of the 0-18 service and identified a number of areas of serious concern. The final report rated the service as 'Inadequate' and was published on 27 February 2018 with the following ratings:

Overall rating for this location		Inadequate	
Are services safe?		Inadequate	
Are services effective?		Requires improvement	
Are services caring?		Requires improvement	
Are services responsive?		Inadequate	
Are services well-led?		Inadequate	

The Trust responded as soon as we became aware of these concerns following the inspection and upon receipt on the first draft of the CQC report in September. Our response was to significantly enhance the intervention plan and senior support with the short-term aim of the rapid improvement of immediate care and safety concerns and the delivery of a sustainable solution for the longer term.

Self-Assessment against CQC Domains

The new Mental Health Improvement Director has supported and enabled the Hubs to work through and self-assess against the CQC Key Lines of Enquiry (KLOEs) identifying areas of

non-compliance whilst also working through the CQC requirement notices.

We would like to report upon this as a priority in 2018/19 quality account. In particular we have chosen the following measures as a reflection on the system wide work which is underway, encompassing regulatory ratings, local Hub culture of self-assessment and ownership of service improvements and, ultimately, improved waiting times for FTB services.

We will report the following in next year's quality account:

- Ratings from CQC reviews/inspections in 2018/19
- Improved self assessment rating through Hub care plans
- Waiting times are within nationally required standards

This will be monitored internally and externally through the intervention plan and also reported upon through regular updates to Quality Committee

2018/19 Priorities for Birmingham Women's & Children's NHS Foundation Trust

In summary the priorities and quality indicators that the Trust has chosen for 2018/19 are summarised below

- **Neonatal Care: Rolled over from 2018/19 but with extended scope across the Trust and a focus on how we diagnose / treat jaundice:** The original rationale for selecting this as a priority came from the CQC inspections. Whilst these specific issues have been resolved we believe that the learning is applicable to the whole of the Trust rather than just Birmingham Women's hospital. Jaundice is one patient pathway where we really think we can make a difference in 2018/19
- **Antenatal Radiology Pathway: Roll over from 2018/19 but extend scope to include wider work around antenatal pathway:** During 2018/19 the maternity service is supporting a project to improve the wider antenatal pathway. This is in response to concerns and challenges raised by our staff and reflected by our patient feedback. We would like to report on this project alongside the ongoing work to sustain the improvements within the antenatal radiology pathway.
- **Never Events : Roll over from 2018/19 and include progress with NATSIPS implementation:** The focus of this priority has been upon getting the systems right within the theatre setting to reduce the likelihood of surgical Never Events, however we know that many Never Events happen outside that setting. We would like to share the learning from the theatres systems and apply it to our NATSIPS to reduce the Trust wide likelihood of Never Events
- **Cancelled Operations: Roll over from 2018/19 and focus on delays and cancellations around insertion / removal of management of lines:** Cancelled operations has been a priority for several years and is likely to continue to be one for many more. It is a complex and multi-factorial issue. In next year's report we would like to focus more upon one pathway which, from our patient experience and incident data, we know affects our patients and our families.
- **FTB: New priority:** Following our CQC inspection and overall rating of 'inadequate', we would like to report upon this as a priority in 2018/19 quality account to reflect the system wide work which is underway, encompassing regulatory ratings, local Hub culture of self-assessment, ownership of service improvements and, ultimately, improved waiting times for FTB services.

These are summarised in the table below:

2018/19 Priorities		
Patient Experience	Clinical Effectiveness	Safety
Neonatal Care: Roll over from 2018/19 but extend scope across trust. Focus on how we diagnose / treat jaundice.		
Bliss Baby Charter	Key initiatives to improve quality of care for newborns, mothers and families across: Focus on diagnosis and treatment of jaundice	Neonatal non-elective readmissions ≤28 days of delivery Unexpected term admissions to the Neonatal Intensive Care Unit (NICU)
Antenatal Radiology Pathway: Roll over from 2018/19 but extend scope to include wider work around antenatal pathway		
Patient Experience	Waiting times	Staff Experience
Never Events : Roll over from 2018/19 and include progress with NATSIPS implementation		
	WHO checklist compliance Implementation of NATSIPS	Rate of Never Events
Cancelled Operations: Roll over from 2018/19 and focus on delays and cancellations around insertion / removal of management of lines		
Complaints or PALS concerns regarding delay or cancellations of insertion / removal of lines	Cancelled Operations Measures	Rate of incidents associated with delay or cancellations of insertion / removal of lines
FTB: New priority		
Improved CQC rating upon next FTB inspection	Waiting times are within the nation 18 week target	Improved self assessment rating through Hub care plans

2.2 Statements of Assurance

Review of Services

Birmingham Women's and Children's NHS Foundation Trust

During 2017/2018 the Birmingham Women's and Children's NHS Foundation Trust provided and/ or sub-contracted 37 NHS services. The Birmingham Women's and Children's NHS Foundation Trust has reviewed all the data available to them on the quality of care in all of these relevant NHS services. The income generated by the NHS services reviewed in 2017/18 represents 100 per cent of the total income generated from the provision of NHS services by the Birmingham Women's and Children's NHS Foundation Trust for 2017/2018.

Participation in Clinical Audits

National Clinical Audits

During 2017/18 22 national clinical audits and national confidential enquires covered relevant health services that Birmingham Women's and Children's NHS Foundation Trust (BWC) provides.

During that period BWC participated in 79% of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that BWC was eligible to participate in during 2017/18 are as follows in the table below

The national clinical audits and national confidential enquiries that BWC participated in during 2017/18 are as follows in the table below

BAUS Urology Audits: Female stress urinary incontinence	The Trust takes part in BSUG data tool instead as more applicable to urogynae than BAUS.
NCEPOD Chronic Neurodisability Study*	Participated
NCEPOD Young Peoples Mental Health Study*	We do not participate in this
NCEPOD long-term ventilation in children, young people and young adults Study*	Participated
Inflammatory Bowel Disease (IBD) programme	We contribute data to this audit but do not purchase quarterly benchmarking reports
Learning Disability Mortality Review Programme (LeDeR)	We did not participate in this audit but will in 18/19
Major Trauma Audit (TARN)	Participated
Maternal Newborn and Infant Clinical Outcome Review Programme, which includes MBRRACE-UK - Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries across the UK (Perinatal Mortality Surveillance, Maternal Mortality Surveillance and mortality confidential enquiries)*	Participated
NCEPOD Pulmonary Embolism Study*	Participated
NCEPOD Cancer in Children, Teens and Young Adults Study*	Participated
National Audit of Seizures and Epilepsies in children and young people	Participated
National Cardiac Arrest Audit (NCAA)	Participated
National Comparative Audit of Blood Transfusion	Participated
National Congenital Heart Disease (CHD)	Participated
National Pregnancy in Diabetes Audit	Participated
National Maternity and perinatal Audit (NMPA)	Participated
National Neonatal Audit Programme (NNAP)	Participated

Diabetes (Paediatric) (NPDA)	Participated
Neurosurgical National Audit Programme	Participated
Paediatric Intensive Care (PICANet)	Participated
Pain in Children (RCEM)	Participated
Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	Participated
Renal Replacement Therapy (Renal Registry)	Participated

*6 of the studies listed above were national confidential enquiries

The national clinical audits and national confidential enquiries that BWC participated in, during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Participation in National Clinical Audit / Confidential Enquiry

National Clinical Audit / Confidential Enquiry	Cases Submitted (Number/Percentage Reported)
NCEPOD Chronic Neurodisability Study*	10% (1 case)
NCEPOD Long Term Ventilation in children young people and young adults*	Study due to start April 2018
Learning Disability Mortality Review Programme (LeDeR)	0 Cases
Major Trauma Audit (TARN)	75% (179 cases YTD Feb 2018)
MBRRACE-UK: Mothers and Babies: Reducing Risk through Audits and Confidential Enquiries across the UK (Perinatal Mortality Surveillance, Maternal Mortality Surveillance and mortality confidential enquiries)*	100% (97 cases)
NCEPOD Pulmonary Embolism Study*	Study due to start April 2018
NCEPOD Cancer in Children Teenagers and Young Adults Study*	67% (16 cases)
National Audit of Seizures and Epilepsies in children and young people	Data collection due to start in April 2018
National Cardiac Arrest Audit (NCAA)	100% (24 cases)
Congenital Heart Disease (CHD)	0% (0 cases) <i>(no data has been submitted since March 2017 nationally because NICOR have been awaiting a system upgrade)</i>
National Maternity and perinatal Audit (NMPA)	100% (8396 births)
National Pregnancy in Diabetes Audit (NPID)	74% (54 cases)
National Neonatal Audit Programme (NNAP)	100% (2084 admissions)
Diabetes (Paediatric) (NPDA)	100% (344 cases)
Neurosurgical National Audit Programme	100% (all cases submitted with HES data through NHS digital)

National Clinical Audit / Confidential Enquiry	Cases Submitted (Number/Percentage Reported)
Paediatric Intensive Care (PICANet)	100% (1403 cases)
Pain in Children (RCEM)	100% (100 cases)
Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	100% (BWH 16 BCH 2)

*5 of the studies listed above were national confidential enquiries

The reports of 14 national clinical audits and confidential enquiries were reviewed by the provider in 2017/18 and the Trust intends to take the following actions to improve the quality of healthcare provided: (See table 7)

Table 7 National Clinical Audit / NCE Reports Reviewed

National Clinical Audit / NCE	Action
Each Baby Counts report 2015	<p>Our gap analysis found that 16 recommendations were applicable to our Trust, and we had met 14 of the 16 recommendations.</p> <ul style="list-style-type: none"> ▪ The report recommended that all eligible babies should be reported to EBC within 5 working days. We found that as soon as a case that is eligible is reported through our internal processes this is identified by the Governance lead for Maternity, information is collected and reported to the EBC portal. Currently this does not always happen within the recommended 5 working days due to workload although no cases have been missed. We agreed that once a risk management midwife appointed we would liaise with EBC whether we can have a second reporter named. ▪ The report recommended that all local reviews must have the involvement of an external panel member. Currently all RCAs are reported to the CCG and a representative attends the meeting. This does not happen with DLRs although the Maternity Governance team will discuss the attendance of a member of the quality team for all DLRs. We agreed to discuss with Quality team the presence of a member of the team in the DLR meetings.
National mortality guidance / learning from deaths review <i>"Learning, candour and accountability"</i>	<p>We found improvement is needed to engage with families within the mortality review process. Greater involvement is needed with bereavement, ED and wards to ensure families have the opportunity to feed into the mortality review process and that any questions are answered. There are a number of specific requirements in the national guidance. We will:</p> <ul style="list-style-type: none"> ▪ Approve the high-level approach detailed in the assessment section, including the proposed deadlines for action. The proposal will result in a staged approach

National Clinical Audit / NCE	Action
	<p>to process integration between BWH and BCH by September.</p> <ul style="list-style-type: none"> ▪ Approve the creation of a cross-site MDT working group to drive integration and improvement in our processes. ▪ Consider whether FTB should be integrated into the BWC process, or whether they should be asked to separately provide assurance that they are appropriately reviewing and learning from deaths in the FTB service. It is important to note that the national guidance includes mental health services and the timescales for implementation are the same. If the FTB process is to be fully integrated with the BWC process consideration must be given to the resources to support this and to training for the staff to enable them to carry out mortality reviews.
<p>Maternity - National Diabetes in Pregnancy Audit 2015 (published 21 October 2016)</p>	<ul style="list-style-type: none"> • BWH preconception and Antenatal care guideline to be completed to align with NICE 2015 • DSM team to review current role in the preconception clinic and plan how it could be optimised to provide women with informative advice from a midwife perspective. DSM band 7's to meet & discuss with consultant obstetrician consultant diabetologist & consultant diabetes nurse leading the preconception service • Further liaison is required for continued contact with primary care and promoting early referral and strengthening the preconception care pathway • Contact the perinatal institute to arrange a date for publishing. Contact the team who updated the leaflets and arrange a day for a launch and involve a rep to support distribution to GP surgeries for publication • Once the leaflets are available to download the DSM team will contact the regional manager for diabetes UK to enable the leaflets to be accessed via the national website • BWH preconception and antenatal care guidance requires an update to reflect current practice in the joint diabetes antenatal clinic (NICE 2015) • MDT diabetes members have been emailed and for consultants to share with junior medical colleagues

National Clinical Audit / NCE	Action
Perinatal Mortality Surveillance Report - UK Perinatal Deaths for Births from January to December 2015	<p>Whilst the mortality rates for BWH are less than in the previous report in line with the national trend, it is still a concern that we are an outlier, albeit with likely mitigating circumstances. In view of this, we have engaged in ongoing detailed review of cases. In particular:</p> <ul style="list-style-type: none"> the neonatal team have held independent case review of NND for several years. More recently a Standardised Clinical Outcome Review (SCOR) has been employed to review more widely and include the stillbirths. SCOR involves a team including a midwife and neonatal nurse; two neonatal consultants and two obstetrics consultants who meet weekly to review all cases of SB and NND. The process is robust and detailed with feedback given to relevant teams and individuals to aid personal reflection and learning. Issues identified through score are fed back into the Maternity Directorate governance processes. <p>There was a considerable back log of cases as it was decided to carry out a retrospective case review beginning in 2015. Once those reviews have been completed it is anticipated that all cases will be reviewed soon after the event to allow feedback to the patient involved to inform their post loss debrief with the relevant consultant. In addition, the result of the SCOR review are used to feedback to the Neonatal and Obstetrics teams at the monthly multidisciplinary perinatal mortality meeting.</p> <p>Clearly the impetus behind this is to critically review and inform learning from perinatal deaths to improve outcomes further.</p>
National audit of breast cancer in older patients - 2017 annual report for public and patients	The National Audits received were noted to not be applicable to the Trust.
National lung cancer audit 2016: key findings for patient and carers	The National Audits received were noted to not be applicable to the Trust.
MBRRACE-UK Saving Lives, Improving Mothers' Care - Lessons learned to inform maternity care from the UK and Ireland Confidential Enquiries into Maternal Deaths and Morbidity 2013–15 December 2017	Report being reviewed within the Maternity Directorate – gap analysis to be provided to Trust Clinical Audit and Effectiveness Committee in April 2018.
National Maternity and Perinatal Audit Report - Executive Summary	Report being reviewed within the Maternity Directorate – response to be provided to Trust Clinical Audit and Effectiveness Committee in April 2018.
MBRRACE Intrapartum Confidential Enquiry Report	Report being reviewed within the Maternity Directorate – gap analysis to be provided to Trust Clinical Audit and Effectiveness Committee in April 2018.

National Clinical Audit / NCE	Action
MBRRACE-UK Perinatal Confidential Enquiry Report 2017	Report being reviewed within the Maternity Directorate – gap analysis to be provided to Trust Clinical Audit and Effectiveness Committee in April 2018.
Reports viewed but no further actions noted	
<ul style="list-style-type: none"> ▪ National Dementia Audit ▪ National Heart Failure Audit: More patients than ever surviving heart failure following key improvements ▪ Stroke Audit: National thrombectomy figures for April 2016-March 2017 released ▪ National Comparative Audit of Blood Transfusion - 2016 Repeat Audit of Patient Blood Management in Adults undergoing elective, scheduled surgery ▪ Neonatal National Audit Programme 2017 report on 2016 data ▪ National Paediatric Diabetics Audit 	

Local Clinical Audits

The reports of 117 (55 BCH + 62 BWH) local clinical audits were reviewed by the provider in 2017/18 and BWC intends to take the following actions to improve the quality of healthcare provided:

BWH CARMS-00520: Audit looking at the “Golden Hour”

To evaluate the practice of the Golden Hour (early stabilisation and management) in extreme preterm babies.

The audit found improvement was needed in time to IV antibiotics and IV fluids, administration of Vitamin K, and getting X –Rays.

- Teaching session to be carried out by with regard to Golden Hour. This will be kept as a rolling item on the teaching programme such that it is reinforced every 6 months.

BCH CARMS-00318: An audit of transitional care in adolescents with ADHD at Blakesley Centre CAMHS

Case note study (based on availability of the notes) to establish if NICE guidelines and local guidelines are being met for Children registered at Blakesley Centre CAMHS with a diagnosis of ADHD, who had their 16th birthday. Of the 21 case notes available, 16 young people were referred to adult ADHD services.

- Review the progress of ADHD transitions in the light of FTB having been launched in April 2016
- Quantitative survey done by focus group discussions held with current ADHD Transitions team based at Blakesley on 19th May 2016 in evaluating if the standards of CAMHS and AMHS transitions have been adhered to as recommended in the Audit done in 2014.

BCH CARMS-00974: Audit of Intubations in Children Presenting to the Emergency Department

The audit aimed to benchmark our first time success rate, technique and drug used, complications of intubation & adjuncts used in incubation.

43 patients were identified. 9 were excluded leaving 34 patients. 88% of patients were successfully intubated using 2 attempts or less.

- Develop and print an Intubation record and get agreement from PICU, anaesthetic department, KIDS and ED on the content and layout.

BWH CARMS-00458: Category 2 caesarean Section

To ensure standards from the Royal College of Obstetricians and Gynaecologists on Caesarean Section are met and guideline adhered to.

The audit found that the category of caesarean section along with reason for caesarean section was documented in 100%.

Written consent was taken and filed in 92.5%.

Compliance with Decision to delivery time (DTD) 87.5%.

Reason for delay was not documented in any of the cases 0% and incident form was not submitted in any of the above cases which failed DTD.

Prophylactic antibiotics given 82.5%.

- Review and revise the Caesarean Section guideline
- Posters in clinical areas

BWH CARMS-00524: Safe Prescribing Audit (Neonatal Unit)

This audit reviewed prescriptions weekly over a 6 week period.

- Look into a designated area for prescribing with minimal interruptions and distractions.
- The protected prescribing time has been re-introduced from 09.00-10.00 whereby the Go-to doctor deals with all the prescription tasks.
- There are 2 areas where the go-to doctor can go to prescribe in peace, which all doctors are aware of.

BCH CARMS-00933: Discharge information(Child & Adolescent Psychiatry)

To audit current CPA Discharge tool, to establish if (a) If it is compliant with current AoRMC guidance on paper discharge summaries, and (b) To establish if it is being completed correctly.

- Update the Induction folder and include prompts on the discharge document.

BCH CARMS-00744: ED documentation standards

To ensure that documentation of ED cards is compliant with Trust standards.

- Ensure an example CAS card is used at induction of new staff to demonstrate the "gold standard" in documentation.
- Documentation standards should be a regular "Theme of the Week" discussed at board round.
- Clinicians to have documentation standards reviewed at mid-placement meeting.

BWH CARMS-00442: Female Genital Mutilation (Maternity) Audit

The audit reviewed Cases of women with FGM. Overall, there were a number of areas that would benefit from improvement and evaluation. There was no information available antenatally for women and there was no documentation in case notes that women had been signposted to other services for information or support. There was a proportion of women whose first language was not English and therefore required interpretation services; some interpretation services are provided by the Trust.

- The guideline has been reviewed and revised by Community Matron and FGM Midwife
- Develop information leaflets and support service information
- Develop care pathway

BCH CARMS-00681: Hand surgery infections

This audit was conducted on 20 patients presenting with hand and soft tissue infections, to review whether the department is compliant with local antibiotic policy and does this policy needs to be revised.

A total of 20 patients were selected from microbiology records, plastic surgery handover sheets and hand trauma clinic database. Case notes were then retrieved and the antibiotics given were identified. Microbiology results were studied and change of antibiotics if any were also identified.

- The change of antibiotics was required in 5 patients according to growth on microbiology results and their sensitivities

BCH CARMS-00419: Management of Babies with Pierre Robin Sequence Grade 3

Primary Aim- To Identify cohort of babies with PRS 3 who have not responded to standard protocol management and investigate whether they have been diagnosed with co-morbidities, which specialities have had an input and what additional investigations or interventions were required, and the outcome.

- Write and sign off the PRS protocol (protocol signed off by cleft team on 12.1.18)
- Write protocol for in patient management of Pierre Robin Sequence Gr 3 babies, admitted under Cleft team at BCH.

BWH CARMS-00372: Maternity Services Directorate: Management of the Third Stage of Labour Audit Report

To look at the documentation surrounding the third stage of labour. To include the discussion surrounding consent; from the antenatal period to the intrapartum period. The drugs used, the time frames, complications, blood loss, transfers from one management to another.

- Review of Operative Birth Guidelines

BWH CARMS-00272: Maternity Services Directorate: Membrane Sweep Audit

To assess whether membrane sweeps are being offered and performed to all suitable women prior to the IOL process in line with local guidance. Not all of the 78 women were offered a sweep at 40 weeks.

- Review (and revise if required) membrane sweeping guideline: Membrane sweeping guideline updated to include membrane sweeping being offered to women before 40 weeks gestation

BWH CARMS-00540: Number of blood transfusions required in baby's 30 weeks CGA and under

To determine if the transfusion laboratory should reserve 3 or 6 paediatric units (from the same blood donor) for each patient. We found that babies were frequently transfused outside of the guidelines. It was uncommon for a reason to be documented for this decision to transfuse outside of guidelines and lack of awareness regarding recommended transfusion thresholds potentially played a role.

- Introduce ring fencing 3 packs per baby 26-28 weeks gestation
- Introduce a prompt to remind staff of transfusion guidelines (Laboratory form that is now in use on the NNU and in the laboratory to reserve units for preterm babies)

BWH CARMS-00055: Maternity Services Directorate: Postnatal MEWS Audit Report

To ensure MEWS observations complies with local standards; including women who have experienced severe symptoms.

- Arrange focus groups with members of staff to identify any practice issues
- Liaise with practice development midwife to identify any improvements required in training
- Develop flow chart that accompanies MEWS to include conservative measures and when to escalate
- Review MEWS guideline and revise if required
- reinvigorate MEWS working group to move forward with any required changes

BWH CARMS-00330: Maternity Services Directorate: Readmission of women with wound breakdown/infections to inpatient areas audit report

The aims of this audit were to identify:

1. The number of wound infections or breakdown/dehiscence amongst postnatal women that require readmission to the trust will be included in this data.
2. The timing of onset of wound infection or breakdown/dehiscence.

3. The length of stay as a result of wound infection or breakdown/dehiscence.

- Review and revise Tissue Viability guideline to create a maternity only guideline
- Focus group with Tissue Viability Champions and postnatal floor midwives
- Include admission observations as part of the MEWS working group

BWH CARMS-00280: Maternity Services Directorate Delivery Suite: The Management of Shoulder Dystocia January 2016 – April 2016

To ensure that shoulder dystocia is anticipated, diagnosed promptly and managed in a recognised, systematic approach that is documented accurately

- Shoulder Dystocia will be added to the 2018 PROMPT programme
- Develop a leaflet for staff to aid with shoulder dystocia management

BCH CARMS-00866: Vocal Cord USS Audit

This project aimed to evaluate the current use of vocal cord ultrasound and referral pathway

33 patients were audited for USS vocal cord.

- Multidisciplinary consultation agreed to design a formal management pathway for patients with a suspected vocal cord palsy.

Participation in Research

Birmingham Women's and Children's NHS Foundation Trust

The number of patients receiving NHS services provided or sub-contracted by Birmingham Women's and Children's NHS Foundation Trust between 1 April 2017 to 31 March 2018 that were recruited during that period to participate in research approved by a research ethics committee was **2107** for NIHR Portfolio studies. This is **24% above** our target for the period.

Goals agreed with commissioners

Birmingham Women's and Children's NHS Foundation Trust

A proportion of Birmingham Women's and Children's NHS Foundation Trust's income in 2017/18 was conditional upon achieving quality improvement and innovation goals agreed between Birmingham Women's and Children's NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework.

Further details of the agreed goals for 2017/18 and for the following 12-month period are available electronically at <https://www.england.nhs.uk/nhs-standard-contract/cquin/>

The total value of the income due to CQUIN payments for 2017/18 is £6,525,589. The value achieved for 2017/18 that was conditional upon achieving quality improvement and innovation goals was £6,428,839.

The value of the CCG Acute and FTB CQUIN schemes is the equivalent of 2.5% of contract income excluding drugs and devices. The value of NHSE CQUIN schemes is the equivalent of 2% of the acute contract income excluding drugs and devices.

Schemes agreed for Commissioning Quality and Innovation (CQUIN) framework 2018/19

Commissioner	CQUIN Scheme	CQUIN weighting	Value of CQUIN	Projected Year End Performance	Projected Lost Income
CCGs (acute)	Improvement of Health and Wellbeing of NHS Staff	0.0833%	£74,423	YTD Targets Not Met	£74,423
CCGs (acute)	Health Food for Staff, Visitors & Patients	0.0833%	£74,423	All YTD Targets Met	£0
CCGs (acute)	Flu Vaccination for Clinical Staff	0.0833%	£74,423	All YTD Targets Met	£0
CCGs (acute)	Identification of Sepsis	0.0625%	£55,817	All YTD Targets Met	£0
CCGs (acute)	Treatment of Sepsis	0.0625%	£55,817	YTD Targets Not Met	£22,327
CCGs (acute)	Antibiotic Review of Sepsis Patients	0.0625%	£55,817	All YTD Targets Met	£0
CCGs (acute)	Reduction in Use of Antibiotics	0.0625%	£55,817	All YTD Targets Met	£0
CCGs (acute)	Improving Services for People with Mental Health Needs	0.250%	£223,269	All YTD Targets Met	£0
CCGs (acute)	Offering Advice & Guidance	0.250%	£223,269	All YTD Targets Met	£0
CCGs (acute)	NHS E-Referrals	0.250%	£223,269	All YTD Targets Met	£0
CCGs (acute)	Perinatal Mortality MDT Review	0.250%	£223,269	All YTD Targets Met	£0
CCGs (acute)	Engagement with STPs	0.500%	£446,538	All YTD Targets Met	£0
CCGs (acute)	Linked to Risk Reserve	0.500%	£446,538	All YTD Targets Met	£0

CCG (acute) Subtotal		2.500%	£2,232,689		£96,750
CCGs (FTB)	Improvement of Health and Wellbeing of NHS Staff	0.139%	£37,920	All YTD Targets Met	£0
CCGs (FTB)	Health Food for Staff, Visitors & Patients	0.139%	£37,920	All YTD Targets Met	£0
CCGs (FTB)	Flu Vaccination for Clinical Staff	0.139%	£37,920	All YTD Targets Met	£0
CCGs (FTB)	Improving Physical Healthcare	0.4165%	£113,759	All YTD Targets Met	£0
CCGs (FTB)	Transitions out of CYP's Mental Health Services	0.4165%	£113,759	All YTD Targets Met	£0
CCGs (FTB)	Preventing ill health by risky behaviours - alcohol and tobacco	1.25%	£341,278	All YTD Targets Met	£0
CCG (FTB) Subtotal		2.500%	£682,555		£0
NHSE	Clinical Utilisation Review	0.400%	£575,613	All YTD Targets Met	£0
NHSE	Medicines Optimisation	0.210%	£302,954	All YTD Targets Met	£0
NHSE	CAMHS Screening of LTC Patients	0.105%	£151,477	All YTD Targets Met	£0
NHSE	Improving Haemoglobinopathy Pathways	0.074%	£106,033	All YTD Targets Met	£0
NHSE	Improving Access for Spinal Deformity Patients	0.526%	£757,385	All YTD Targets Met	£0
NHSE	Paediatric Critical Care Networks	0.526%	£757,385	All YTD Targets Met	£0
NHSE	CAMHS Transition Pathways	0.105%	£151,477	All YTD Targets Met	£0
	Neonatal Community Outreach	0.257%	£370,440	All YTD Targets Met	£0
	Genetics Outpatients	0.139%	£199,467	All YTD Targets Met	£0
NHSE	Haemtrack	0.158%	£227,216	All YTD Targets Met	£0
NHSE Subtotal		2.000%	£3,599,447		£0
PHE	Paediatric Dentistry	2.5%	£10,898	YTD Targets Met	£0
PHE Subtotal		2.500%	£10,898		£0
Grand Total			£6,525,589		£96,750

The monetary total for the amount of income conditional upon achieving CQUIN goals in 2018/19 and the monetary total for the associated payment in 2017/18 are detailed below:

<i>CQUIN income data 2016/17 and 2017/18</i>	2017/18	2018/19
Total value of CQUIN targets (based on planned income)	£4,490,812	£6,525,589
Income not achieved	£221,181	£96,750
% of income not achieved	4.9%	1.5%

Statements from the CQC

Birmingham Women's and Children's NHS Foundation Trust

Birmingham Women's and Children's Hospital NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is registered with the CQC with no conditions. The CQC has not taken enforcement action against the Trust during 2017/18.

Birmingham Women's and Children's Hospital NHS Foundation Trust Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

NHS Number and General Medical Practice Code Validity

Birmingham Women's and Children's NHS Foundation Trust

Birmingham Women's and Children's NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data:

Which included the patient's valid NHS number was:

- 99.0% for admitted patient care
- 99.5% for outpatient care
- 99.2% for accident and emergency care
- 99.98% for Mental Health Care

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

- 100% for admitted patient care
- 99.9% for outpatient care
- 99.9% for Accident and Emergency care
- 99.10% for Mental Health Care

Information Governance Toolkit attainment levels

Birmingham Women's and Children's NHS Foundation Trust

Birmingham Women's and Children's NHS Foundation Trust Information Governance Toolkit (IGT) Assessment overall score for 2017/18 was 67% and was graded as green.

Clinical coding error rate

Birmingham Children's Hospital NHS Foundation Trust

Birmingham Women's and Children's NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2017/18 by the Audit Commission.

Data Quality

Birmingham Women's and Children's NHS Foundation Trust has completed a significant amount of work during 2017/2018 to support improving Data Quality.

The Trust has a new Data Quality Strategy & Policy which sets out goals and objectives to support the Trust to continuously improve its Data Quality.

It provides a framework for the process and responsibility for assessing risks associated with unreliable and or inaccurate data and a framework for the monitoring and providing assurance over data quality.

We have altered the governance and Leadership of Data Quality within the Trust, improved on existing system processes and reporting and introduced a new Data Quality Assurance Framework.

Birmingham Women's and Children's NHS Foundation Trust will be taking the following actions to improve data quality:

- Action 1: Implement the newly created Assurance Framework including the publication of a 'kitemark' showing an actual measurable value for data Quality.
- Action 2: Implement Data Quality Improvement plans (DQIP) in areas that require significant improvement to user data collection, ICT system functionality, training and reporting.
- Action 3: Increase awareness and data capture for data items including NHS Number, Patient Ethnicity, consultant code allocation and dates around the decision to admit patients.
- Action 4: Maintain the Information Asset Register and improve on the quality of data items captured around each asset.
- Action 5: Expand the focus of Data Quality to beyond the current 'Key' assets and recognise the impact each has on the on-going creation of a single Electronic Patient Record.
- Action 6: To enforce the message across the organization that all data is captured in a consistent manner with reconciliation against other data sources where possible.
- Action 7: Improve on current Data Quality incident reporting and risk management and ensure clinical members are heavily involved in measuring and learning from Data Quality incidents.

Learning from Deaths

	Q1	Q2	Q3	Q4	Total
Number of deaths	48	47	43	50	188
Number of deaths that have been reviewed through the mortality review process	45	40	16	5	106
Number of deaths that have been reviewed through the mortality review process and the SI process	2	1	3	3	9
Number of deaths that have been reviewed through the SI process.	3	1	4	5	13
Number of deaths that have been reviewed through either the mortality review process or a SI	46	40	18	6	110

During 2017/18 188 of Birmingham Women's and Children's Hospital patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 48 in the first quarter; 47 in the second quarter; 43 in the third quarter; 50 in the fourth quarter.

By 19th April 2018, 106 case record reviews and 13 investigations have been carried out in relation to 188 of the deaths included in item 27.1. In 9 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 46 in the first quarter; 40 in the second quarter; 18 in the third quarter; 6 in the fourth quarter. All of the other deaths from 17/18 are still under review.

2 deaths representing 1% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter, this consisted of:

- 0 deaths which occurred in the quarter.
- 1 death representing 0.5% for the second quarter;
- 1 death representing 0.5% for the third quarter;

- 0 deaths, so far for the fourth quarter.

These numbers have been estimated using the site specific mortality review tool. Each of the three main sites, the Women's Hospital, the Children's Hospital and Forward Thinking Birmingham have a different review tool.

The Women's review process for each case is:

Initial case review is undertaken by the clinical team to identify if there are any concerns. If any concerns are identified then the case is progressed to an RCA, usually as a SIRI.

Detailed case review using the SCOR and more recently the National Perinatal Mortality Review Tool (NPMRT) tools for perinatal mortality by designated clinicians who were not involved in the care. Please note that all adult deaths are automatically classed as Serious Incidents.

Sign off case by Perinatal Mortality Review group.

The Children's Hospital review process for each case is:

1. Stage 1 – the case is reviewed by the patient's clinical specialties, the corporate nursing team and, if the patient passed away on PICU, the intensive care team. A structured review tool is used to guide each of these reviews. The tool was developed in-house in 2011 and provides more detailed prompts than those available in the nationally recommended tools. If there are significant concerns then the case will also be reviewed as a SIRI.
2. Stage 2 – the outputs from the stage 1 review are shared with a senior clinician who was not involved in the stage 1 reviews and they are asked to assess whether the stage 1 reviews align and whether there are any outstanding causes for concern. If the senior review has queries then the case is referred to stage 3. If there are any concerns that the patient's death may have been caused by failures in BCH care then the case will also be referred to stage 3. If the senior reviewer is satisfied that there are no outstanding queries they are asked to sign the case off. The senior review is documented in a standard tool.
3. Stage 3 – cases that could not be signed off as completed at stage 2 are referred for further discussion at the Mortality Review Committee. The committee will then following a discussion about the case drawn conclusions about whether the care provided to the patient could have caused the patient's death.

The Forward Thinking Birmingham review process for each case is:

Every service user death, or homicide, is automatically scoped as a potential SIRI and where related to the services provided, undergoes a full RCA.

27.4 Summary of what the provider has learnt from case record reviews and investigations

The vast majority of patient deaths at BWC are due to the patient's underlying condition. The nature of our services as a specialist tertiary care provider and level 3 neonatal unit means that our patient acuity is high and that a number of our patients suffer from several complex health problems.

The lessons learnt from the two cases where care fell below the required standard and that was likely to have caused the patient's death were that:

- 1) we failed to follow the antepartum haemorrhage guideline that was in place;
- 2) we failed to make appropriate use of the observation and monitoring system in place (PEWS) resulting in delayed identification of deterioration and resulting in a delay responding to address the deteriorating clinical situation.

In both cases we also identified that the team work and situational awareness was sub-optimal.

27.5 A description of action taken during the reporting period.

Both of the cases where we assessed care as substandard and likely to have impacted on the patient's survival were investigated as Serious Incidents, and therefore subject to Root Cause Analysis. The recommendations made following those reviews were:

- The immediate need to review the local guidance regarding antepartum haemorrhage to ensure that it is line with national guidance.
- Members of staff involved to reflect on practice.
- Feedback to be provided to BSOTS© (Birmingham Symptom specific Obstetric Triage System) team.
- Disseminate the lessons learned from this incident to all relevant staff groups
- A Task and Finish Group is appointed by the Clinical Safety and Quality Assurance Committee. This group must review the PEWS system and its application. In addition the group must look to improving the human factors training and knowledge of staff across the Trust. The review must include:
 - The formatting of the PEWS chart to see if escalation triggers and actions can be made clearer.
 - Staff training in the use of PEWS, and whether this can be improved including:

- How staff are refreshed in this training on a periodic basis, including in relation to staff that may not use the system frequently.
 - Addressing how to ensure that all five key observations are recorded including blood pressure to allow calculation of an accurate PEWS score.
 - Understanding of borderline scores and trigger boundaries
- How we listen to parental concerns. This element will require the input of the Patient Experience Team and should look at alternative escalation pathways for parents when they feel that their concerns are not being heard.
- Institution of human factors training
- A review of how we monitor the quality of our clinical observations and escalation systems.
- To support immediate cascade of key lessons from this case a 1 page summary of the case will be produced and shared with all staff. This will include the importance of:
 - Keeping an open mind to avoid excluding factors that don't fit' and our wish to normalise (especially when something is outside our experience). For example, recognising that confirmation bias exists and learning to listen to those information sources that are pushing us away from our confirmation bias.
 - The importance of completing all observations including blood pressure readings.
 - The importance of using structured communication tools when escalating and documenting the escalation and response in the contemporaneous records.
- In the long-term we may be able to use technology to mitigate some of the consequences of tunnel vision or confirmation bias. We are developing an electronic observation and escalation system that will include automated escalation of concerning physiological parameters leading to 'fresh eyes' on the situation. This is not a system that is currently available and therefore will undergo rigorous testing and development before it can safely be implemented. This recommendation will not be tracked through the Serious Incident action plan monitoring system, however, the CRQAC will expect to receive 6 monthly updates on progress with developing this electronic system.

27.6 An assessment of the impact of actions described above

At Birmingham Women's and Children's Hospital the impact of actions is assessed 6 months after the completion of the final action in the action plan. The assessment of impact for both cases is due to commence in June 2018.

27.7 Cases which predate the reporting period.

The nature of our cases and review process means that some case may take a long time to complete. This year:

85 case record reviews and 2 investigations were completed after 1st April 2017 which related to deaths which occurred before April 2017. Of these, 0 representing 0% are judged to be more likely than not to have been due to problems in the care provided to the patient.

Audited Indicators

Indicator		2017/18 Performance																																											
1) Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period		92.9%																																											
	<table><tr><th></th><th>Performance</th><th>Target</th></tr><tr><td>April</td><td>93.4%</td><td>92%</td></tr><tr><td>May</td><td>93.4%</td><td>92%</td></tr><tr><td>June</td><td>93.5%</td><td>92%</td></tr><tr><td>July</td><td>92.9%</td><td>92%</td></tr><tr><td>August</td><td>93%</td><td>92%</td></tr><tr><td>September</td><td>92.1%</td><td>92%</td></tr><tr><td>October</td><td>93%</td><td>92%</td></tr><tr><td>November</td><td>93.2%</td><td>92%</td></tr><tr><td>December</td><td>92.6%</td><td>92%</td></tr><tr><td>January</td><td>92.4%</td><td>92%</td></tr><tr><td>February</td><td>92.5%</td><td>92%</td></tr><tr><td>March</td><td>92.5%</td><td>92%</td></tr></table>		Performance	Target	April	93.4%	92%	May	93.4%	92%	June	93.5%	92%	July	92.9%	92%	August	93%	92%	September	92.1%	92%	October	93%	92%	November	93.2%	92%	December	92.6%	92%	January	92.4%	92%	February	92.5%	92%	March	92.5%	92%					
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2) A&E 4: Maximum waiting time of four hours from arrival to admission / transfer / discharge.		92.84%																																											
	<table><tr><th rowspan="2">Month</th><th colspan="3">2017/18</th></tr><tr><th>Attendance</th><th>Total breaches</th><th>Total %</th></tr><tr><td>April</td><td>4964</td><td>250</td><td>94.96%</td></tr><tr><td>May</td><td>5296</td><td>317</td><td>94.01%</td></tr><tr><td>June</td><td>4727</td><td>164</td><td>96.53%</td></tr><tr><td>Quarter 1</td><td>14987</td><td>731</td><td>95.12%</td></tr><tr><td>July</td><td>4916</td><td>232</td><td>95.28%</td></tr><tr><td>August</td><td>3801</td><td>86</td><td>97.74%</td></tr><tr><td>September</td><td>4775</td><td>439</td><td>90.81%</td></tr><tr><td>Quarter 2</td><td>13492</td><td>757</td><td>94.39%</td></tr><tr><td>October</td><td>5518</td><td>506</td><td>90.83%</td></tr></table>	Month	2017/18			Attendance	Total breaches	Total %	April	4964	250	94.96%	May	5296	317	94.01%	June	4727	164	96.53%	Quarter 1	14987	731	95.12%	July	4916	232	95.28%	August	3801	86	97.74%	September	4775	439	90.81%	Quarter 2	13492	757	94.39%	October	5518	506	90.83%	
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November	5838	1231	78.91%
December	5080	445	91.24%
Quarter 3	16436	2182	86.72%
January	4913	119	97.58%
February	4779	326	93.18%
March	4970	153	96.92%
Quarter 4	14662	598	95.92%
FYE	59577	4268	92.84%

3) Quality Priority: Neonatal Care

2.0%

Month	Readmission Rate (%)	
	28 days from Delivery Date	28 days from Discharge Date
April	2.3	2.4
May	1.1	1.1
June	1.3	1.4
July	2.6	2.5
August	2.1	2.1
September	2.0	2.0
October	2.1	2.1
November	2.6	2.5
December	1.9	2.1
January	2.5	2.5
February	2.2	2.2
March	1.6	1.6
FYE	2.0	2.0

Data assurances and actions for improvement

The assurance work undertaken by Deloitte LLP in respect of the Quality Report 2017/18 has led to a qualified conclusion on the accuracy of the reported 18 week Referral to Treatment incomplete pathway indicator. This indicator was also qualified in the 2016/17 quality account

Whilst the Trust did implement the recommendations from last year with respect to this indicator, we acknowledge that it did not have the desired effect as some of the issues were more deep rooted than initially thought. The Trust has put in place further actions, centred around reviewing and aligning systems across sites; providing more effective training for staff; implementing monthly audits to check particular data quality elements. This is all supported by the development of a central validation team, covered by the same patient access manager across both sites and supported by recruitment to two more posts.

A detailed action plan alongside progress reports will be reported through the Trust's Audit Committee. The accountable lead for the delivery of this action plan will be the Chief Operating Officer. Breaches will be reviewed to ensure there were no lapses in care and adverse effects on patient safety.

2.3 Core Quality Indicators

Due to the time it takes central bodies to collate and publish some of the data, sometimes comparative figures are not available at all (N/A).

There are several core national indicators that are only applicable to some of our services at Birmingham Children's Hospital, Birmingham Women's Hospital and FTB due to the specialist nature of many of our services. Where the indicator is only relevant to either Birmingham Children's Hospital (including FTB) or Birmingham Women's Hospital this will be stated below. Where the indicator is applicable to more than one service, this information is provided in separate tables.

As Birmingham Women's and Children's Hospital was only established in February 2017 there is very little combined data available from NHS digital and other sources for the previous 2016/17 reporting period.

17. The data made available to the National Health Service Trust or NHS Foundation Trust by NHS Digital with regard to the percentage of admissions to acute wards for which the Crisis Resolution Home Treatment Team acted as a gatekeeper during the reporting period.

This indicator is valid for Birmingham Children's Hospital (including FTB) only

Birmingham Children's Hospital NHS Foundation Trust

BCH 2016/17	BCH 2017/18	Trust Average 2017/18	Lowest Trust	Highest Trust
98.4%	100%	100%	N/A	100%

The Birmingham Children's Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

The Quarterly Mental Health Community Teams Activity return collects data on the number of patients on Care Programme Approach (CPA) followed up within 7 days of discharge from psychiatric inpatient care, and the number of inpatient admissions gate kept by Crisis Resolution Home Treatment (CRHT) teams.

The Birmingham Children's Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this, and so the quality of its services, by:

We will continue to monitor this data to maintain performance and investigate any areas of concern.

19. The data made available to the National Health Service trust or NHS foundation trust by the Health and Social Care Information Centre with regard to the percentage of patients aged—

(i) 0 to 15; and

(ii) 16 or over,

Readmitted to a hospital which forms part of the trust within 28 days of being discharged from a hospital which forms part of the trust during the reporting period.

This indicator is valid for both Birmingham Children's Hospital and Birmingham Women's Hospital

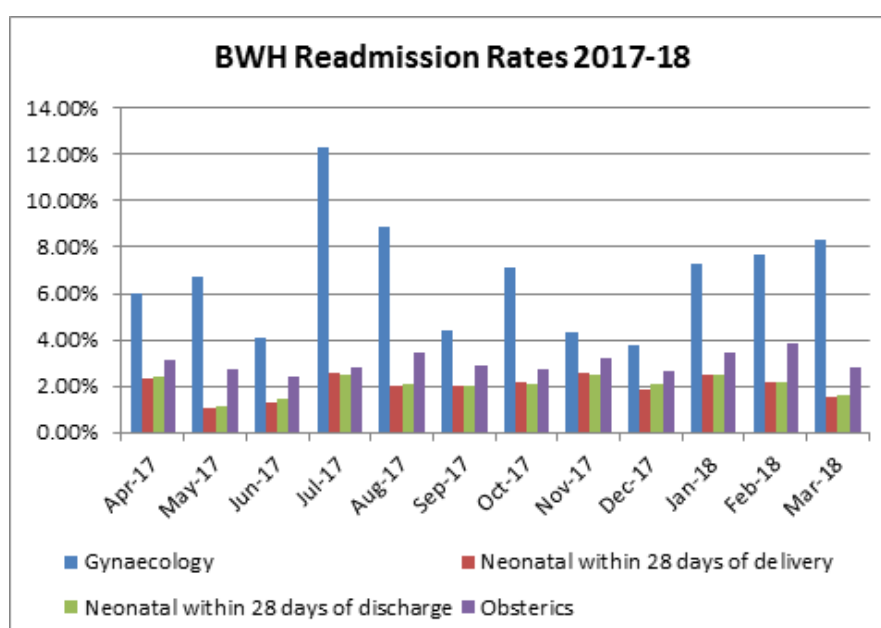
Birmingham Women's and Children's Hospital					
	Age Group	%		Age Group	%
2016/17	0-15	N/A	2017/18	0-15	1.8%
	16 or over	N/A		16 or over	3.7%
	All ages	N/A		All ages	2.3%

The Birmingham Women's and Children's Hospital NHS Foundation Trust considers that this data is as described for the following reasons:

At Birmingham Children's Hospital we had 772 (737 aged 0-15 and 35 aged 16 or over) readmissions in 2017/18 within 28 days out of a total of 43733 admissions.

At Birmingham Women's Hospital we had 1063 (744 aged 0-15 and 319 aged 16 or over) readmissions in 2017/18 within 28 days out of a total of 78809 admissions.

For the Women's Hospital these are further broken down into:



This will exclude any planned readmission or babies that are admitted because their mother is unwell or mothers that are admitted because their baby is unwell)

Due to the nature of paediatric care readmissions do not always indicate a gap in care. Readmissions continue to be monitored on a specialty by specialty basis to identify any areas of concern. No specific areas of concern have been identified in 2017/18. No comparative figures have been provided by NHS Digital.

The Birmingham Women's and Children's Hospital NHS Foundation Trust intends to take/has taken the following actions to improve this, and so the quality of its services, by:

We will continue to monitor readmissions on a specialty by specialty basis and investigate any areas of concern.

20. The data made available to the Trust by NHS Digital with regard to the trust's responsiveness to the personal needs of its patients during the reporting period. The data in the table below is the most up to date information available on the NHS Digital website, at the time of writing this report.

BWH 2016/17	BWH 2017/18	England Average 2017/18	Lowest Trust	Highest Trust
74.2	N/A	N/A	N/A	N/A

No data for the 2017/18 reporting period is available from NHS digital

The Birmingham Women's Hospital NHS Foundation considers that this data is as described for the following reasons:

This is based on five questions within the national inpatient survey which are combined to give a composite score. It covers the following areas;

1. Involvement in decisions regarding care and treatment.
2. being able to talk to about worries, fears and concerns.
3. Were you told who to contact after discharge if you were worried about your condition.
4. Privacy when discussing treatment.
5. Being disturbed by noise at night from others patients/staff.

This survey has highlighted the many positive aspects of the patient experience.

- Overall: 90% rated care 7+ out of 10.
- Overall: treated with respect and dignity 87%.
- Doctors: always had confidence and trust 86%.
- Hospital: room or ward was very clean 99%.
- Not bothered by noise at night by staff 87%.

Only two scores were given that were worse than the average score.

- Not always offered a choice of food: 70% compared to the average of 80%.
- Did not always get enough support from health or social care professionals 42% compared to the average of 55%.

The Birmingham Women's Hospital NHS Foundation Trust has taken the following actions to improve this, and so the quality of its services, by

Implementing our Patient Experience and Engagement Strategy, linked to our Quality Strategy, which sets out four aims and clarifies the definitions of family and patient centred care. The four aims implemented in 2017-18 are detailed below.

Aim 1: Develop a culture where families, parents and patients are the centre of our service

This includes a commitment to involve patients as in service design and redesign.

Aim 2: Develop a culture that supports continuous improvement of the patient experience

- Build and refine sustainable feedback to improvement loops.
- Listen to feedback, identify themes and act.
- Make it easy for users to feedback.
- Empower staff through appropriate governance to be part of the conversation and solution creation.
- Engage with future service users for inclusion and planning.

Aim 3: Deliver excellent services and respond rapidly to information telling us we are not

This includes a commitment to respond dynamically to Patient Feedback in order to improve the patient experience and to ensure that concerns and issues are resolved appropriately, without the need for formal complaint.

Aim 4: Build the brand of the Trust: Excellent Service, Care, Quality and Experience for all our parents, patients and families

This reflects the intention to demonstrate to the public that BWH provides an excellent patient experience from the start of the patient journey to the end.

21. The data made available to the National Health Service trust or NHS foundation trust by the Health and Social Care Information Centre with regard to the percentage of staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends (KF1).

This indicator is valid for both Birmingham Children's Hospital and Birmingham Women's Hospital

Birmingham Women's and Children's NHS Foundation Trust

KF1 data

BWC 2016	BWC 2017	Acute Specialist Trust Average 2017	Lowest Acute Specialist Trust 2017	Highest Acute Specialist Trust 2017	NHS Overall 2017
N/A	3.93	4.16	N/A	4.26	N/A

As a Trust we also look at the engagement rate closely and have included this information here

Engagement Rate

BWC 2016	BWC 2017	Acute Specialist Trust Average 2017	Lowest Acute Specialist Trust 2017	Highest Acute Specialist Trust 2017	NHS Overall 2017
No data	3.83	3.95			3.78

The Birmingham Women's Hospital NHS Foundation considers that this data is as described for the following reasons:

This data is provided by the national NHS Staff Survey. The themes of advocacy, motivation and involvement are analysed to give an overall staff engagement score.

As Birmingham Women's and Children's NHS Foundation Trust was newly formed in February 2017 following the merger of Birmingham Women's Hospital and Birmingham Children's Hospital, the survey centre does not show any comparative 2016 data.

We undertook our first annual National Staff Survey between September and December 2017 and received our results in February. We are able to look at our own 2016 data for the two organisations to see how we have changed.

Through these results, we have heard that the satisfaction of our staff is lower than we would like.

Our overall engagement score sits at 3.83 (on a 1-5 scale) and whilst this is a slight dip from the previous year, we are still pleased that this tells us that around three quarters of our staff are still engaged, feel motivated and enjoy working at the Trust.

The Birmingham Women's Hospital NHS Foundation Trust has taken the following actions to improve this, and so the quality of its services, by

Our plans for improvement include:

- Providing our clinical group leadership teams with a breakdown of their own results for them to discuss with their teams and understand what could help improve how staff feel
- Feeding the qualitative feedback we receive into further focus groups so we can 'dig deeper' into what is going on for staff
- Continuing with our work on staff wellbeing for which we are an exemplar
- Improving leadership visibility in a range of ways
- Working with NHSI on a pilot around violence and aggression to staff
- Focusing on how we improve how our BME staff feel and how we embed inclusion
- Supporting staff to engage in improvements

Our aim is to see:

- Our engagement score increase by a minimum of 0.10 next year
- Our recommender score increase by a minimum of 0.10 next year

23. The data made available to the National Health Service Trust or NHS Foundation Trust by NHS Digital with regard to the percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period.

This indicator is valid for Birmingham Women's Hospital only

Birmingham Women's and Children's NHS Foundation Trust

BWC 2016/17	BWC 2017/18	Acute Specialist Trust Average 2017/18	Lowest Acute Trust	Highest Acute Specialist Trust
98.6%	98.8%	95.4%	76.1%	100%

The Birmingham Women's Hospital NHS Foundation considers that this data is as described for the following reasons:

The data is collected and reported on a monthly basis within the Trust and to external sources.

The Birmingham Women's Hospital NHS Foundation Trust has taken the following actions to improve this, and so the quality of its services, by

Continuing to monitor this indicator to maintain performance and investigate any areas of concerns

24. The data made available to the National Health Service trust or NHS foundation trust by the Health and Social Care Information Centre with regard to the rate per 100,000 bed days of cases of C difficile infection reported within the trust amongst patients aged 2 or over during the reporting period.

This indicator is valid for both Birmingham Children's Hospital and Birmingham Women's Hospital

Birmingham Children's Hospital NHS Foundation Trust

BCH 2016/17	BCH 2017/18	Acute Specialist Trust Average 2017/18
1.1 (2 cases)	1.1 (3 cases)	N/A

The Birmingham Women's Hospital NHS Foundation considers that this data is as described for the following reasons:

There have been 3 cases of *Clostridium difficile* infection (CDI) reported in two patients this year. Case 1 was in a patient on PICU who had Neurosurgery and Case 2 was in a patient under the care of Haematology, who had two separate episodes of infection. This is the first time that we have seen a patient develop recurrent CDI; at the RCA it was noted that an increased number of recurrences is being seen across the West Midlands.

The Birmingham Children's Hospital NHS Foundation Trust has taken the following actions to improve this, and so the quality of its services, by:

CDI is an important aspect of infection prevention control and we monitor this regularly.

The three reported cases of CDI were investigated using root cause analysis in conjunction with the Infection Prevention and Control representative from the CCG.

Birmingham Women's Hospital NHS Foundation Trust

BWH 2016/17	BWH 2017/18	Acute Specialist Trust Average 2016/17
0	0	N/A

The Birmingham Women's Hospital NHS Foundation Trust considers that this rate is as described for the following reasons:

We have not had a case of *Clostridium difficile* infection since 2010/11.

The Birmingham Women's Hospital NHS Foundation Trust intends to take the following actions to improve to maintain this percentage, and so the quality of its services, by:

To ensure that our performance is maintained we will continue to implement and audit the Trust Infection Prevention and Control Programme.

25. The data made available to the National Health Service trust or NHS foundation trust by the Health and Social Care Information Centre with regard to the number and, where available, rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death.

This indicator is valid for both Birmingham Children's Hospital and Birmingham Women's Hospital

Birmingham Women's and Children's NHS Foundation Trust

	BWC April – September 2016	BWC October 2016 – March 2017	Acute Specialist Trusts October 2016 – March 2017	BWC April – September 2017	BWC October 2017 – March 2018
Number of Patient Safety Incidents	3004	2687	Highest: 3872 Lowest: 286 Average: 1444	3122	2864
Rate of Patient Safety Incidents	52	47	Highest: 150.6 Lowest: 16.3 Average: 51.6	48.8	44.1
Number of patient safety incidents resulting in severe harm/death	10	11	Highest: 11 Lowest: 0 Average: 3	13	16
Rate of Patient Safety Incidents resulting in severe harm/death	0.17	0.19	Highest: 0.42 Lowest: 0 Average: 0.1	0.2	0.25

The Birmingham Women's and Children's NHS Foundation Trust considers that this data is as described for the following reasons:

The most recent data has not yet been published by NHS Digital and no national comparative figures are available from March 2017. We have instead provided the data from our local risk management systems for 2017/18 where possible.

Deaths associated with FTB service users are recorded as incidents and, where there are any potential gaps in care, investigated as SIRIs. This may be increasing our number and rate of patient safety incidents resulting in severe harm or death. At the moment there is no separate mortality review process in FTB although we are liaising with other Mental Health Services to identify an evidence-based review tool.

The Birmingham Women's and Children's NHS Foundation Trust has taken the following actions to improve this, and so the quality of its services, by:

- We investigate and learn from incidents with focus on those which cause or have potential to cause most harm in line with the NHS Serious Incident Framework;
- We take actions to address safety issues identified through safety monitoring and analysis;
- We carry out regular audits of incident reports to identify any staff groups, wards or departments that may not be reporting all incidents;
- A lower than expected number of reported incidents is one of the measures we use to identify possible issues on wards or departments through our Safety Dashboard;
- The management response to incidents is monitored to ensure that incidents are adequately investigated and feedback provided to staff and families;
- We maintain a programme for disseminating lessons learnt from our incidents;
- Incidents are analysed to identify themes and significant safety issues. We endeavour to link incidents to our risk assessments in order to ensure on-going issues can be monitored through our risk register;
- We triangulate our incidents with other sources of feedback, including patient experience data;
- In addition to monitoring implementation of specific actions arising from serious incident investigations, we have developed a programme to review the effectiveness of our solutions to ensure they continue to mitigate risks.
- We are integrating the Risk Management System in place across both sites, so that we use a unified system across the Trust.

- We are integrating the Risk Management System in place across both sites, so that we use a unified system across the Trust.

NRLS has changed the format of their organisational reports and no longer provide Trusts with any comparative data or ranking from their reporting rates.

3. Other Information

3.1 Quality Indicators

The integration of the two hospitals provides an opportunity to review these supplementary indicators and ensure that they, together with the local priorities, provide a comprehensive view of the care provided to the whole family by the two hospitals that comprise Birmingham Women's and Children's Hospital NHS Foundation Trust.

Quality Indicators

The Trust has reported upon the following quality indicators, aligned to our local priorities in Part 2 of this report

2017/18 Priorities		
Patient Experience	Clinical Effectiveness	Safety
Priority 1: Neonatal Care		
Bliss Baby Charter	% Approved neonatal clinical guidelines, policies and protocols	Neonatal non-elective readmissions ≤28 days of delivery
Priority 2: Abortion Care Service		
Number of 'need to improve' comments received through patient experience feedback linked to abortion care	Compliance with '5 days to treatment' standard	Number of scheduled surgical terminations delivered as medical terminations of pregnancy
Priority 3: Antenatal Radiology Pathway		
Patient Experience	Waiting times audit	Staff Experience Redistribution of antenatal capacity
Priority 4: Never Events (WHO Surgical Safety Checklist Compliance)		
	WHO checklist compliance	Rate of Surgical Never Events
Priority 5: Cancelled Operations		
	Cancelled Operations Measures	

In addition we have also chosen to report on some additional indicators, included in our Quality Account last year, which we believe should form part of our Quality Account this year to provide a rounded reflection of our Trust over 2017/18.

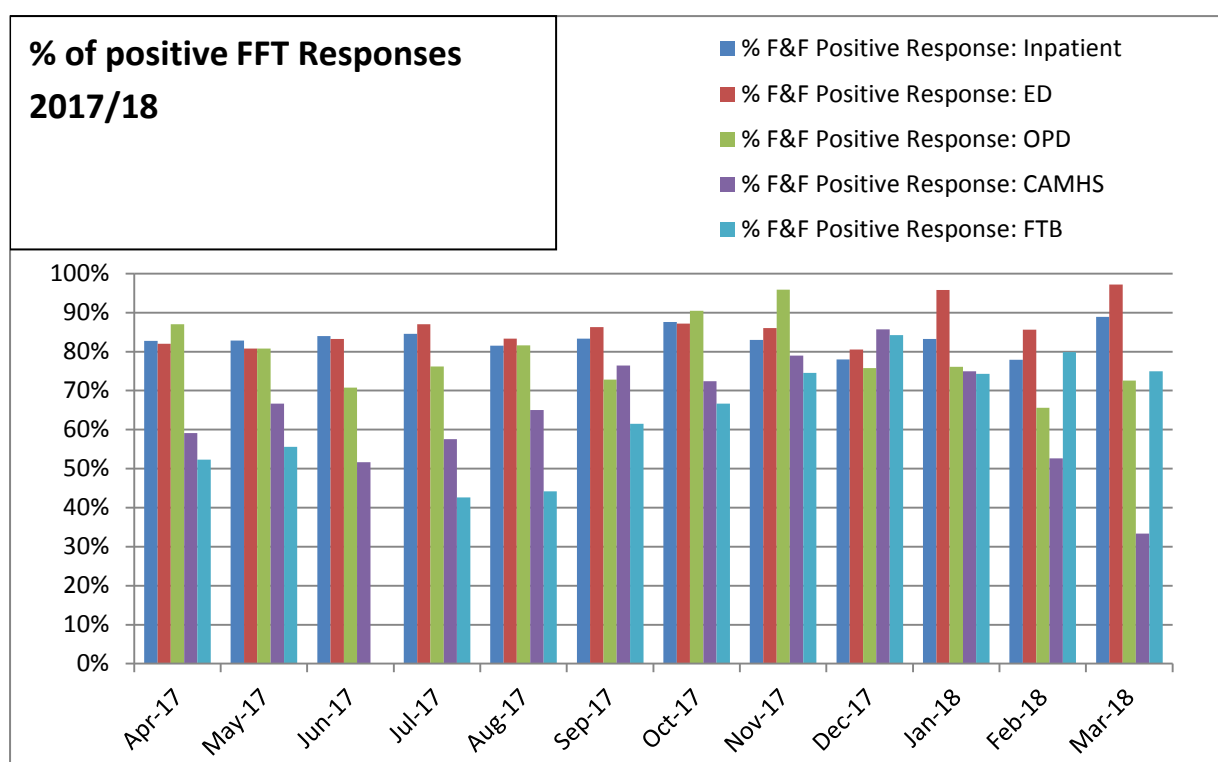
Supplementary Indicators 2017/18		
Patient Experience	Clinical Effectiveness	Safety
<ul style="list-style-type: none"> ▪ Friends & Family Test (FFT) ▪ PALS Contacts ▪ Formal Complaints 	<ul style="list-style-type: none"> ▪ Hand Hygiene Audit Compliance 	<ul style="list-style-type: none"> ▪ Incidence of SIRIs and Never Events ▪ MRSA rates ▪ MSSA rates

Patient Experience

Friends and Family Test (FTT)

The Friends and Family Test was launched in 2013 and has been rolled out in phases to most NHS funded services in England. The survey gives all patients the opportunity to leave feedback on their care and treatment. It is an important feedback tool which asks if people would recommend the services they have used and offers a range of responses: extremely likely, likely, neither likely nor unlikely, unlikely, extremely unlikely and don't know. The 'Percentage Positive' score is calculated from these responses and reported nationally. This along with additional follow up questions provides organisations with the chance to capture both positive and negative feedback. The data can be used to provide a broad measure of comparable data, but more importantly can be used to contribute to the improvement of services and share examples of good practice.

Birmingham Children's Hospital NHS Foundation Trust

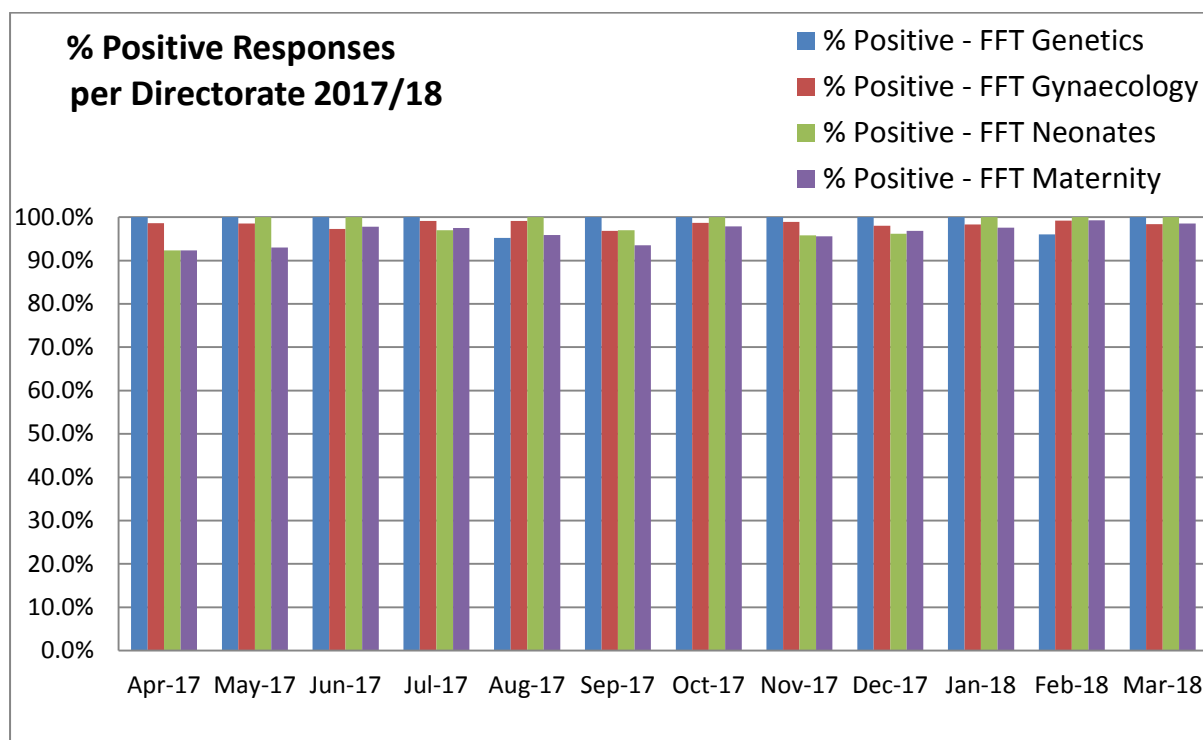


Top Category Comment Themes

Values and Behaviours (Staff)	Excellence of care of my precious son. Kindness and compassion to our family. Nothing was ever too much bother, you always had time to answer questions. Every single member of staff was kind and clearly skilled at these jobs (PICU)
Patient Care	Excellent care from friendly and professional staff. I have no idea how you do it. so many skills required. I truly admire what you do and the way you do it. thank you all very much (Ward 9)

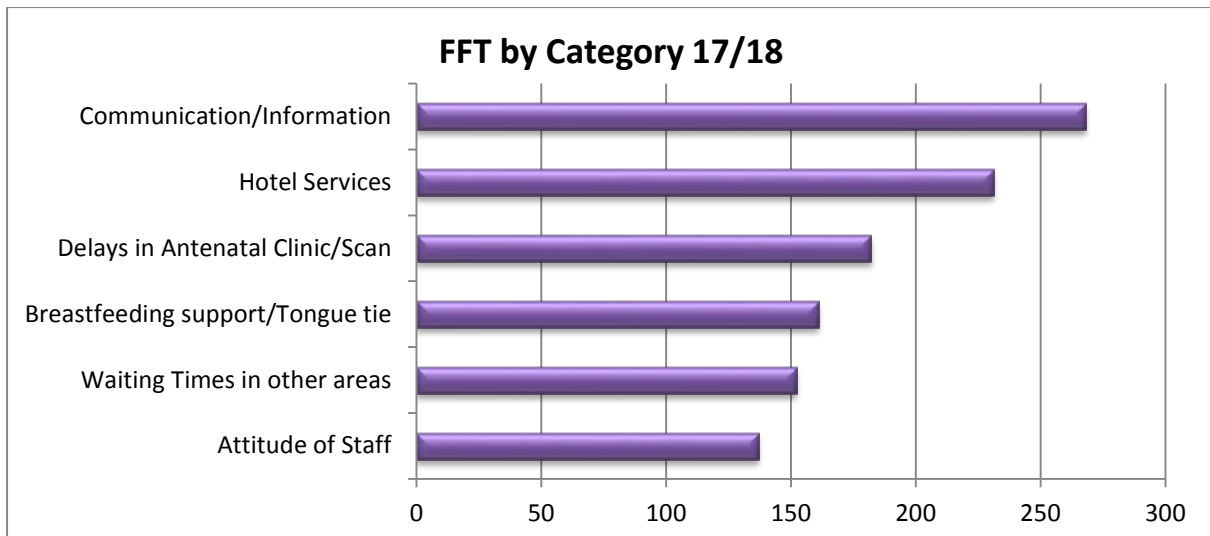
Waiting Times	Didn't have to wait too long and there was plenty for my son to do in the waiting areas (ED)
Communications	Excellent communication, I was always informed and updated staff were very friendly (PAU)
Play	More teenage games to play e.g draughts, cards. (Ward 7)

Birmingham Women's Hospital NHS Foundation Trust



Clinic and Ward Managers are proactively involved in the FFT initiative, whereby they are provided with real time feedback via the FFT dashboard, identifying key statistics for the month.

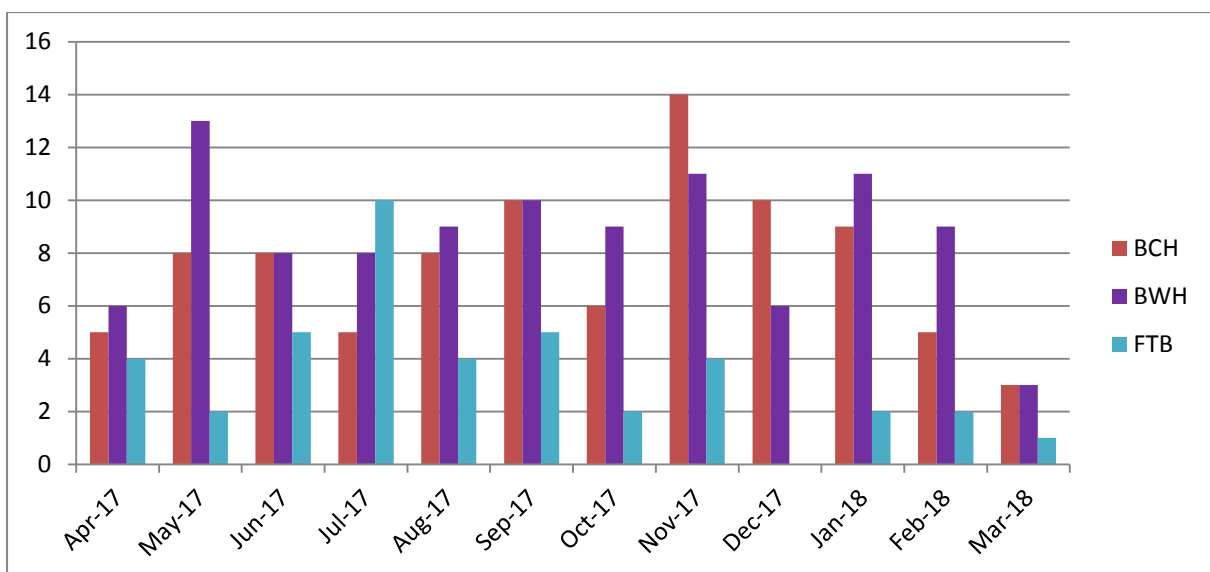
The key themes highlighted through FFT data 17/18 include are detailed below. An update is provided through the Quality Report detailing the key themes from our FFT responses on a monthly basis.



(Data source: Quality Report)

Formal Complaints

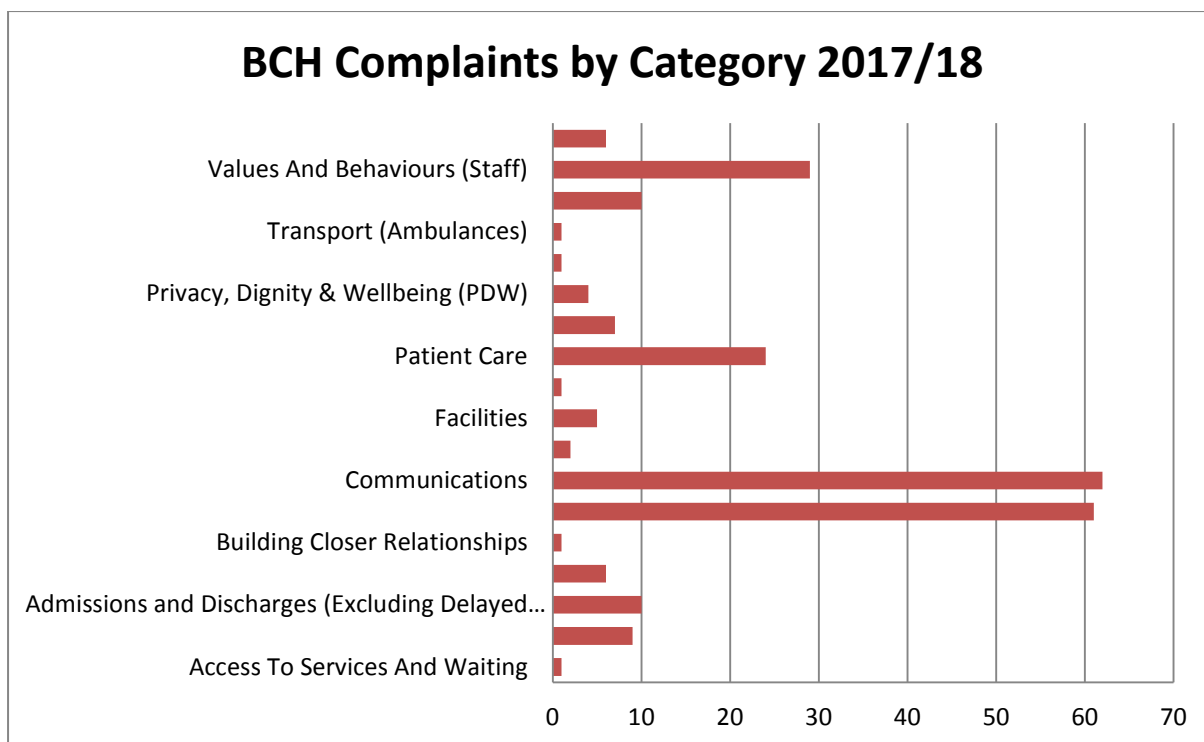
Birmingham Women's and Children's Hospital Formal Complaints 2017/18



(Data source: Quality & Safety Board Report)

Birmingham Children's Hospital NHS Foundation Trust

The following graph shows the numbers of complaints received by category. It should be noted that complaints can be multi-factorial and therefore the total number of complaints by category is greater than the total number of complaints received.



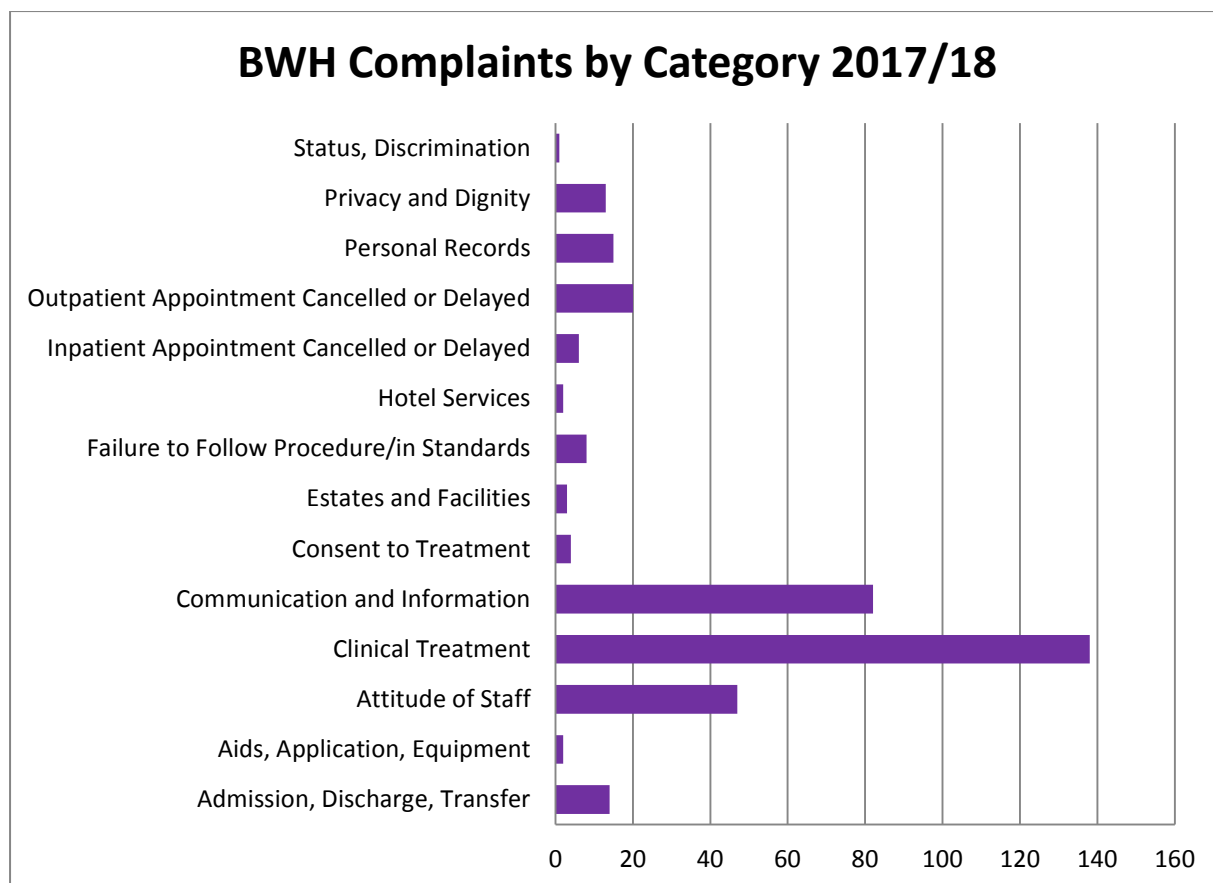
(Data Source: Corporate Nursing – Safeguard System)

Through previous analysis we have identified to specifically track the following themes on a monthly basis through the Quality & Safety Board report and have specific work-streams in place to address each of these key areas:

An update is provided to Board on these areas every month. Cancelled operations remains one of our 2017/18 local priorities as described previously.

Birmingham Women's Hospital NHS Foundation Trust

The following graph shows the numbers of complaints received by category. As described above, complaints can be multi-factorial and therefore the total number of complaints by category is greater than the total number of complaints received.



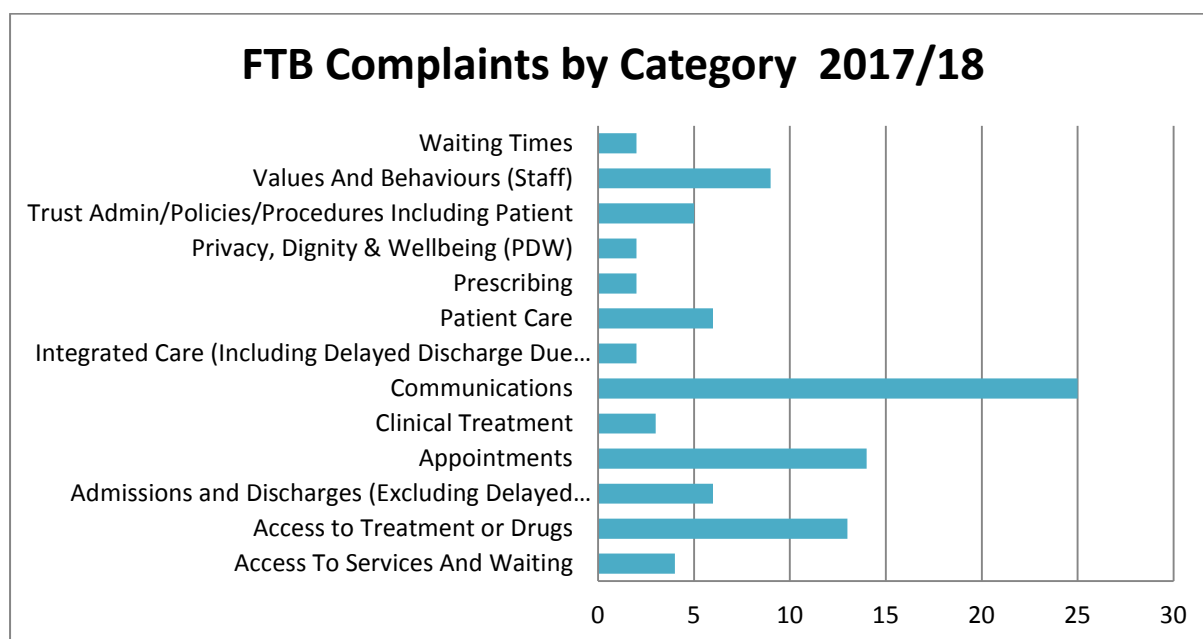
(Data Source: Corporate Nursing – Datix System)

Through previous analysis we have identified to specifically track the following themes identified not just through complaints but through all forms of patient experience feedback on a monthly basis through the Quality & Safety Board report and have specific work-streams in place to address each of these key areas:

An update is provided to Board on these areas every month and the delays in the Antenatal Clinic/Scan are a major component of one of our 2017/18 local priorities as described previously.

Forward Thinking Birmingham

The following graph shows the numbers of complaints received by category. As described above, complaints can be multi-factorial and therefore the total number of complaints by category is greater than the total number of complaints received.



(Data Source: Corporate Nursing – Safeguard System)

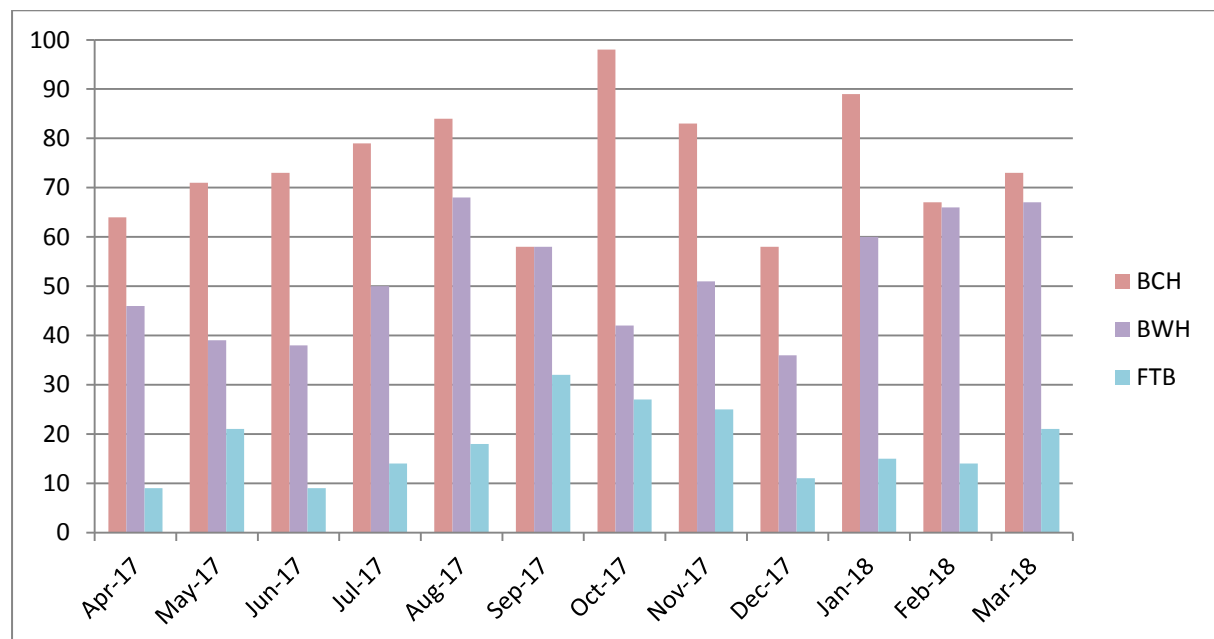
In response to the concerns raised related to “Communication” and “Value and Well Behaviours (Staff)” in order to address this and ensure the service uses compassionate communication a work stream encompassing briefing and learning events is being organised. Events involving service users and administrative teams from the clinical areas, in order to understand the impact of communication has already commenced, which was very well received by staff and started to break down any barriers and allowed understanding the needs of service users.

In order to address issues raised in respect of appointments, a great deal of work has been undertaken within the service to address this issue. The waiting list across the service have reduced and now managed as one central waiting list, streamlining the work and allowing for more robust management of the list.

We are also implementing a range of IT enablers to improve the turnaround time in terms of letters being typed and sent out, i.e. Winscribe, Synertec, which will also improve communication.

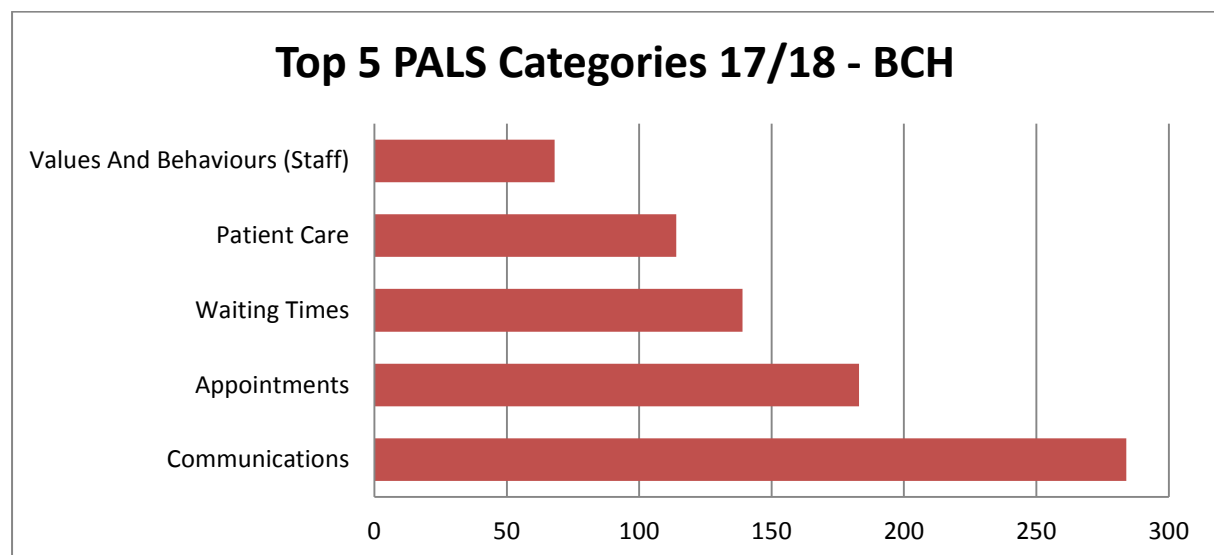
PALS Contacts

Birmingham Women's and Children's Hospital PALS Contacts 2017/18



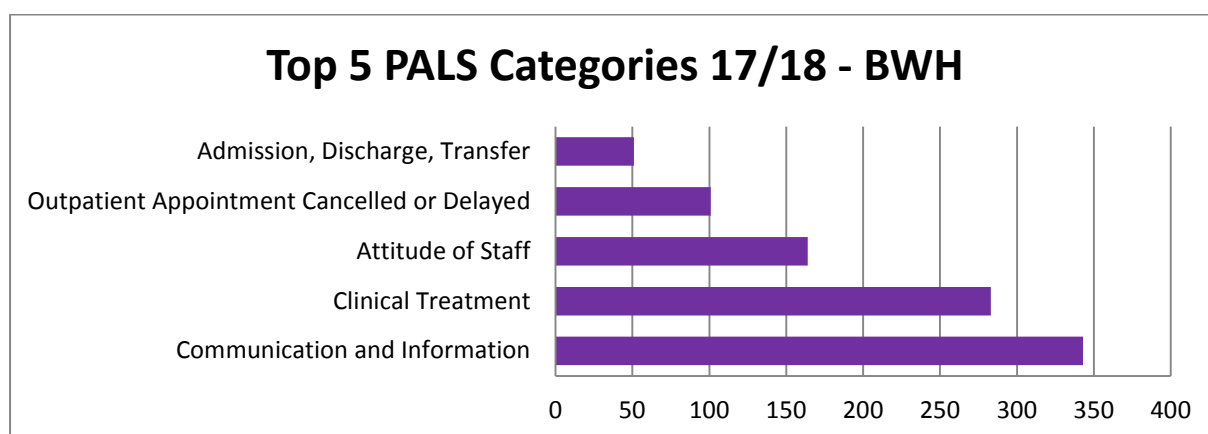
(Data Source: Corporate Nursing – Safeguard System)

Birmingham Children's Hospital NHS Foundation Trust



(Data Source: Corporate Nursing – Safeguard & Datix System)

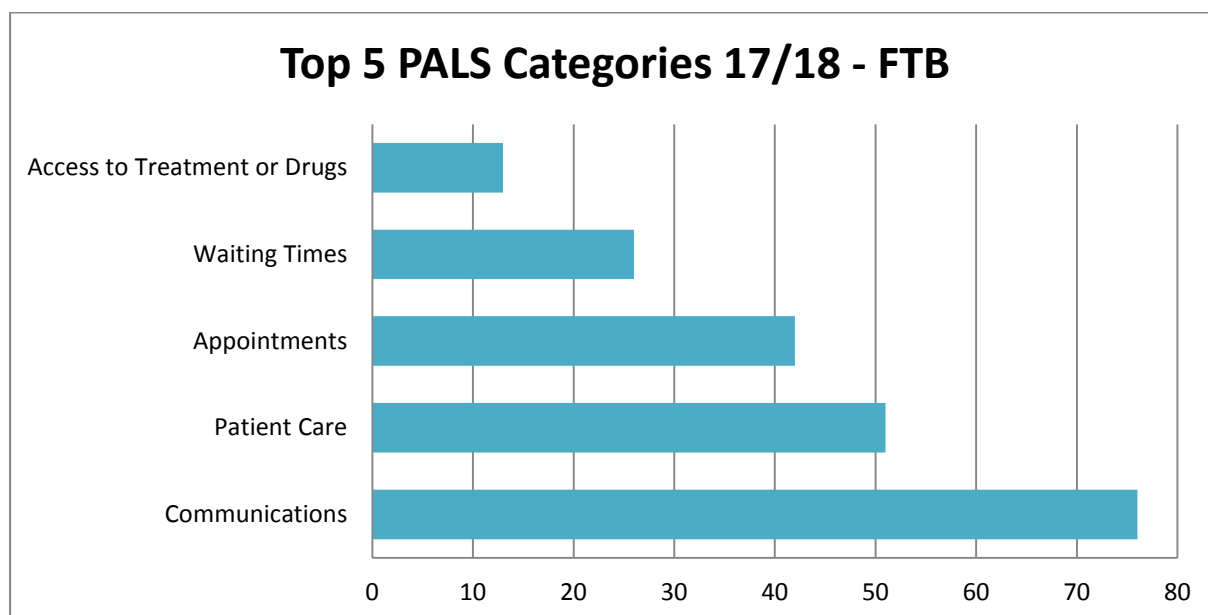
PALS contacts received corresponding to those key workstreams identified in the previous section relating to formal complaints are also monitored on a monthly basis and any emerging themes triangulated with other data sources to inform the Board about emerging risks.



(Data Source: Corporate Nursing – Datix System)

PALS contacts received corresponding to those key workstreams identified in the previous section relating to formal complaints are also monitored on a monthly basis and any emerging themes triangulated with other data sources to inform the Board about emerging risks. We have noted an increase across all forms of feedback regarding lack of communication, including patients not listened to.

Forward Thinking Birmingham

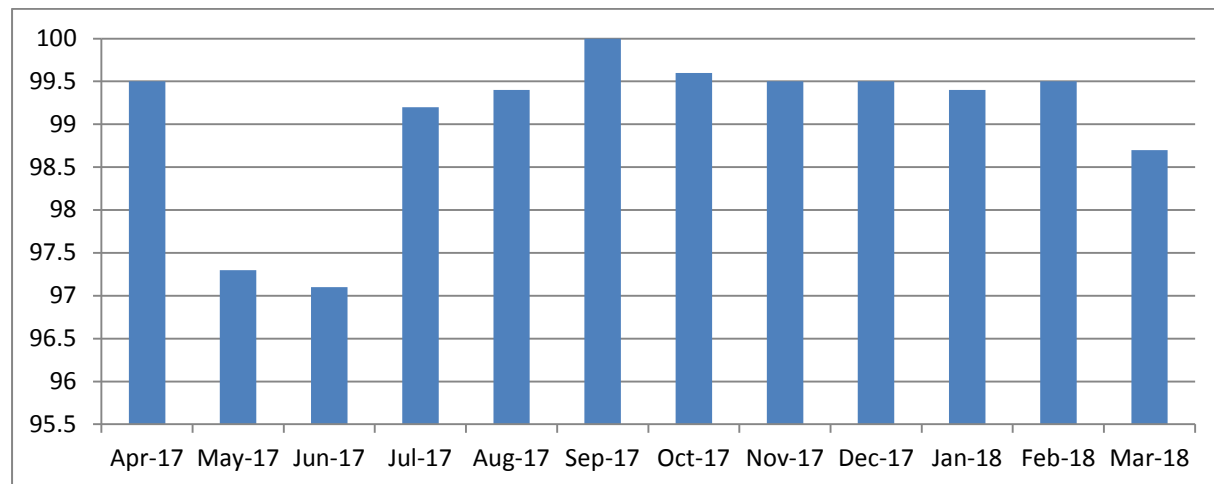


(Data Source: Corporate Nursing – Safeguard System)

Hand Hygiene Audit Compliance

Birmingham Children's Hospital NHS Foundation Trust

Hand Hygiene Observational Audit % Compliance 2017/2018



(Data Source: Hand Hygiene Database)

Birmingham Women's Hospital NHS Foundation Trust

Hand Hygiene Observational Audit % Compliance 2017/2018

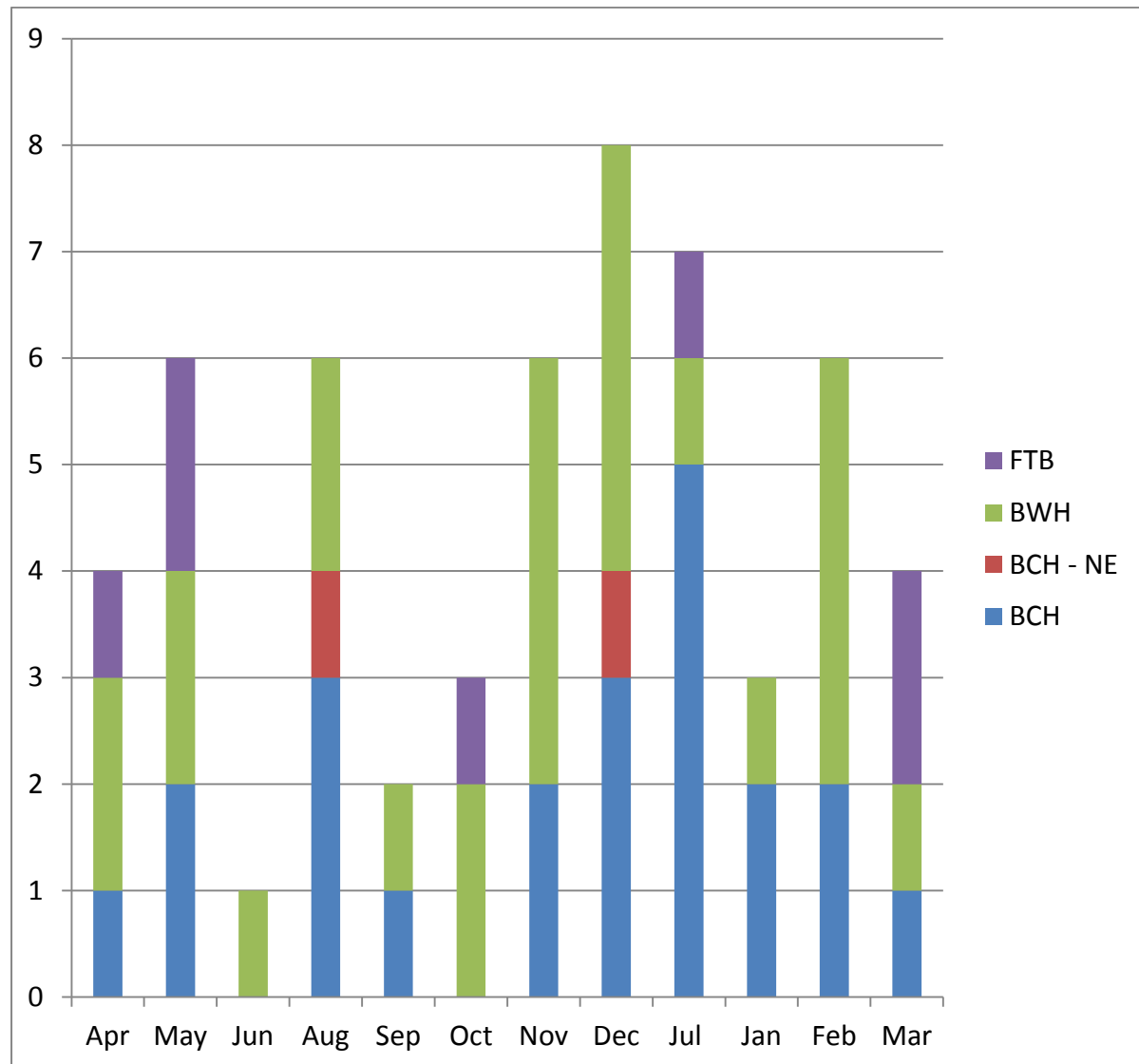
(Data Source: Hand Hygiene Database)

We continue to monitor hand hygiene compliance through the Infection Prevention and Control Committee and act to address any areas of concern.

Safety

Incidence of SIRIs and Never Events

Birmingham Children's Hospital and Birmingham Women's Hospital



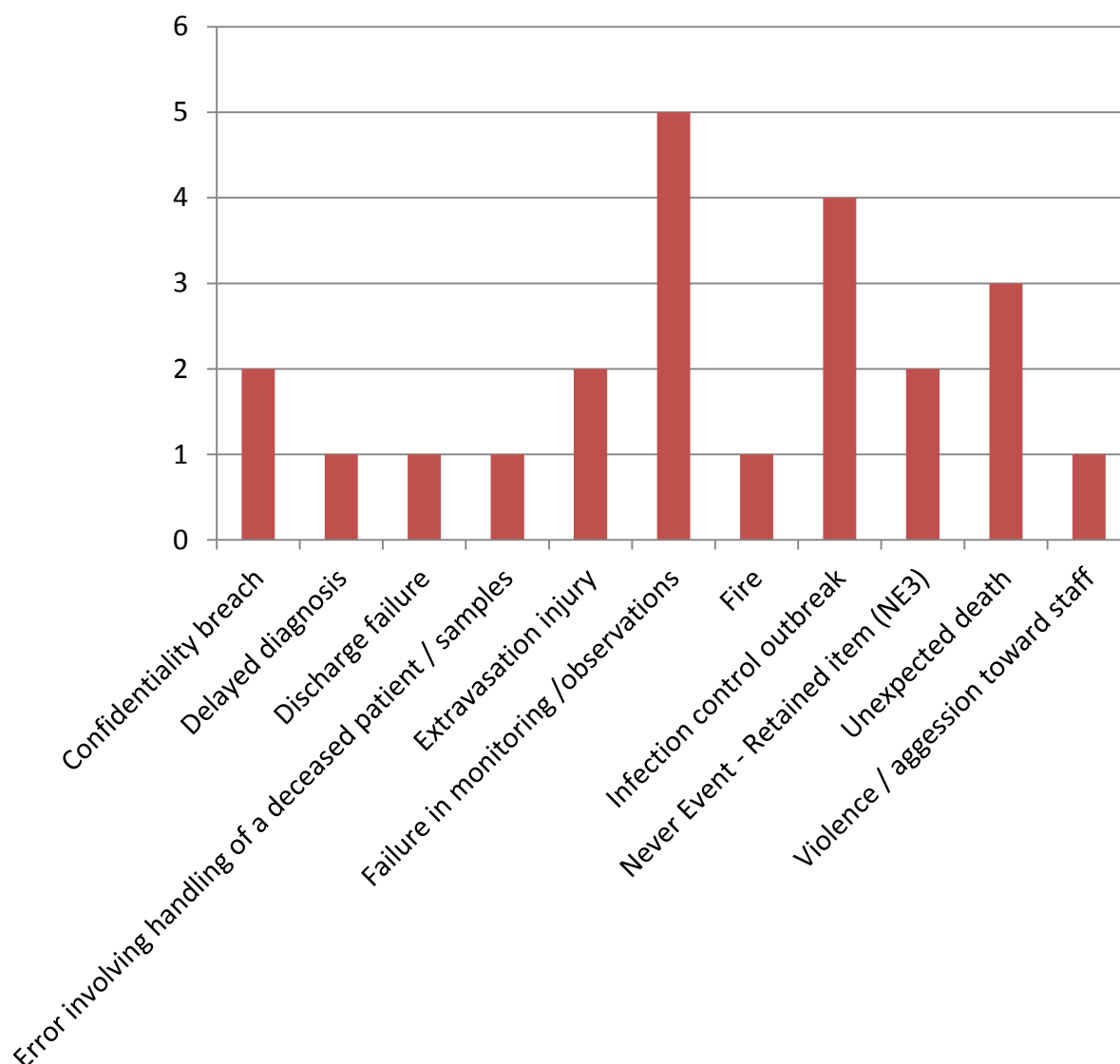
(Data Source: Quality & Safety Board Report)

Birmingham Children's Hospital

During 2017/18 there were 23 reported SIRIs, including 2 never events.

The chart below details the SIRIs in 2017/18 broken down by incident category.

Birmingham Children's Hospital SIRIs 2017/18



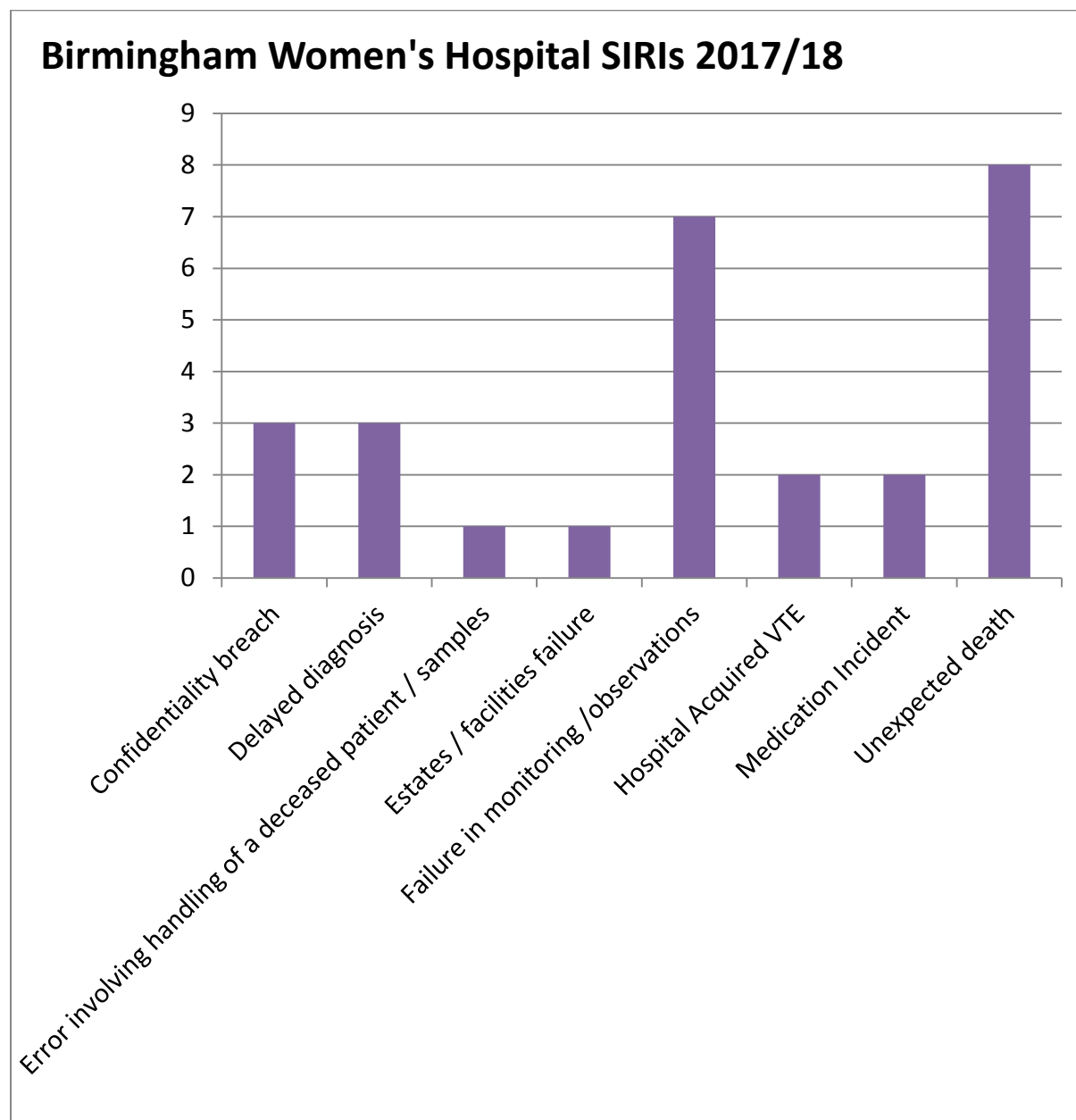
The number of SIRIs that we have had reported over the last financial year is comparable.

Some new reported categories of incident have arisen with 3 investigations of unexplained deaths in the year and the investigation of the physical assault of staff member by a patient. Repeated categories include information loss, though in past years we have lost information sheets, in this year it has been break-in and theft of electronic devices containing patient data.

Our [Never Events](#) this year have been similar in nature to last as we experienced 2 cases of the retention of guide wires after interventional procedures. Whereas in previous years these events occurred in Theatres and were due to deficiencies in the WHO process, this year's events occurred outside theatres. They happened in areas which are developing procedures for guide wire counting under our work to implement NatSIPPS

Birmingham Women's Hospital NHS Foundation Trust

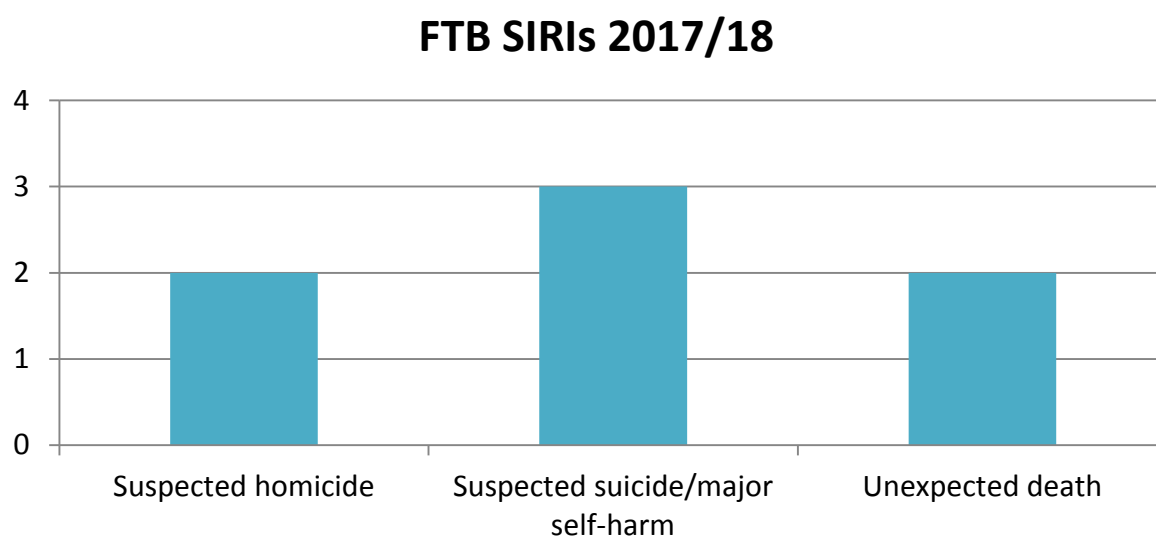
During 2017/18 we have reported 27 Serious Incidents Requiring Investigation (SIRI's).



Again, this year, as last, the most frequently reported category of incident has been unexpected admission to NICU. We continue to work to reduce the number of term babies unexpectedly admitted to NICU, as part of the maternal and neonatal health safety collaborative, a national 3 year programme of improvement.

Forward Thinking Birmingham

During 2017/18 we have reported 7 Serious Incidents Requiring Investigation (SIRI's).



Within our FTB services this year we reported 7 SIRI's. These incidents all occurred within our community settings. In 3 cases they were reports of serious attempts at self-harm and regrettably, one case resulted in the death of a service user.

Two additional cases of the death of a person known to the service were investigated where the death was not an intentional case of self-harm; and we reported two cases where a person known to the service was suspected of committing homicide. Within these four deaths we investigated not because we believed failures in the service had been contributory to these deaths; rather these investigations were undertaken as the service believed it was essential to establish the facts and learn from these cases.

MRSA rates

Birmingham Children's Hospital and Birmingham Women's Hospital

There have been zero cases of MRSA bacteraemia during 2017/2018

MSSA rates

Birmingham Children's Hospital and Birmingham Women's Hospital

There have been 19 cases of MSSA bacteraemia during 2017/2018

MSSA rates at both sites continue to be monitored on a monthly basis via the monthly Quality and Safety Board Report and the Infection Control Committee.

3.2 NHSE Additional Reporting Areas

Duty of Candour

Prior to the introduction of the Duty of Candour in 2014, both hospitals had a well-embedded approach to transparency with patients and families when things go wrong, which provided a strong basis on which to establish processes that are compliant with the Duty.

During 2017/18 work has been undertaken to ensure a consistency of approach to Duty of Candour across the Birmingham Women's and Children's NHS Foundation Trust, ensuring that we retain the strongest elements of practice from each of the former organisations.

A joint policy has been approved and published. A toolkit has been developed, which includes:

- Guidance on determining whether the statutory duty of candour applies to an incident/event
- Guidance for clinicians on how to apologise
- Example Duty of Candour letters
- Template Duty of Candour letters
- Patient leaflet
- Staff leaflet

During 2017/18, Birmingham Women's and Children's NHS Foundation Trust had 66 cases which met the statutory duty of candour threshold. Over the year, we have improved our monitoring of such cases

The plan for 2018/19 will be to relaunch this policy and toolkit in all clinical areas and to provide a schedule of training sessions and learning opportunities for clinicians across both sites.

Further work to understand the implementation of Duty of Candour in mental health setting will also undertaken. We also hope to continue our work with the CCG to understand and learn from the views of our patients and their families who have experienced the Duty of Candour process, with regards to the type and format of information they receive or would have liked to receive, and how they feel they are involved in any investigations into their care.

Sign up to Safety

Sign up to Safety is a national patient safety campaign that was launched in 2014 by the Department of Health with the mission to strengthen patient safety in the NHS and make it the safest healthcare system in the world. The campaign is actively encouraging the health sector to reduce harm to patients and support safer care. The campaign aims to listen to patients and staff, learn when things go wrong and act to make care safer. The objectives of the campaign include saving 6,000 lives, halving avoidable harm and halving the costs of harm in the NHS over the next three years.

Birmingham Children's Hospital NHS Foundation Trust

P2EWS

Our work to ensure children and families are always at the centre of our practice continues with a review of our Paediatric Early Warning System. This review, in partnership with the Patient Safety Collaborative, will investigate how to embed human factors science to further enhance the safety of this system.

Extravasation

We have recognised that the rate of extravasation in the hospital has increased. A project team has been established to investigate the reasons behind this increase and ascertain if changes to cannula insertion / monitoring would reduce incidence.

Medicines Administration

Over 2017/2018 we completed our initial work with the University of Warwick to review our medicines administration process. We are now busy collecting data in order to be able to review what safety improvements can be made to this process.

Hydration Care Bundle

We have implemented a process to standardise how we monitor the fluid intake and output of our patients. Our monthly audit results demonstrate we are achieving even safer, more consistent standards for this aspect of care. We are proud that this project won the Patient Safety Innovation Award in July 2017 (awarded by the West Midlands Academic Health Science Network).

Research Elective Placements

We are always reviewing how we further develop the knowledge and skills of both our current and future workforce. One such project, was the development of structured research placements for undergraduate nursing students from the University of Birmingham (UoB). The initial pilot in July 2017 was evaluated extremely positively by the students, university and hospital teams. We are now working on a model that enables more students to benefit from this opportunity from both UoB and other local universities.

Birmingham Women's Hospital NHS Foundation Trust

We continue to participate in the national Sign up to Safety Campaign and following a successful bid for funding we employed a practice development midwife in October 2016 to support our Sign up to Safety maternity projects which include:

- Improved Cardiotocography (CTG) interpretation
- The early recognition and management of sepsis
- Appropriate use and escalation of Maternity Early Warning Scores (MEWS)
- Continued improvement to the Induction of Labour Pathway
- Tissue Viability

The following progress has been made in relation to each of these projects.

Fresh Eye CTG Reviews

The NHS has set out a national ambition to halve the rates of stillbirths by 2030, with a 20% reduction by 2020. 'The Saving Babies Lives' Care Bundle is a bold step towards introducing many evidence-based and policy recommendations in maternity care with the goal of reducing stillbirth in the UK. Element 4: Effective fetal monitoring during labour of 'The Saving Babies' Lives Care Bundle identifies that a buddy system should be put in place for review of cardiotocograph (CTG) interpretation, with a protocol for escalation if concerns are raised.

Currently, there is a trust standard for hourly fresh eyes review of the CTG within the fetal monitoring guideline, however, this is not currently being achieved. Following re-launch, we would expect to see full implementation of hourly fresh eyes review of CTG in established labour for high risk women. Another outcome of this project would be improved interpretation of CTGs and with this a reduction in poor neonatal outcomes due to misinterpretation of CTGs.

Prior to the launch of this project the guideline was reviewed and an audit was undertaken to review current compliance and practice with regards to Hourly Fresh Eye CTG Reviews. This audit has highlighted poor compliance with Hourly Fresh Eye CTG Reviews and this audit is due to be presented at the next delivery suite group meeting.

Fresh Eye CTG Champions have also been identified to assist with the re-launch of Hourly Fresh Eye CTG Reviews and to help facilitate teaching of CTGs. This now features on PROMPT which is a multi-disciplinary study day.

To audit the effectiveness of this project will be subject to on-going audit.

Sepsis

The aim of this project is to improve adherence to standards for timely administration of antibiotics (red flag sepsis within one hour). In order to achieve this, the maternity directorate have been working closely with the UK Sepsis Trust to develop inpatient and outpatient Sepsis Tools. During the launch of this project there will be full implementation of these new Sepsis tools and there will be a focus on going into the community areas to

launch them. The current NICE Sepsis Guideline has been updated. The impact of the new sepsis tools and guidelines on the management of women with suspected sepsis and the timely administration of antibiotics will be reviewed and audited following launch.

Sepsis champions have been identified in all clinical areas, including transitional care.

Induction of Labour

The aim of this project is to reduce the delays in Induction of Labour (IOL) with a particular focus on the reduction of delay between women reaching the stage where an Artificial Rupture of Membranes (ARM) is possible and it being performed.

A working group has been formed by Midwives from the Antenatal Ward and Delivery Suite to identify where delays in the process occur and where action can be taken to improve the patient experience.

Tissue Viability

The aim of this project is to improve Tissue Viability care within maternity and develop a more robust system for those women at risk of pressure ulcers and those who have pressure ulcers identified. A new Tissue Viability tool will be developed and signposted via Practical Obstetric Multi-Professional Training (PROMPT). In order to improve care and reduce morbidity for women when skin damage has been identified a pathway (to include a discharge checklist) will be developed. This will help support midwives in clinical decision making and to formulate an agreed action plan for these women.

Staff Survey

Birmingham Women's and Children's NHS Foundation Trust

	BWC 2017	Acute Specialist Trust Average
KF21. Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	84%	88%
<i>*KF26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months</i>	22%	23%

We have a programme of work to support inclusion across the Trust with a key focus on supporting BME staff with career progression and promotion to improve our representation, especially at senior leadership levels.

We have a full range of training and learning available to all staff and strive to continuously improve this offer and how we engage staff to take part in development that will aid their career progression. We are also developing clear career pathway frameworks across the professions and specialist areas so that staff can better identify their route to progression.

Bullying, harassment or abuse of our staff is unacceptable. We have seen a very slight reduction in this percentage, however, we remain determined to understand and support staff in standing up to behaviour that they find in any way inappropriate. We are developing further support through a conflict resolution buddies, developing leaders and enabling mediation.

We have a Staff Ambassador whose role is purely to listen to, support and guide staff to raise their concerns and take appropriate action.

CQC Ratings Grid

Birmingham Children's Hospital NHS Foundation Trust

In May 2016 the Trust's services were inspected by the Care Quality Commission (CQC) as part of a comprehensive inspection of the Trust's compliance with quality standards. The initial feedback provided following the inspection highlighted numerous examples of excellent practice as well as a number of areas that required improvement. The Trust took immediate action to address these concerns. The final report was received in February 2017 with an overall rating of Outstanding. The detailed ratings were as follows:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Urgent and emergency services	Good	Good	Good	Good	Good	Good
Medical care	Good	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
Surgery	Requires improvement	Outstanding	Good	Good	Good	Good
Critical care	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
Neonatal services	Inadequate	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Transitional services	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding
End of life care	Good	Good	Outstanding	Outstanding	Good	Outstanding
Outpatients and diagnostic imaging	Good	Not rated	Outstanding	Good	Requires improvement	Good
Child and adolescent mental health wards	Good	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Requires improvement	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Overall Trust	Requires improvement	Outstanding	Outstanding	Outstanding	Good	Outstanding

The Trust submitted an action plan to the CQC to address the Requirement Notices; progress against this plan is monitored on a regular basis by the Board's committees and by the CQC through relationship meetings. The area of most concern is neonatal services. Prior to the inspection the Trust had established a neonatal improvement project, which the

Quality Committee monitored during 2016/17 and will continue to do so throughout 2017/18. At the time of the inspection the Trust had very recently launched a new specialist community mental health service in partnership with other providers – Forward Thinking Birmingham. Significant progress has been made to the quality of this service during the course of implementation, and the Board of Directors remains focused on improvements in this area.

Birmingham Women's Hospital NHS Foundation Trust

In April 2016 the Trust's services were inspected by the Care Quality Commission (CQC) as part of a comprehensive inspection of the Trust's compliance with quality standards. The initial feedback provided following the inspection highlighted a number of areas that required improvement; these had already been recognised by the Trust as issues of concern and the findings gave further impetus to their rapid improvement. The final report was received in September 2016 with a rating of Requires Improvement. The detailed ratings were as follows:

	Safe	Effective	Caring	Responsive	Well-led	Overall
Maternity inpatient	Good	Good	Outstanding	Good	Outstanding	Outstanding
Maternity community	Good	Not rated	Good	Good	Good	Good
Surgery - gynaecology	Requires improvement	Requires improvement	Good	Requires improvement	Requires improvement	Requires improvement
Outpatients & diagnostic imaging	Good	Not rated	Good	Requires improvement	Requires improvement	Requires improvement
Neonatal services	Good	Good	Good	Good	Good	Good
Overall Trust	Good	Requires Improvement	Good	Requires Improvement	Requires Improvement	Requires Improvement

The Trust submitted an action plan to the CQC to address the areas requiring improvement; this action plan is regularly monitored by the Clinical Assurance and Safety Committee, which reports to the Quality Committee. Two significant projects have been established to address the concerns in abortion care service and in the antenatal scanning pathway, and these, together with gynaecology services, have been given priority focus by the Quality Committee throughout the reporting period.

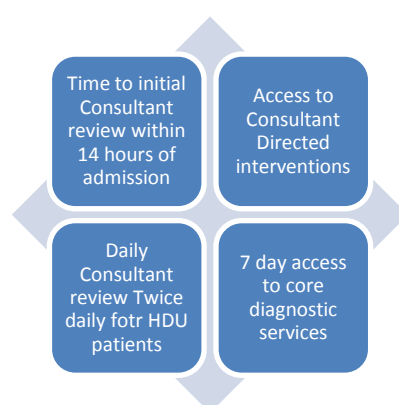
Seven Day Hospital Services

- Looking back on 2017/18 – What have we been doing?

7 day services model was introduced to the NHS to ensure that patients were reviewed, managed in the same way regardless of the day of the week of admission. The theory behind the model is:-



There are 10 core standards, 4 of which are priority standards



In autumn of 2017 we took part in the national audit which was based around standard 2 i.e. Time to initial Consultant review within 14 hours of admission. Below are the results of the survey by day of the week of admission. Whilst we know that we do not achieve the standard for all of our patients we are sure that we see our patients in order of clinical priority.

	Admission Day						
	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Within 14 hours	17	12	12	16	11	12	11
% Within 14 hours	70	75	80	72	61	85	64
Outside of 14 hours	7	4	3	6	7	2	6
% Outside of 14 hours	29	25	20	27	38	14	35

- Looking forward to 2018/19 - What are we doing to improve?

Provision of 7 day services is core to our service delivery as an organisation.

We are working hard to ensure that we achieve the standards for all of our patients and we will be planning to participate in the next full audit in April of this year and anticipate that we will achieve a higher standard than the last audit.

3.3 Other National Indicators

Indicator	Threshold	BWC Score
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	92%	92.9%
A&E: maximum waiting time of four hours from arrival to admission/transfer/discharge	95%	92.8%
All cancers: 62-day wait for first treatment from urgent GP referral for suspected cancer	85%	75.5%
NHS Cancer Screening Service referral	90%	N/A
All cancers: 31-day wait for second or subsequent treatment, comprising:		
surgery	98%	99.5%
anti-cancer drug treatments radiotherapy	98%	100.0%
All cancers: 31-day wait from diagnosis to first treatment	96%	99.4%
Cancer: two-week wait from referral to date first seen, comprising:		
all urgent referrals (cancer suspected)	93%	95.7%
Maximum 6-week wait for diagnostic procedures	99%	95.7
Meeting commitment to serve new psychosis cases by early intervention teams	95%	N/A
Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a NICE-approved care package within two weeks of referral	50%	64.6%
Improving access to psychological therapies (IAPT) (N):		
people with common mental health conditions referred to the IAPT programme will be treated within 6 weeks of referral	75%	89.8%
Improving access to psychological therapies (IAPT) (N):		
people with common mental health conditions referred to the IAPT programme will be treated within 18 weeks of referral	95%	98.1%
C. difficile – meeting the C. difficile objective	-	1.1 (3 cases)
Mental health data completeness: outcomes for patients on CPA	95%	100.0%

Annex 1 Statements from Stakeholders

Commissioners

Birmingham Women's and Children's Hospital NHS Foundation Trust
Quality Account 2017/18
Statement of Assurance from Birmingham and Solihull CCG May 2018

1.1 Birmingham and Solihull Clinical Commissioning Group (CCG), as coordinating commissioner for Birmingham Women's and Children's Hospital NHS Foundation Trust (BWC), welcomes the opportunity to provide this statement for inclusion in the Trusts 2017/18 Quality Account.

1.2 A draft copy of the Quality Account was received by the CCG on the 17th April and the review has been undertaken in accordance with the Department of Health Guidance. This statement of assurance has been developed in consultation with neighbouring CCGs.

1.3 In the version of the Quality Account we viewed, some full year data was not yet available and so we have not been able to validate those areas; we assume, however, that the Trust will be populating these gaps in the final published edition of this document.

1.4 The information provided within this account presents a balanced report of the healthcare services that BWC provides. The range of services described and priorities for improvement are representative based on the information that is available to us. The report demonstrates the progress made by the Trust in the last financial year. It identifies what the organisation has done well, where further improvement is required and what actions are needed to achieve these goals and the priorities set for 2018/19.

1.5 It is disappointing to see the CQC have reported that Forward Thinking Birmingham (FTB) has a number of serious concerns in relation to the provision of mental health services for people up to the age of 25. In response to the CQC report, the Provider has significantly enhanced the FTB intervention plan and is encouraging self-assessment against the CQC Key Lines of Enquiry (KLOEs). The CCG are actively working with BWC to monitor these plans with the short-term aim of the rapid improvement of immediate care and safety concerns and the delivery of a sustainable solution for the longer term.

1.6 The Trust's 2017/18 quality priority for transformation of the Antenatal Radiology Pathway was achieved, and there have been significant changes across the department to improve staff and patient experience. It is of note that the department has won a 'Trust Acorn' awarded by the BWC innovation team for its development. The CCG supports the Trusts decision to maintain this as a priority for 2018/19

1.7 The CCG is pleased to note the progress that the Trust has made in relation to the 2017/18 quality priority to improve Abortion Care Services and recognises the work of the Abortion Care Service Steering Group. It is positive to read of the implementation of a new medication regime for patients on the surgical termination of pregnancy pathway and the BWC benchmarking of this pathway against their peers. The Trust has however taken a decision to discontinue with an Abortion Care quality improvement target in 2018/19

despite a failure to meet compliance with the Royal College of Obstetricians and Gynaecologists guidelines for Abortion Care Services in relation to '5 days to treatment' standard and further work needed to improve estates issues.

1.8 Positive work has been undertaken by the Trust with continued work in 2017/18 to embed the use of the standardised WHO Safety Checklist. It is pleasing to see that through the hard work and commitment of staff the Trust has reported zero Never Events within any of their theatre settings. The CCG is supportive of the continued focus on improving patient safety with Human Factors training in 2018/19 which will encompass team purpose, engagement and team working.

1.9 The section on Seven Day Hospital Services details that the 'Time for initial Consultant review within 14 hours of admission' standard was not achieved. Whilst the CCG recognises that the Trust sees patients in order of clinical priority, it would be helpful to describe whether all Consultant posts are currently filled, or whether there are significant gaps in staffing that are contributing to the standard not being met.

1.10 It is positive to see the inclusion of staff feedback and the actions taken by the Trust to support staff.

1.11 The Patient Experience section gives a comprehensive review of Friends and Family Test (FFT) responses and themes. The CCG recognises the importance of this data in contributing to the improvement of services and would therefore have welcomed this to have been identified as more of a high profile priority for the Trust given that the FFT score is continuing to decrease.

1.12 The quality priorities for 2018/19 reflect areas where improvement is required and the CCG is supportive of the priority to improve services for people up to the age of 25 who access Forward Thinking Birmingham (FTB).

1.13 The section on National Quality Indicators is well presented and clearly provides the reader with details of the Trust's performance. Year to date targets were not met in relation to CQUIN schemes for Improvement of Health and Wellbeing for NHS staff, and Treatment of Sepsis.

1.14 The CCG is pleased to note that the Maternity department has been working closely with the UK Sepsis Trust to develop inpatient and outpatient Sepsis Tools as part of the Sign up to Safety Campaign. Commissioners recognise the positive impact of the Trusts new sepsis tools and guidelines on the quarterly CQUIN submissions and hope to see full compliance with this indicator in 2018/19.

1.15 The CCG is pleased to note that the Trust is to continue focusing on the issue of cancelled operations in the coming year. Commissioners acknowledge the impact of the roll out of an extended pre-operative assessment service and its improvement to cancellations in 2017/18 and welcome revising the scope to improve efficiencies in BWC theatres and the surgical pathway in 2018/19.

1.16 Commissioners continue to be invited to all Root Cause Analysis meetings following serious incidents, reflecting the open and transparent relationship the CCG has with the Trust. It is also pleasing to see the work the Trust has undertaken during 2017/18 to ensure

a consistency of approach to Duty of Candour with the introduction of a joint policy and toolkit.

1.17 The CCG would have liked the account to have mentioned the Learning Disability Mortality Review Programme (LeDeR) under the 'Learning from Deaths' section and feel that it would have been appropriate to include reference to this under their wider 'learning from deaths' narrative.

1.18 We have made some specific comments to the Trust directly in relation to the quality account which we hope will be considered as part of the final document. These include: use of technical terms without explanation of full meaning; tables/charts with no figures or description missing; tables provided with no accompanying narrative.

1.19 As commissioners, we have worked closely with BWC over the course of 2017/18, meeting with the Trust regularly to review the organisations' progress in implementing its quality improvement initiatives. We are committed to engaging with the Trust in an inclusive and innovative manner and are pleased with the level of engagement from the Trust. We hope to continue to build on these relationships as we move forward into 2018/19.

Paul Jennings

Chief Executive Officer

Healthwatch

Statement from Healthwatch Birmingham on Birmingham Women's and Children's Hospital NHS Foundation Trust Quality Account 2017/18

Healthwatch Birmingham welcomes the opportunity to provide our statement on the Quality Account for Birmingham Women's and Children's Hospital NHS Trust 2017/18. We are pleased to see that the Trust have taken on board some of our comments regarding the previous Quality Account. For example the Trust:

- Has outlined a clear process of how it develops its priorities and the evidence that informs this process.
- Has given clear examples of patient experiences, and how these are used to develop solutions that improve the quality of services.
- Has provided details of how poor quality of care will be addressed.

Patient and Public Involvement

We commend the Trust for drawing from various sources of feedback to develop their priorities for the 2018/19 period. The 'listening to you' initiative, and the community listening events, are examples of good practice in terms of listening to patients and using their feedback to improve the quality of services. We are also happy to see examples of feedback being used to understand the needs of particular groups (e.g. those for whom English is not their first language).

In our response to the 2016/17 Quality Accounts, we expressed concern that all forms of feedback (i.e. formal complaints, FFT, Pals Contact) showed that there was a lack of communication and some patients did not feel heard. We note that the 2017/18 Quality Accounts still shows that patients, families and carers are concerned about communication across the women's and children's hospital trust, and Forward Thinking Birmingham services. Also of concern are clinical treatment/patient care, values, attitudes and behaviour of staff, appointments and access to treatment/drugs. We welcome the actions the Trust intends to take to address these issues, and hope to see the impact of these actions in the 2018/19 Quality Account.

We commend the Trust for the process taken for each service when a death occurs, and look forward to reading in the 2018/19 Quality Accounts the impact of the actions outlined on page 50-53 of the draft Quality Account (Learning from deaths). However, we note from the processes outlined for case reviews and investigations into the death of a patient, the Trust has not stated how it involves and engages meaningfully with bereaved families and carers. It is not clear how the Trust is listening to these families and carers, and informing them of their rights and how they can access support or advocacy. Involving families and carers in case reviews and investigations offers a more rounded view and understanding of patient experience. We would like to read in the 2018/19 Quality Accounts about how families and patients are involved in various stages of case reviews and investigations; and how the Trust weights families and patients views compared with those of clinical staff. This will support the findings of the Trust's review of clinical audits and confidential enquiries (learning from death review) that the Trust should do more to engage with families within the mortality review process.

We welcome the Trust's plan to conduct an audit in September 2018 in order to gain a Bliss Baby Charter accreditation. As per the Bliss Baby Charter's guideline, we would like to read in the 2018/19 Quality Accounts about how families have been involved in the audit. Involving families in this audit will help the Trust to understand whether they are providing quality family-centred care.

Cancelled Operations

In our review of the Trust's 2016/17 Quality Accounts, Healthwatch Birmingham raised concerns about the rate of planned operations cancelled on the day of operation. We asked the Trust to report how many of the patients who had 'on the day' cancellations were offered another date within the 28 day standard according to the NHS constitution. In addition, how many were recorded as a breach because they were not treated within 28 days of the cancellation. The data provided for the 2017/2018 Quality Account shows that cancellations of operations remains a concern, especially at the Birmingham Children's Hospital. In addition, there are no reasons given for these cancellations, whether they were clinical or non-clinical reasons; and the type of patients affected by the cancellations (i.e. whether they were cancer, liver, neuro or cardiac surgery patients). As we indicated in our last response, including this information in the Quality Account will show how the Trust is responding to cancellations, and will demonstrate that they appreciate the impact this has on patients and their families. Healthwatch Birmingham is concerned about the potential impact these cancelled operations may have on patient's quality of life, especially where treatment is time sensitive. The Trust's 2017-18 Quality Accounts report (p27) states that

these issues will be reported next year. We therefore look forward to reading about the experiences of children, young people and their families as to how cancellations affect them and impact their quality of life in the Trusts 2018/19 Quality Account.

The Trusts Priorities for 2018/19

Healthwatch Birmingham has taken note of the Trust's priorities for 2018/2019. We believe that a continued focus on cancelled operations is important, as are plans to ensure consistent use of the WHO checklist. Improving understanding across the team will ensure that staff understand the rationale behind the use of the checklist in preventing never events. In particular, we are pleased to see that Forward Thinking Birmingham (FTB) has been added as a new priority for the Trust. As per Healthwatch Birmingham's role, we have received both positive and negative feedback about Forward Thinking Birmingham (during the reporting period 2017/18) and believe the reporting areas outlined (improved CQC rating in 2018/19; Improved self-assessment rating through Hub care plans; and waiting times are within nationally required standards – 18 week target) are consistent with what we are hearing.

However, based on the feedback we receive about Forward Thinking Birmingham, we also suggest that you consider the following issues: clear pathways for patients in crisis – who provides care and support; joined up care and transfer processes from FTB to adult services, continuity of care when patients change specialists etc.

Aligning the Trusts Quality Systems, Processes and Priorities

Healthwatch Birmingham also notes that the Trust has used this critical juncture in its history — following the merging of women's and children's Trusts — to develop clear joint strategies. In particular, the New Complaints Management Approach, the learning from deaths process and the integrated patient experience strategy that will inform the first joint Quality Strategy in 2018.

This juncture also presents the perfect opportunity for the Trust to partner with Healthwatch Birmingham through our 'Patient and Public Involvement Quality Standard' and our investigations. Healthwatch Birmingham is running various projects to support providers in Birmingham to meet their statutory role of consulting/engaging with patients and the public. Consequently, we are helping Trusts ensure they are using public and patient feedback to inform changes to services, improve the quality of services and understand inequality in access to services and health outcomes. We have worked with some Trusts to review their patient and public involvement processes (PPI), identify areas of good PPI practice and recommend how they can make PPI practice more effective. As you develop these processes for the joint Trust, it is an opportune time for the Trust and Healthwatch Birmingham to work together to develop a strategy for PPI and build on best practice.

In addition to the above, Healthwatch Birmingham has recently carried out an investigation: 'Patient Involvement and the CCGs Complaints System'. This looked at the benefits and barriers of seeking feedback about the process of making a complaint to a Birmingham CCG. We believe that the findings of this investigation may be useful in the Trust's approach to complaints management.

To conclude, Healthwatch Birmingham would like to commend the Trust for taking action in response to our comments on the 2016/17 Quality Accounts. We would, however, like to see communication improve; this issue was raised in the 2016/17 and 2017/2018 Quality Accounts. We also suggest the following data on cancelled operations are included in the 2018/19 Quality Accounts: meeting the 28-day standard; reasons for cancellations; and the types of patients affected by the cancellations.

It is positive to see how the Trust uses feedback to develop actions and improve services. It is evident from the Quality Account that the Trust is using patient experience, feedback and insight to understand and address issues of health inequality. Also, it is positive to see that the use of patient experience and feedback is evident across the Trust's three services. We hope there will be further improvements in this area, particularly as the Trust implements its patient experience and engagement strategy.

Andy Cave, CEO, Healthwatch Birmingham

Council of Governors

We are pleased to comment on Birmingham Women's and Children's NHS Foundation Trust's Quality Account for 2017/18 - the first full year as an integrated organisation.

There have been many successes over the last year as well as the improvements in areas such as theatres safety, neonatal services at the Children's hospital, antenatal scanning and abortion care. The Council of Governors has been delighted to share in those successes.

We were, however, disappointed that Forward Thinking Birmingham (FTB) was rated Inadequate by the Care Quality Commission in 2017/18. This is a service in which the Council of Governors has maintained a close interest from before the time of its launch in April 2016. The Governors' Scrutiny Committee reviewed a detailed report on FTB at each of its quarterly meetings and has continued to challenge the non-executive directors as to the Board's oversight of this service. We are now seeing improvements, but we are committed to continuing our regular review of FTB, supporting and challenging the Board so that we can be assured that the service users and families that we represent are receiving the best possible mental health care.

We are satisfied that the information provided in the Quality Account is consistent with the information with which the Council of Governors has been provided through meetings of the Council and of the Governors' Scrutiny Committee, review of the Board of Directors' meeting papers, and Governors walkabouts to areas across the Trust.

We agree that the quality priorities selected for 2018/19 are the right ones. Whilst progress has been made in neonatal services, antenatal radiology, theatre safety and cancelled operations, as well as FTB, there are still improvements to be made. We look forward to seeing what achievements have been possible when we review next year's Quality Account.

Widening access and participation is important to us. We would love to see next year's Quality Account become even more accessible to the public so that the people who use our services or wish to find out more about them can more easily find and understand the information that they want. We are keen to share the Trust's clear commitment to providing high quality services and to continuing to improve them with a wider audience.

Overview and Scrutiny Committees

Thank you for forwarding the BWC Quality Account to the Health & Social Care Overview & Scrutiny Committee and inviting the committee to provide a statement.

I do understand the obligation on the part of the trust to share the draft account with the Health Scrutiny Committee and to invite comment from the committee. From your experience and from your e-mail, I can see that you are familiar with the constraints on the Health Scrutiny Committee at this time of year, and especially this year, when for the first time we have all out elections so that all the members are up for election on 3rd May.

As in previous years and as you have rightly anticipated, I can confirm that the Health & Social Care Overview & Scrutiny Committee are not in a position to provide a statement on the draft account.

Annex 2 Statement of Directors'

Responsibilities for the Quality Report

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

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

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

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period April 2017 to March 2018
 - papers relating to Quality reported to the board over the period April 2017 to March 2018
 - feedback from commissioners dated 16 May 2018
 - feedback from governors dated 16 May 2018
 - feedback from local Healthwatch organisations dated 26 April 2018
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 April 2017 to March 2018
 - the 2017 national patient survey
 - the 2017 national staff survey
 - the Head of Internal Audit's annual opinion over the trust's control environment dated 22 May 2018
 - CQC Inspection reports dated 27 February 2018 (FTB)
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate

- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The Trust's external auditors undertake independent assurance over key parts of the Quality Report. The Trust's external auditor has reviewed the content of the 2017/18 Quality Report and undertaken testing for three indicators in line with the NHS Improvement guidance on external assurance:

1. Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.
2. Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.
3. Neonatal Care: Rate of neonatal readmissions within 28 days (local indicator).

No significant issues were identified with the content review or the testing for second and third indicators. The external auditors have however issued a modified opinion on the first indicator – 18 weeks incomplete pathways and the Trust is currently reviewing the recommendations. The implementation of recommendations will be monitored via the Trust's Audit Committee. The report provided by our external auditor is included in a separate section of this report.

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

By order of the Board



.....
Sarah-Jane Marsh
Chief Executive Officer
24 May 2018



.....
Professor Sir Bruce Keogh
Chairman
24 May 2018

Independent auditor's report to the council of governors of Birmingham Women's and Children's NHS Foundation Trust on the quality report

We have been engaged by the council of governors of Birmingham Women's and Children's NHS Foundation Trust to perform an independent assurance engagement in respect of Birmingham Women's and Children's NHS Foundation Trust's quality report for the year ended 31 March 2018 (the 'quality report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Birmingham Women's and Children's NHS Foundation Trust as a body, to assist the council of governors in reporting Birmingham Women's and Children's NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the council of governors as a body and Birmingham Women's and Children's NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Number of patients on incomplete pathways who have been waiting no more than 18 weeks, as a percentage of the total number of patients on incomplete pathways; and
- percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by NHS Improvement.

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified below:
 - Board Minutes for the period April 2017 to March 2018;
 - Papers relating to quality report reported to the board April 2017 to March 2018;
 - Feedback from Commissioners dated 16 May 2018;
 - Feedback from Governors on the quality report dated 16 May 2018;
 - Feedback from local Healthwatch organisations dated 26 April 2018;
 - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009 April 2017 to March 2018
 - The latest National Patient Survey results;
 - The latest National Staff Survey 2017 results;

- o The head of internal audit's annual opinion over the trust's control environment dated 22 May 2018; and
 - o Care Quality Commission Inspection Report dated 27 February 2018.
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with the documents listed above and specified in the detailed guidance for external assurance on Quality Reports (collectively the 'documents').

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

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and
- Reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Basis for qualified conclusion

Number of patients on incomplete pathways who have been waiting no more than 18 weeks, as a percentage of the total number of patients on incomplete pathways

The "number of patients on incomplete pathways who have been waiting no more than 18 weeks, as a percentage of the total number of patients on incomplete pathways" indicator requires that the NHS Foundation Trust accurately record the start and end dates of each patient's treatment pathway, in accordance with detailed requirements set out in the national guidance. This is calculated as an average based on the percentage of incomplete pathways which are incomplete at each month end, where the patient has been waiting less than the 18 week target.

Our procedures included testing a risk based sample of 80 items, and so the error rates identified from that sample should not be directly extrapolated to the population as a whole.

We identified the following errors:

- in 25.00% of items tested, one or both of the start and end date of treatment were not accurately recorded;
- in 12.50% of items tested, there was inappropriate reporting of breaches and non breaches; and
- in 18.75% of items tested, there was incorrect reporting of open pathways within the monthly submissions.

As a result of the issues identified, we have concluded that there are errors in the calculation of the "Number of patients on incomplete pathways who have been waiting no more than 18 weeks, as a percentage of the total number of patients on incomplete pathways" indicator for the year ended 31 March 2018. We are unable to quantify the effect of these errors on the reported indicator.

The "Audited Indicators" section on page 64 of the Trust's Quality Report summarises the actions that the Trust is taking post year end to resolve the issues identified in its processes.

Qualified Conclusion

Based on the results of our procedures, except for the matters set out in the basis for qualified conclusion section above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in 2.1 of the 'NHS Improvement Detailed requirements for external assurance for quality reports 2017/18' for foundation trusts; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and supporting guidance.

A handwritten signature in blue ink that reads "Deloitte LLP". The signature is stylized, with the 'D' being large and the 'LLP' being written in a cursive-like font.

Deloitte LLP
Birmingham
United Kingdom
25 May 2018

Birmingham Women's and Children's NHS Foundation Trust

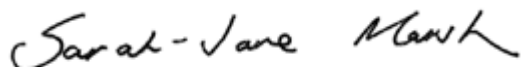
Statutory Accounts

Year ended 31 March 2018

Foreword to the Accounts

Birmingham Women's and Children's NHS Foundation Trust

These accounts for the year ended 31 March 2018 have been prepared by Birmingham Women's and Children's NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Service Act 2006.



.....
Sarah-Jane Marsh
Chief Executive Officer

Date 24 May 2018

Statement of Comprehensive Income (Group)

		Year Ended 31 March 2018	Year Ended 31 March 2017
	NOTE	£000	£000
Operating income from patient care activities		371,527	280,029
Sustainability and Transformation Fund income		17,645	6,351
Other operating income		40,207	30,316
Operating income from continuing operations	2	429,379	316,696
Operating expenses of continuing operations		(400,133)	(300,480)
Impairments recognised in operating expenses	3,10	(10,908)	-
Total operating expenses of continuing operations	3	(411,041)	(300,480)
OPERATING SURPLUS		18,338	16,216
FINANCE COSTS			
Finance income	6.1	55	96
Finance expense	6.2	(634)	(606)
PDC dividends payable		(5,355)	(3,596)
NET FINANCE COSTS		(5,934)	(4,106)
Other losses	7	(47)	(1)
Gain from transfer by absorption		-	42,979
Corporation tax expense	42	(39)	(41)
SURPLUS FOR THE YEAR	2.6	12,318	55,047
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	10	(19,037)	-
Revaluations	31	6,598	192
Other reserve movements		65	3,329
Total other comprehensive (expense)/income		(12,374)	3,521
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		(56)	58,568

The results for the financial year ending 31 March 2017 contain only two months' of figures for the Trust in its current form, with the remaining ten months' figures being prior to the acquisition of Birmingham Women's NHS Foundation Trust on 1 February 2017. Further information is available in note 15.

There are no Minority Interests in the Group, therefore the surplus for the year and the Total Comprehensive (Expense)/Income are wholly attributable to the Group.

As permitted by the Department of Health and Social Care Group Accounting Manual, the Trust has taken the exemption afforded by Section 208 of the Companies Act 2006 not to present its own income statement and statement of comprehensive income. Further information is available in note 8.

Statement of Financial Position

	NOTE	Group		Trust	
		31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Non-current assets					
Intangible assets	11	1,488	1,503	1,488	1,503
Property, plant and equipment	12	170,515	178,362	170,515	178,362
Investments in subsidiaries	16	-	-	5,000	-
Trade and other receivables	22	1,880	1,565	1,880	1,565
Loans to subsidiaries	20	-	-	28,062	225
Total non-current assets		173,883	181,430	206,945	181,655
Current assets					
Inventories	21	6,593	5,926	6,159	5,719
Trade and other receivables	22	49,937	34,751	49,057	34,664
Loans to subsidiaries	20	-	-	1,755	75
Cash and cash equivalents	25	29,140	31,679	22,999	31,435
Total current assets		85,670	72,356	79,970	71,893
Current liabilities					
Trade and other payables	26	(48,108)	(48,046)	(47,363)	(48,051)
Borrowings	27	(189)	(166)	(1,467)	(166)
Provisions	29	(590)	(2,388)	(590)	(2,388)
Other liabilities	28	(15,197)	(10,494)	(15,197)	(10,494)
Total current liabilities		(64,084)	(61,094)	(64,617)	(61,099)
Total assets less current liabilities		195,469	192,692	222,298	192,449
Non-current liabilities					
Borrowings	27	(3,200)	(1,289)	(30,035)	(1,289)
Total non-current liabilities		(3,200)	(1,289)	(30,035)	(1,289)
Total assets employed		192,269	191,403	192,263	191,160
Financed by					
Taxpayers' equity					
Public dividend capital	40	133,469	132,547	133,469	132,547
Revaluation reserve	31	22,771	35,288	22,771	35,288
Income and expenditure reserve		36,029	23,568	36,023	23,325
Total taxpayers' and others' equity		192,269	191,403	192,263	191,160

The financial statements were approved by the Board of Directors and authorised for issue on their behalf by:

Sarah-Jane Marsh

.....
Sarah-Jane Marsh
Chief Executive Officer

Date 24 May 2018

Statement of Changes in Equity

Group			Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve
	NOTE	Total £000	£000	£000	£000
Taxpayers' Equity at 1 April 2016		132,835	89,551	29,496	13,788
Surplus for the year		55,047	-	-	55,047
Transfers by absorption: transfers between reserves		-	42,996	5,725	(48,721)
Revaluations		192	-	192	-
Transfer to I&E reserve on disposal of assets		-	-	(125)	125
Other reserve movements		3,329	-	-	3,329
Total comprehensive income for the year		58,568	42,996	5,792	9,780
Taxpayers' Equity at 31 March 2017		191,403	132,547	35,288	23,568
Taxpayers' Equity at 1 April 2017		191,403	132,547	35,288	23,568
Surplus for the year		12,318	-	-	12,318
Impairments	10	(19,037)	-	(19,037)	-
Revaluations	31	6,598	-	6,598	-
Transfer to I&E reserve on disposal of assets		-	-	(78)	78
Other reserve movements		65	-	-	65
Total comprehensive (expense)/income for the year		(56)	-	(12,517)	12,461
Public Dividend Capital received	40	922	922	-	-
Taxpayers' Equity at 31 March 2018		192,269	133,469	22,771	36,029

Statement of Changes in Equity

Trust		Total	Public	Revaluation	Income and
	NOTE	£000	Dividend Capital £000	Reserve £000	Expenditure Reserve £000
Taxpayers' Equity at 1 April 2016		132,835	89,551	29,496	13,788
Surplus for the year		54,886	-	-	54,886
Transfers by absorption: transfers between reserves		-	42,996	5,725	(48,721)
Revaluations		192	-	192	-
Transfer to I&E reserve on disposal of assets		-	-	(125)	125
Other reserve movements		3,247	-	-	3,247
Total comprehensive income for the year		58,325	42,996	5,792	9,537
Taxpayers' Equity at 31 March 2017		191,160	132,547	35,288	23,325
Taxpayers' Equity at 1 April 2017		191,160	132,547	35,288	23,325
Surplus for the year		12,555	-	-	12,555
Impairments	10	(19,037)	-	(19,037)	-
Revaluations	31	6,598	-	6,598	-
Transfer to I&E reserve on disposal of assets		-	-	(78)	78
Other reserve movements		65	-	-	65
Total comprehensive (expense)/income for the year		181	-	(12,517)	12,698
Public Dividend Capital received	40	922	922	-	-
Taxpayers' Equity at 31 March 2018		192,263	133,469	22,771	36,023

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential, in which case they are charged to operating expenditure.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	NOTE	Group		Trust	
		31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Cash flows from operating activities					
Operating surplus		18,338	16,216	18,298	15,990
Non-cash income and expense					
Depreciation and amortisation		8,496	5,398	8,496	5,398
Net impairments	3	10,908	-	10,908	-
Income recognised in respect of capital donations		(1,255)	(2,543)	(1,255)	(2,543)
Increase in Trade and Other Receivables		(14,800)	(8,510)	(14,007)	(8,522)
(Increase)/decrease in Other Financial Assets		-	-	(29,517)	100
Increase in Inventories		(667)	(8)	(440)	(6)
Increase in Trade and Other Payables		3,906	5,155	3,156	5,186
Decrease/(increase) in Other Liabilities		4,703	(3,031)	4,703	(3,031)
Decrease in Provisions		(1,798)	(610)	(1,798)	(610)
Corporation tax paid		(41)	(20)	-	-
Other movements in operating cash flows		67	23	65	42
NET CASH GENERATED FROM/(USED IN) OPERATIONS		27,857	12,070	(1,391)	12,004
Cash flows from investing activities					
Interest received		55	96	293	120
Purchase of intangible assets		(497)	(789)	(497)	(789)
Purchase of Property, Plant and Equipment		(27,092)	(20,546)	(27,092)	(20,546)
Receipt of donations to purchase capital assets		971	2,030	971	2,030
Cash from acquisitions of subsidiaries	16	-	-	(5,000)	-
Net cash used in investing activities		(26,563)	(19,209)	(31,325)	(19,185)
Cash flows from financing activities					
Public dividend capital received	40	922	-	922	-
Movement on loans from DHSC	27	2,100	-	2,100	-
Movement on service concession obligations		-	-	28,113	-
Capital element of PFI		(165)	(145)	(165)	(145)
Interest element of PFI		(634)	(634)	(634)	(634)
PDC Dividend paid		(6,056)	(4,021)	(6,056)	(4,021)
Net cash (used in)/generated from financing activities		(3,833)	(4,800)	24,280	(4,800)
Decrease in cash and cash equivalents		(2,539)	(11,939)	(8,436)	(11,981)
Cash and Cash equivalents at 1 April		31,679	42,079	31,435	41,877
Adjustments to cash in year					
Cash and cash equivalents transferred by absorption		-	1,539	-	1,539
Cash and Cash equivalents at 31 March	25.1	29,140	31,679	22,999	31,435

Notes to the Financial Statements

1. Accounting policies

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to the NHS. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, and certain financial assets and financial liabilities.

1.2 Going concern

These accounts have been prepared on a going concern basis as described in the Performance Report in section 2 of the Annual Report.

1.3 Consolidation

NHS Charitable Funds

The DH GAM requires NHS foundation trusts to consolidate the accounts of NHS charitable funds to which they are corporate trustees. The Trust is not the corporate trustee to Birmingham Women's And Children's Hospital Charity (BWCH Charity). The Trust has further assessed its relationship to the charitable fund, with specific reference to the definitions of control contained within IFRS 10, and determined it not to be a subsidiary because the foundation trust has no power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff.

Other Subsidiaries

The Group financial statements consolidate the financial statements of the Trust and all of its subsidiary undertakings made up to 31 March 2018. The income, expenses, assets, liabilities, equity and reserves of the subsidiaries have been consolidated into the Trust's financial statements and Group financial statements have been prepared. Where figures for the Trust differ from those for the Group, separate tables have been included.

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of health care services.

The Trust accounts for the income of partially completed spells based on an average spell cost for the anticipated specialty which is adjusted based on the length of stay to take into account any excess bed days. Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pensions' Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

Past and present employees are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable and rules of the Scheme can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. It is not possible for the Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.7 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- It is held for use in delivering services or for administrative purposes;
- It is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- It is expected to be used for more than one financial year;
- The cost of the item can be measured reliably; and
- The item has a cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- They form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Buildings and land are measured subsequently at valuation. As a minimum, a full revaluation is conducted every five years with an interim valuation after three years, undertaken by a professional valuer holding

appropriate Royal Institute of Chartered Surveyors qualifications. The valuation is based on depreciated replacement value, using modern equivalent asset and alternative site methodology.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets in the course of construction are valued at cost and are valued by a professional valuer as part of the three or five-yearly valuation or when they are brought into use.

Equipment and fixtures are carried at cost less accumulated depreciation and any accumulated impairment losses, as this is not considered to be materially different from the fair value of assets which have low values or short useful economic lives.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits, using the straight line method. Minimum and maximum remaining useful economic lives are disclosed in note 14 to the financial statements. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Revaluation

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the DH GAM, impairments that arise from a clear consumption of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- The sale must be highly probable i.e.:
 - Management is committed to a plan to sell the asset;
 - An active programme has begun to find a buyer and complete the sale;
 - The asset is being actively marketed at a reasonable price;
 - The sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
 - The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.8 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- The project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- The Trust intends to complete the asset and sell or use it;
- The Trust has the ability to sell or use the asset;
- How the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- Adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- The Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits, using the straight line method. Minimum and maximum remaining useful economic lives are disclosed in note 13 to the financial statements.

1.9 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease. Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.10 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The Trust therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- Payment for the fair value of services received;
- Payment for the PFI asset, including finance costs; and
- Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI asset

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on-Statement of Financial Position" by the Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment at their fair value, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Income.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the Trust's criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the Trust to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the Trust's Statement of Financial Position.

1.11 Revenue grants and other contributions to expenditure

Government grants are grants from Government bodies other than income from commissioners or NHS organisations for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition of the benefit.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value. Pharmacy stocks are valued using a weighted average cost method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Cash and bank balances are shown at current value.

1.14 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described above in note 1.9.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as "fair value through income and expenditure", "loans and receivables" or "available-for-sale financial assets".

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities".

Financial assets and financial liabilities at "fair value through income and expenditure"

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not "closely-related" to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

1.15 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Rate	Real rate
Short-term (up to 5 years)	-2.42%
Medium term (over 5 and up to 10 years)	-1.85%
Long-term (over 10 years)	-1.56%

The exception to this is for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.10% in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by

starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with on-going activities of the entity.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 29.3 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions are charged to operating expenses in the year in which they fall due, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

1.16 Contingencies

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation arising from past events that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

Where the time value of money is material, contingencies are disclosed at their present value.

1.17 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for:

- (i) donated assets (including lottery funded assets);
- (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility; and
- (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.18 Research and Development

Expenditure on research is not capitalised, it is treated as an operating cost in the year in which it is incurred.

Research and development activity cannot be separated from patient care activity and is not a material operating segment within the Trust. Expenditure on this is therefore not separately disclosed.

1.19 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Most of the activities of the Trust's subsidiary companies are within the scope of VAT and, for those companies, output tax applies and input tax is recoverable. Supplies made by the companies are predominantly to the Trust. Within both Group and Trust figures, VAT is included or excluded according to the extent to which the Trust VAT is recoverable by the Trust.

1.20 Corporation tax

The Trust is a Health Service Body within the meaning of s519A ICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to dis-apply the exemption in relation to specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1988). Accordingly, the Trust is potentially within the future scope of income tax in respect of activities where income is received from a non-public sector source.

The tax expense on the surplus or deficit for the year comprises current and deferred tax due to the Trust's trading commercial subsidiaries, see note 41 to the financial statements. Current tax is the expected tax payable for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the Statement of Financial Position liability method, providing for temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on taxable temporary differences arising on the initial recognition of goodwill or for temporary differences arising from the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit.

Deferred taxation is calculated using rates that are expected to apply when the related deferred asset is realised or the deferred taxation liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised.

1.21 Foreign exchange

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.22 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are disclosed in note 25.2 to the accounts in accordance with the requirements of HM Treasury's FReM.

1.23 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS foundation trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.24 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The critical accounting judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are detailed below:

Modern equivalent asset valuation – key source of estimation uncertainty

As detailed in policy note 1.7 'Property, plant and equipment', a professional valuer provided the Trust with a valuation of the land and building assets (estimated fair value and remaining useful life), based on depreciated replacement value, using modern equivalent asset and alternative site methodology. This valuation, based on estimates provided by a suitably qualified professional in accordance with HM Treasury guidance, leads to various significant increases and reductions in the reported fair value for a number of the Trust's land and building assets.

The current, full valuation is effective 31 March 2018, while the previous valuation was effective 31 March 2016.

Future revaluations of the Trust's property may result in further material changes to the carrying values of non-current assets.

Provisions – critical accounting judgement

Provisions have been made for probable legal and constructive obligations of uncertain timings and amount as at the reporting date. These are based on estimates using relevant and reliable information as is available at the time the financial statements are prepared. These provisions are estimates of the actual costs of future cash flows and are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

The carrying amounts of the Trust's provisions are detailed in notes 29.1 and 29.2 to the financial statements.

1.25 Accounting standards, interpretations and amendments adopted in the year

All new, revised and amended standards and interpretations which are mandatory as at the reporting date have been adopted within the year. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

No new accounting standards or revisions have been early adopted in 2017/18.

1.26 Accounting standards that have been issued but have not yet been adopted

The DH GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted;
- IFRS 14 Regulatory Deferral Accounts – Not yet EU endorsed – Applies to first time adopters of IFRS after 1 January 2016; therefore not applicable to DH group bodies;
- IFRS 15 Revenue from Contracts with Customers – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted;
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted;
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted;
- IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018; and
- IFRIC 23 Uncertainty over Income Tax Treatments – Application required for accounting periods beginning on or after 1 January 2019.

Following release of the 2018/19 DH GAM in May 2018, the Trust is assessing the likely impact of IFRS 9 and IFRS 15 (and the adaptations included in the DH GAM). Areas the Trust is reviewing include non-contracted income, overseas patients, research income, and the approach to provisioning for non-NHS debtors.

2 Operating segments

The Board as 'Chief Operating Decision Maker' has given due consideration to the issue of Segmental Reporting and, after analysing the financial, reporting and performance decision making activities of the Trust, has concluded that only one Operating Segment, "Healthcare", is to be reported. This meets the requirements and aggregation criteria laid out in IFRS 8. The provision of healthcare (including medical treatment, research and education) is within one main geographical segment, the United Kingdom, and materially from Departments of HM Government in England. Revenue from activities (medical treatment of patients) is analysed by customer type in note 2.3 to the financial statements. Other operating income is also analysed in note 2.3 to the financial statements and materially consists of revenues from healthcare research and development, medical education and the provision of services to other NHS bodies.

2.1 Operating income – by nature (Group)

		31 March 2018 £000	31 March 2017 £000
Income from Activities			
Acute Services			
Elective income	(a)	48,500	46,947
Non-elective income		64,893	42,925
First outpatient income		17,465	13,061
Follow up outpatient income		19,138	19,591
A & E income		6,669	6,608
High cost drugs income		33,839	31,217
Other NHS clinical income	(b)	133,502	79,659
Mental Health services			
Cost and volume contract income		7,632	7,111
Block contract income	(c)	33,329	29,325
Community services			
Income from CCGs and NHS England		2,832	2,703
Other			
Private patient income	(d)	2,501	520
Other non-protected clinical income	(e)	1,227	362
Total income from activities		371,527	280,029
STF income	(f)	17,645	6,351
Total other operating income		40,207	30,316
TOTAL OPERATING INCOME	(g)	429,379	316,696

(a) Elective income includes £660k (31 March 2017: £607k) from The Royal Orthopaedic Hospital NHS Foundation Trust which relates to payment for activity undertaken at the Trust on behalf of The Royal Orthopaedic Hospital NHS Foundation Trust.

(b) Other NHS clinical income represents income outside the scope of Payments by Results (PbR). This income comprises funding from NHS England and Clinical Commissioning Groups (CCGs) for PbR exclusions. The specialist nature of the Trust means this comprises a significant proportion of clinical

income. Increases in this category result primarily from around half of the clinical income on the former Birmingham Women's NHSFT (BWNFT) being PbR exclusions, along with the changing scope of PbR.

- (c) Increases in Mental Health services income relate to increases in out-of-area bed funding.
- (d) Increases in private patient income relate primarily to work undertaken at the former BWNFT.
- (e) Other non-protected clinical income relates to income from the NHS Injury Cost Recovery Scheme.
- (f) STF income is funding allocated to the Trust by the Department of Health and Social Care as part of the national Sustainability and Transformation Fund.
- (g) All income is derived from continuing operations.

2.2 Operating lease income

There has been no operating lease income in either the current or previous accounting periods.

2.3 Operating income – by source (Group)

	Note	31 March 2018 £000	31 March 2017 £000
Income from activities			
NHS England	(a)	220,525	177,660
Clinical commissioning groups	(a)	137,079	93,991
NHS Foundation Trusts	(a),(b)	2,695	1,097
NHS Trusts	(a),(b)	3,205	536
Non-NHS: Private patients	(c)	2,501	520
Non-NHS: Overseas patients	(c)	540	82
NHS injury cost recovery scheme	(d)	687	362
Non-NHS: Other	(e)	4,295	5,781
Total income from activities	(f)	371,527	280,029
Other operating income			
Research and development		6,961	5,720
Education and training		11,144	8,450
Capital grants and donations	(g)	1,255	2,543
Charitable/other contributions	(h)	1,967	561
Non-patient care services		15,540	8,908
Support from DHSC	(a),(i)	-	1,900
STF income		17,645	6,351
Other *		3,340	2,234
Total other operating income		57,852	36,667
TOTAL OPERATING INCOME		429,379	316,696

- (a) The Department of Health and Social Care (DHSC) is regarded as the parent Department of NHS England, Clinical Commissioning Groups (CCGs), NHS Trusts and NHS Foundation Trusts. When combined these four areas are regarded as a related party as outlined in note 32.
- (b) Increases in income from NHS Foundation Trusts and NHS Trusts is primarily the result of the funding pathway for maternity care. The host provider for each patient receives funding for the full care pathway from the relevant commissioner, with appropriate elements paid by the host provider to the provider delivering care.
- (c) Income from overseas patients relates entirely to direct charges to overseas visitors. Income from private patients relates to UK patients charged directly by the Trust.
- (d) NHS Injury Cost Recovery Scheme income is subject to a provision for doubtful debts of 22.84% of the original debtor notified to the Trust, to reflect expected rates of collection and the probability of not receiving income due to withdrawn cases or exemptions. Cases withdrawn or exempt are written against this provision.
- (e) Non-NHS Other includes the income from activities by Non-English Health bodies: Wales, Scotland and Northern Ireland.
- (f) All activity income other than overseas visitor and private patient income is associated with Commissioner Requested Services, as detailed in note 2.5.
- (g) The income from BCH Charities is specific funding for the purchase of medical and other equipment.
- (h) This sum relates primarily to the grant to cover the cost of the Fundraising Team. This varies on an annual basis dependent on the agreement between the Trust and BCH Charities regarding the financial plan for that year. Additional funding has been received in the current year towards the revenue costs of setting up services to be delivered in a new clinical building.
- (i) Income from the DHSC in the prior year related to transaction and transition support funding for the acquisition of Birmingham Women's NHS Foundation Trust.

***Analysis of Other Operating Income: Other**

	31 March 2018 £000	31 March 2017 £000
PFI support income	19	19
Car Parking income	387	189
Catering	291	42
Pharmacy sales	7	68
Property rental	102	22
Staff accommodation rental	23	13
Clinical tests	1,284	169
Clinical excellence awards	1,138	1,301
Other	89	411
Total	3,340	2,234

2.4 Overseas visitors (relating to patients charged directly by the Trust)

	31 March 2018 £000	31 March 2017 £000
Income recognised this year	540	82
Cash payments received in-year	321	102
Amounts added to provision for impairment of receivables	346	-
Amounts written off in-year	-	-

2.5 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	31 March 2018 £000	31 March 2017 £000
Income from commissioner requested services	368,486	279,427
Income from services not commissioner requested	3,041	602
Total	371,527	280,029

2.6 Reconciliation to Control Total

The financial performance regime under which the Trust operates includes the setting of a 'control total', which is a specific financial position that the Trust is required to meet in order to access additional cash funding. The surplus for the organisation includes a number of items, mainly deemed non-recurrent, that are excluded from this calculation of financial performance. The following table shows the financial position relative to the organisation's control total.

		31 March 2018 £000	31 March 2017 £000
Surplus for the year		12,318	55,047
Add: one-off technical adjustments			
Impairments taken to expenditure	(a)	10,908	-
Less: items included within surplus but not counted towards control total achievement			
Gain on transfer by absorption	(b)	-	(42,979)
Sustainability and Transformation Fund income	(c)	(17,645)	(6,351)
I&E impact of donated assets	(d)	(569)	(2,216)
Additional provider sector funding	(e)	(1,281)	-
Performance for control total calculation		3,731	3,501
Control total for the year		3,659	3,430
Surplus against control total		72	71

- (a) Impairments taken to expenditure are the result of a revaluation of the Trust's land and buildings. More information is given in note 10.
- (b) Gain on transfer by absorption reflects the net gain corresponding to the assets and liabilities transferred to the Trust on the acquisition of Birmingham Women's NHS Foundation Trust during the prior financial year.
- (c) Sustainability and Transformation Fund (STF) income allocated by the Department of Health and Social Care is non-recurrent cash funding that was contingent on the Trust achieving an agreed underlying surplus for the year and meeting the four-hour wait standard for Emergency Department performance, and was not available to fund expenditure.
- (d) I&E impact of donated assets comprises the recognition of medical equipment donated to the Trust and funding from BCH Charities towards the Trust purchasing medical equipment or other capital developments, less the depreciation on donated assets.
- (e) Additional provider sector funding is non-recurrent cash funding that was contingent on the Trust delivering an improvement of the same value on the bottom line financial position and was not available to fund expenditure.

3.1 Operating expenses (Group)

	31 March 2018	31 March 2017
	£000	£000
Purchase of healthcare from DHSC bodies	8,499	3,927
Purchase of healthcare from non-DHSC bodies	157	125
Staff and executive directors costs	236,206	175,908
Remuneration of non-executive directors	164	132
Supplies and services - clinical (ex drugs costs)	55,569	43,000
Supplies and services - general	6,475	3,409
Drug costs	41,718	35,998
Consultancy costs	147	1,754
Establishment	3,496	3,112
Premises	11,948	10,321
Transport (including patient travel)	2,757	2,031
Depreciation on property, plant and equipment	7,969	5,152
Amortisation on intangible assets	527	246
Impairments	10,908	-
Increase in provision for impaired receivables	244	447
Decrease in other provisions	(1,669)	-
Change in provisions discount rate(s)	-	20
Audit fees payable to the external auditor		
audit services- statutory audit	92	54
other auditor remuneration	18	97
Internal audit costs	203	191
Clinical negligence	10,801	4,326
Legal fees	386	505
Insurance	137	140
Research and development	6,491	3,736
Education and training	4,712	3,442
Rentals under operating leases	1,583	1,204
Operating expenditure on PFI scheme	83	83
Car parking & security	367	370
Losses, ex gratia & special payments	52	24
Other services (including external payroll)	1,001	704
Other	-	22
TOTAL	411,041	300,480

3.2 Other audit remuneration

Other auditor remuneration paid to the external auditor is analysed as follows:	31 March 2018 £000	31 March 2017 £000
Audit-related assurance services	18	18
Taxation compliance services	-	79
TOTAL	18	97

3.3 Limitation on Auditor's liability

	31 March 2018 £000	31 March 2017 £000
Limitation on Auditor's liability as per agreement dated 30 March 2018	1,000	1,000

4.1 Employee benefits (Group)

	31 March 2018 £000	31 March 2017 £000
Salaries and wages	193,129	145,713
Social security costs	19,673	14,924
Apprenticeship levy	933	-
Employer's contributions to NHS pensions	23,543	17,188
Temporary staff (including agency)	6,071	3,043
Total staff costs	243,349	180,868
Of which		
Costs capitalised as part of assets	690	294
Costs included in research and development	3,527	2,450
Costs included in education and training	2,926	2,216

4.2 Early retirements due to ill health

	31 March 2018	31 March 2017
No. of early retirements on the grounds of ill-health	2	2
Estimated pension liabilities of these ill-health retirements (£000)	80	73

The cost of ill health retirements will be borne by the NHS Business Services Authority (Pensions Division).

4.3 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

(a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

(b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer

contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

5 Operating Leases (Group)

There are no operating lease agreements where the Trust is the lessor. This note discloses costs and commitments incurred in operating lease arrangements where the Trust is the lessee.

5.1 Operating lease expense

	31 March 2018 £000	31 March 2017 £000
Lease payments recognised as an expense in year:		
Minimum lease payments	1,583	1,204
TOTAL	1,583	1,204

5.2 Future minimum operating lease payments

	31 March 2018 £000	31 March 2017 £000
Future minimum lease payments due:		
- not later than one year;	694	1,042
- later than one year and not later than five years;	985	759
- later than five years.	20	-
TOTAL	1,699	1,801

There are no future sublease payments receivables by the Trust or the Group in either the current or previous accounting periods.

6.1 Finance Income (Group)

Finance income represents interest received on assets and investments in the period.

	31 March 2018 £000	31 March 2017 £000
Interest on bank accounts	55	96
TOTAL	55	96

Interest on bank accounts has been earned from surplus funds held within the Government Banking Services (GBS) and National Loans Fund (NLF).

There is no interest on impaired financial assets included in finance income in either the current or previous accounting periods.

6.2 Finance Expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money.

	31 March 2018 £000	31 March 2017 £000
Interest expense:		
Main finance costs on PFI obligations	226	247
Contingent finance costs on PFI obligations	408	387
Total interest expense	634	634
Unwinding of discount on provisions	-	(28)
Total finance costs	634	606

6.3 The Late Payment of Commercial Debts (Interest) Act 1998

There are no amounts included within 'other interest payable' arising from claims made under this legislation in either the current or previous accounting periods.

There has been no compensation paid to cover debt recovery costs under this legislation in either the current or previous accounting periods.

7 Other gains and losses (Group)

	31 March 2018 £000	31 March 2017 £000
Losses on disposal of assets	(47)	(1)
Total losses on disposal of assets	(47)	(1)
Total other losses	(47)	(1)

8 Trust income statement and statement of comprehensive income

As permitted by the DH GAM, the Trust has taken the exemption afforded by Section 208 of the Companies Act 2006 not to present its own income statement and statement of comprehensive income. The Trust's surplus for the period was £12,061k (2016/17: £54,886k). The Trust's total comprehensive expense for the period was £5,313k (2016/17: £58,325k).

9 Discontinued Operations

There have been no discontinued operations in either the current or previous accounting periods.

10 Impairment of assets (PPE & intangibles)

	31 March 2018 £000	31 March 2017 £000
Impairments charged to operating surplus		
Changes in market price	10,908	-
Total Impairments charged to operating surplus	10,908	-
Impairments charged to the revaluation reserve	19,037	-
Total Impairments	29,945	-

Impairments relate to the full revaluation of Land and Buildings as at 31 March 2018, undertaken by professional valuers Cushman & Wakefield holding appropriate Royal Institute of Chartered Surveyors qualifications.

Of the impairments, £18,762k relates to the exclusion of VAT from building valuations, resulting from the agreement that BWC Management Services Ltd will design, finance, construct and operate healthcare facilities and provide facility management services for the Trust. Of this, £2,766k is charged to operating expenses with the remainder being written to the revaluation reserve and off-set against previous revaluation gains. The balance of the impairments is a combination of renewal/enhancement works and increases in functional obsolescence, of which £8,142k is charged to operating expenses with the remainder being written to the revaluation reserve and off-set against previous revaluation gains.

11.1 Intangible assets 2017/18 (Group and Trust)

	Software licences (purchased) £000
Valuation/Gross Cost at 1 April 2017 - brought forward	2,775
Additions	512
Valuation/Gross cost at 31 March 2018	3,287
Amortisation at 1 April 2017 - brought forward	1,272
Provided during the year	527
Amortisation at 31 March 2018	1,799
Net book value at 31 March 2018	1,488
Net book value at 1 April 2017	1,503

11.2 Intangible assets 2016/17 (Group and Trust)

	Software licences (purchased) £000
Valuation/Gross cost at 1 April 2016	1,054
Transfers by absorption	903
Additions	789
Reclassifications	29
Valuation/Gross cost at 31 March 2017	2,775
Amortisation at 1 April 2016	694
Transfers by absorption	332
Provided during the year	246
Amortisation at 31 March 2017	1,272
Net book value at 31 March 2017	1,503
Net book value at 1 April 2016	360

12.1 Property, plant and equipment 2017/18 (Group and Trust)

	Total	Land	Buildings excluding dwellings	Assets under Construction & POA	Plant & Machinery	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross cost at 1 April 2017	221,605	10,702	117,770	30,244	45,512	15,111	2,266
Additions	23,516	3,150	2,401	15,536	1,610	752	67
Impairments	(29,945)	(2,183)	(27,762)	-	-	-	-
Revaluations	1,591	2,520	(1,145)	-	133	40	43
Reclassifications	-	-	2,552	(5,371)	2,100	715	4
Disposals / de-recognition	(1,388)	-	-	-	(1,365)	(23)	-
Valuation/Gross cost at 31 March 2018	215,379	14,189	93,816	40,409	47,990	16,595	2,380
Accumulated depreciation at 1 April 2017	43,243	-	2,465	-	30,311	8,872	1,595
Provided during the year	7,969	-	2,683	-	3,322	1,826	138
Revaluations	(5,007)	-	(5,148)	-	88	22	31
Disposals / de-recognition	(1,341)	-	-	-	(1,318)	(23)	-
Accumulated depreciation at 31 March 2018	44,864	-	-	-	32,403	10,697	1,764
Net book value at 31 March 2018	170,515	14,189	93,816	40,409	15,587	5,898	616
Net book value at 1 April 2017	178,362	10,702	115,305	30,244	15,201	6,239	671
Net book value at 31 March 2018							
Owned	153,288	7,679	85,859	39,409	13,974	5,813	554
Finance Leased	6,923	6,510	413	-	-	-	-
On-SoFP PFI contracts	4,181	-	4,181	-	-	-	-
Donated	6,123	-	3,363	1,000	1,613	85	62
NBV total at 31 March 2018	170,515	14,189	93,816	40,409	15,587	5,898	616

All property, plant and equipment within the Group belongs to the Trust.

12.2 Property, plant and equipment 2016/17 (Group and Trust)

	Total	Land	Buildings excluding dwellings	Assets under Construction & POA	Plant & Machinery	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000
Valuation/Gross cost at 1 April 2016	135,983	6,385	82,385	9,820	29,344	6,321	1,728
Transfers by absorption	61,845	4,317	31,431	2,140	15,348	8,126	483
Additions	25,569	-	1,784	21,169	2,166	426	24
Revaluations	486	-	-	-	387	68	31
Reclassifications	(29)	-	2,170	(2,885)	516	170	-
Disposals / de-recognition	(2,249)	-	-	-	(2,249)	-	-
Valuation/Gross cost at 31 March 2017	221,605	10,702	117,770	30,244	45,512	15,111	2,266
Accumulated depreciation at 1 April 2016	23,095	-	-	-	18,712	3,225	1,158
Transfers by absorption	16,950	-	487	-	11,526	4,624	313
Provided during the year	5,152	-	1,978	-	2,074	997	103
Revaluations	294	-	-	-	247	26	21
Disposals / de-recognition	(2,248)	-	-	-	(2,248)	-	-
Accumulated depreciation at 31 March 2017	43,243	-	2,465	-	30,311	8,872	1,595
Net book value at 31 March 2017	178,362	10,702	115,305	30,244	15,201	6,239	671
Net book value at 1 April 2016	112,888	6,385	82,385	9,820	10,632	3,096	570
Net book value - 31 March 2017							
Owned	163,265	6,562	107,327	30,220	12,422	6,136	598
Finance Leased	4,140	4,140	-	-	-	-	-
On-SoFP PFI contracts	3,398	-	3,398	-	-	-	-
Donated	7,559	-	4,580	24	2,779	103	73
NBV total at 31 March 2017	178,362	10,702	115,305	30,244	15,201	6,239	671

All property plant and equipment within the Group belongs to the Trust.

13 Economic life of intangible assets

	Min Life Years	Max Life Years
Software	1	5

14 Economic life of property, plant and equipment

	Min Life Years	Max Life Years
Land	Infinite	Infinite
Buildings excluding dwellings	1	84
Plant & machinery	1	15
Information technology	1	10
Furniture & fittings	1	11

15 Transfer by absorption

On 1 February 2017, Birmingham Children's Hospital NHS Foundation Trust acquired Birmingham Women's NHS Foundation Trust (BWNFT) and was renamed Birmingham Women's and Children's NHS Foundation Trust.

All prior year comparatives in the financial statements represent the results of Birmingham Children's Hospital NHS Foundation Trust for the ten months from 1 April 2016 to 31 January 2017 and the combined Birmingham Women's and Children's NHS Foundation Trust for the two months from 1 February 2017 to 31 March 2017.

Combined revenue figures for the two Trusts for the full prior financial year are given in the following table. Synergies derived from operating as a single Trust have not been taken into account in these figures.

	2016/17
	£000
Operating income from continuing operations	400,729
Operating expenses of continuing operations	(385,805)
Total operating expenses of continuing operations	14,924
Net finance costs	(5,120)
Other gains and losses	(755)
Surplus for the year	9,049
Other comprehensive income	3,584
Total comprehensive income for the year	12,633

16.1 Investments

The Trust holds 100% of the share capital of Birmingham Children's Hospital Health Services Ltd, a holding company for further trading subsidiaries, with share value of £1k. This investment was also held during 2016/17. This company is incorporated in the UK under company number 08103783.

Birmingham Children's Hospital Health Services Ltd holds 100% of the share capital of Birmingham Children's Hospital Pharmacy Ltd, also with share value of £1k. This company is incorporated in the UK under company number 08104635. The principal activity of Birmingham Children's Hospital Pharmacy Ltd is to provide an outpatient pharmacy service.

During the 2017/18 financial year, the Trust also acquired 100% of the share capital of BWC Management Services Limited, with share value of £5,000k. This company is incorporated in the UK under company number 10841099. The principle activity of BWC Management Services Limited is to provide fully managed healthcare facilities.

The balances of the wholly-owned subsidiaries are consolidated into the accounts of the Trust where appropriate and presented under the 'Group' heading.

16.2 Investment Property

Neither the Trust nor the Group held any investment property in either the current or previous accounting periods.

17 Investments in associates and joint ventures

Neither the Trust nor the Group held any investments in associates or joint ventures in either the current or previous accounting periods.

18.1 Non-current assets for sale and assets in disposal groups

Neither the Trust nor the Group had non-current assets for sale and assets in disposal groups at either the current or previous year-end.

18.2 Liabilities in disposal groups

Neither the Trust nor the Group had liabilities in disposal groups at either the current or previous year-end.

19 Other Assets

Neither the Trust nor the Group held any pension scheme assets or other assets at either the current or previous year-end.

20 Other Financial Assets

The working capital for Birmingham Children's Hospital Pharmacy Ltd has been provided by way of a cash loan from the Trust which is subject to interest at a commercial rate (7%) plus a principal repayment schedule. At 31

March 2018 the remaining value of this loan was £225k. This is a financial asset to the Trust that is eliminated on consolidation.

The working capital for BWC Management Services Limited has been provided by way of share capital as disclosed in note 16.1 and a cash loan from the Trust which is subject to interest at a commercial rate (2.16% above 3 month LIBOR) plus a principal repayment schedule. At 31 March 2018 the remaining value of this loan was £29,592k. This loan is a financial asset to the Trust that is eliminated on consolidation.

	31 March 2018 £000	31 March 2017 £000
Current loans to subsidiaries		
Birmingham Children's Hospital Pharmacy Ltd	100	75
BWC Management Services Limited	1,655	-
Total current loans to subsidiaries	1,755	75
Non-current loans to subsidiaries		
Birmingham Children's Hospital Pharmacy Ltd	125	225
BWC Management Services Limited	27,937	-
Total non-current loans to subsidiaries	28,062	225
Total loans to subsidiaries		
Birmingham Children's Hospital Pharmacy Ltd	225	300
BWC Management Services Limited	29,592	-
Total non-current loans to subsidiaries	29,817	300

21 Inventories

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Drugs	1,208	1,355	1,003	1,355
Consumables	5,385	4,571	5,156	4,364
Total inventories	6,593	5,926	6,159	5,719

Inventories recognised in expenses for the year were £671k (2016/17: £768k). There was no write-down of inventories recognised as expenses for the year (2016/17: £nil).

22 Trade and other receivables

	Group		Trust	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Current				
Trade receivables	21,883	11,771	21,392	11,771
Accrued income	19,767	15,682	20,257	15,682
Provision for impaired receivables	(2,283)	(2,186)	(2,283)	(2,186)
Prepayments (non-PFI)	3,830	3,789	3,830	3,789
PDC dividend receivable	771	70	771	70
VAT receivable	5,090	813	5,090	813
Other receivables	879	4,812	-	4,725
Total current trade and other receivables	49,937	34,751	49,057	34,664
Non-Current				
Other receivables	1,880	1,565	1,880	1,565
Total non-current trade and other receivables	1,880	1,565	1,880	1,565
Of which receivables from DHSC group bodies:				
Current	38,643	25,671	38,643	25,671
Non-current	-	-	-	-

The Trust has considered the NHS Improvement requirements under IFRS 7 relating to credit risk. The majority of the Trust's financial assets relate to money due from other NHS organisations. Other NHS organisations are extremely unlikely to default on payments, and the Trust would only invest its cash deposits within a strict investment policy. There are no transactions involving hedging, foreign currency or other investments prone to market fluctuations. There is therefore no material exposure to credit, market or liquidity risks.

23.1 Provision for impairment of receivables (Group and Trust)

	2017/18	2016/17
	£000	£000
At 1 April	2,186	1,677
Transfers by absorption	-	174
Increase in provision	1,489	986
Amounts utilised	(147)	(112)
Unused amounts reversed	(1,245)	(539)
At 31 March	2,283	2,186

23.2 Analysis of impaired receivables (Group and Trust)

	31 March 2018 £000	31 March 2017 £000
Ageing of impaired receivables		
Up to 30 days	-	14
31 to 60 days	97	16
61 to 90 days	1	1
91 to 180 days	493	186
Over 180 days	1,692	1,969
Total	2,283	2,186
Ageing of non-impaired receivables past their due date		
Up to 30 days	7,700	11,098
31 to 60 days	2,158	1,378
61 to 90 days	741	901
91 to 180 days	4,457	1,608
Over 180 days	4,752	928
Total	19,808	15,913

Aged receivables relate predominantly to invoices raised to other NHS organisations in respect of maternity pathway activity.

24 Finance lease receivables

Neither the Trust nor the Group had any finance lease receivables at either the current or previous year-end.

25.1 Cash and cash equivalents

	Group		Trust	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
At 1 April	31,679	42,079	31,435	42,079
Transfers by absorption	-	1,539	-	1,539
Net change in year	(2,539)	(11,939)	(8,436)	(12,183)
At 31 March	29,140	31,679	22,999	31,435
Broken down into:				
Cash at commercial banks and in hand	6,397	812	256	812
Cash with the Government Banking Service	22,743	30,867	22,743	30,623
Cash and cash equivalents as in SoFP	29,140	31,679	22,999	31,435
Cash and cash equivalents as in SoCF	29,140	31,679	22,999	31,435

As detailed in note 1.17, cash balances held within GBS are excluded from the total assets used to calculate the Trust's PDC dividend.

25.2 Third Party Assets

Neither the Trust nor the Group held any third party assets at either the current or previous year-end.

26.1 Trade and other payables

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Current				
Trade payables	21,351	18,841	21,351	18,841
Capital payables	2,904	6,749	2,904	6,749
Accruals	14,514	13,564	14,514	13,564
Social Security costs	2,847	2,711	2,847	2,711
Other taxes payable	5,492	5,172	5,492	5,172
Accrued interest on loans	1	-	1	-
Other payables	999	1,009	254	1,014
Total current trade and other payables	48,108	48,046	47,363	48,051
Of which payables from DHSC group bodies:				
Current	8,896	6,259	9,055	6,259

Neither the Trust nor the Group had any non-current liabilities in respect of trade and other payables in either the current or previous accounting period.

26.2 Early retirements included in NHS payables above

Neither the Trust nor the Group incurred any expenditure in respect of early retirement in either the current or previous accounting period.

27 Borrowings

	Group		Trust	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Current				
Obligations under service concessions	-	-	1,278	-
Obligations under PFI	189	166	189	166
Total current borrowings	189	166	1,467	166
Non-current				
Loans from DHSC	2,100	-	2,100	-
Obligations under service concessions	-	-	26,835	-
Obligations under PFI	1,100	1,289	1,100	1,289
Total non-current borrowings	3,200	1,289	30,035	1,289

The loan from the Department of Health and Social Care is the first instalment of a £16,100k loan for integration support following the acquisition of Birmingham Women's NHS Foundation Trust.

The obligation under service concessions in the Trust arises from the arrangements between the Trust and its subsidiary undertaking BWC Management Services Limited for the supply of operated healthcare facilities. This liability has been recognised on the SoFP of the Trust following a detailed consideration of the contract between the two entities and the risks and rewards of the arrangement.

The Trust's PFI borrowings relate to a PFI scheme for the refurbishment and management of previously dilapidated buildings at sites on Whittall Street and Steelhouse Lane, entered into during 1998.

28.1 Other liabilities

	Group		Trust	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000		
Current				
Deferred income	15,197	10,494	15,197	10,494
Total other current liabilities	15,197	10,494	15,197	10,494

28.2 Other Financial Liabilities

Neither the Trust nor the Group has any other financial liabilities not previously stated (31 March 2017: £nil).

29.1 Provisions for liabilities and charges (Group and Trust)

	Current	
	31 March	31 March
	2018	2017
	£000	£000
Legal claims	474	174
Redundancy	-	299
Other	116	1,915
Total	590	2,388

Legal claims provisions relate to on-going litigation cases. Other provisions relate to costs and settlements under patent disputes. Provision values are made according to the most up-to-date information available at the reporting date, although these figures are subject to estimation uncertainty.

29.2 Provisions for liabilities and charges analysis (Group and Trust)

	Total	Legal claims	Redundancy	Other
	£000	£000	£000	£000
At 1 April 2017	2,388	174	299	1,915
Arising during the year	478	449	-	29
Utilised during the year	(129)	(27)	(102)	-
Reversed unused	(2,147)	(122)	(197)	(1,828)
At 31 March 2018	590	474	-	116
Expected timing of cash flows:				
not later than one year	590	474	-	116
later than one year and not later than five	-	-	-	-
later than five years	-	-	-	-
Total	590	474	-	116

The reversal of unused provisions relates to several provisions included in the previous financial year that have been reassessed on current information and are no longer required. The largest of these releases relates to settlements under equal pay claims: £1,828k for claims that did not materialise.

29.3 Clinical Negligence liabilities

	31 March	31 March
	2018	2017
	£000	£000
Amount included in provisions of NHS Resolution in respect of clinical negligence liabilities	309,584	270,000

The Trust is a member of the NHS Resolution Clinical Negligence Scheme, therefore all clinical negligence claims are recognised in the accounts of NHS Resolution. Consequently, the Trust has no provision for clinical

negligence claims. NHS Resolution will provide a schedule showing the claims recognised in the books of NHS Resolution on behalf of the Trust.

30 Contingent (Liabilities) / Assets

	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities		
Employee related litigation	(82)	(10)
Gross value of contingent liabilities	(82)	(10)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(82)	(10)

Contingent liabilities are recognised by the Trust in relation to on-going legal cases where there remains uncertainty that a loss of economic benefit will arise. Cases where a loss of economic benefit is probable have been provided for within the Statement of Financial Position.

The net value of contingent assets is £nil (2017: £nil).

31 Revaluation Reserve Movements – Group and Trust

	2017/18 £000	2016/17 £000
Revaluation reserve at 1 April	35,288	29,496
Transfers by absorption	-	5,725
Impairments	(19,037)	-
Revaluations	6,598	192
Transfer to I&E reserve upon asset disposal	(78)	(125)
Revaluation reserve at 31 March 2018	22,771	35,288

Impairments and revaluations are primarily the result of a full revaluation of the Trust's Land and Buildings as at 31 March 2018. Further information is available in note 10.

32 Related Party Transactions

Birmingham Women's and Children's NHS Foundation Trust is a corporate body authorised by the Independent Regulator of NHS Foundation Trusts in exercise of the powers conferred by Schedule 7 of the National Health Service Act 2006.

The Department of Health and Social Care (DHSC) is the Trust's parent Department and ultimate controlling party, and is regarded as a related party. During the period the Trust has had a significant number of material transactions with other entities for which the DHSC is regarded as the parent Department. These entities are

listed below with a disclosure of the total balances owed and owing as at the reporting date and total transactions with the Trust for the reporting year.

During the year none of the Board members or members of the key management staff or parties related to them has undertaken any material transactions with Birmingham Women's and Children's NHS Foundation Trust.

During the year, transactions took place between the Trust and its trading subsidiaries Birmingham Children's Hospital Pharmacy Ltd and BWC Management Services Limited. These transactions have been eliminated on consolidation.

In relation to Birmingham Children's Hospital Pharmacy Ltd, the Trust purchased outpatient drugs from the subsidiary to a value of £3,356k during the financial year, and the subsidiary purchased management and other services from the Trust to a value of £589k during the same period.

In relation to BWC Management Services Limited, the Trust purchased services for the running of a managed healthcare facility from the subsidiary to a value of £892k during the financial year, and the subsidiary purchased management and other services from the Trust to a value of £539k during the same period. The Trust also acquired shares in BWC Management Services Limited to a value of £5,000k, as disclosed in note 16.1, and entered into a loan agreement with BWC Management Services Limited, as disclosed in note 20.

NHS in England	Receivables £000	Payables £000	Revenue £000	Expenditure £000
NHS England	17,315	81	237,291	19
NHS Birmingham Crosscity CCG	1,751	846	50,709	-
NHS Birmingham South and Central CCG	1,297	1,368	45,189	107
NHS Sandwell and West Birmingham CCG	2,030	117	21,540	-
Health Education England	362	-	12,103	7
NHS Resolution (formerly NHS Litigation Authority)	3	-	-	10,801
Worcestershire Health and Care NHS Trust	2	408	153	8,119
University Hospitals Birmingham NHS Foundation Trust	1,528	3,482	2,728	7,672
NHS Solihull CCG	780	-	4,222	-
Sandwell And West Birmingham Hospitals NHS Trust	2,994	498	3,579	937
NHS Dudley CCG	139	-	3,294	-
Heart of England NHS Foundation Trust	2,623	515	3,185	1,533
NHS Redditch and Bromsgrove CCG	256	115	3,175	-
The Royal Wolverhampton NHS Trust	296	319	2,249	919
NHS Walsall CCG	178	-	1,895	-
The Royal Orthopaedic Hospital NHS Foundation Trust	870	351	1,461	362
NHS Wolverhampton CCG	168	-	1,157	-
NHS Coventry and Rugby CCG	-	43	1,092	-
Other NHS	5,280	3,207	14,580	4,333
	37,872	11,350	409,602	34,809

Related party balances and transactions for the financial year ended 31 March 2017 are listed in the below table:

NHS in England	Receivables £000	Payables £000	Revenue £000	Expenditure £000
NHS England	10,171	267	191,314	230
NHS Birmingham Crosscity CCG	745	844	32,290	819
NHS Birmingham South and Central CCG	2,294	1,525	23,541	-
NHS Sandwell and West Birmingham CCG	1,210	-	16,424	-
Health Education England	530	140	9,448	19
Worcestershire Health and Care NHS Trust	-	28	2	7,067
University Hospitals Birmingham NHS Foundation Trust	559	2,608	2,006	4,342
NHS Litigation Authority	-	2	-	4,326
NHS Solihull CCG	360	-	2,608	-
NHS Dudley CCG	-	185	2,145	-
Department of Health	1,906	162	1,995	162
Sandwell and West Birmingham Hospitals NHS Trust	1,589	475	570	318
NHS Walsall CCG	202	-	1,520	-
The Royal Orthopaedic Hospital NHS Foundation Trust	882	93	1,470	368
NHS Redditch and Bromsgrove CCG	150	-	1,256	-
Birmingham Women's NHS Foundation Trust	-	-	1,170	294
NHS Coventry and Rugby CCG	123	-	1,047	-
NHS Wolverhampton CCG	302	-	1,028	-
The Royal Wolverhampton NHS Trust	453	252	1,005	702
Other NHS	4,195	2,507	10,574	3,311
	25,671	9,088	301,413	21,958

33 Contractual Capital Commitments (Group)

Commitments under contract at the date of the Statement of Financial Position are:

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	3,628	14,028
Total	3,628	14,028

Contractual commitments at 31 March 2018 comprise schemes for renewal of the Trust's electrical infrastructure (£1.5m), development schemes for clinical buildings (£1.5m) and Estates maintenance / refurbishment commitments (£0.6m).

34 Finance lease obligations

Neither the Trust nor the Group has any finance lease obligations arising in either the current or previous accounting period other than those relating to an on-SoFP PFI scheme.

The on-SoFP PFI scheme is for the refurbishment and management of previously dilapidated buildings at sites on Whittall Street and Steelhouse Lane, Birmingham, to bring them into use as offices, on-call accommodation and general staff accommodation. The Scheme is with Riverside Housing Group (previously with English Churches Housing Group (ECHG) who, in October 2006, merged with Riverside Housing Group).

The main agreements made between the Trust and ECHG (dated 22 August 1997 and 11 May 1998) outline the arrangements for land and premises on 3 related sites of the former Birmingham General Hospital to be transferred to ECHG under 3 separate Headleases for a term of 99 years at a peppercorn rent.

ECHG were to undertake development / refurbishment works in respect of the premises under a separate Development Agreement. On practical completion of those works ECHG granted secondary Underleases of the newly refurbished premises to the Trust. These three Underleases are for a period of 25 years. The Trust has an option to extend the Underleases in 5 yearly increments up to a maximum of 50 years.

35.1 Imputed finance lease obligations

The following are obligations in respect of the finance lease element of on-Statement of Financial Position PFI schemes:

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Gross PFI liabilities	1,955	2,348	1,955	2,348
of which liabilities are due				
not later than one year	391	391	391	391
later than one and not later than five years	1,564	1,566	1,564	1,566
later than five years	-	391	-	391
Finance charges allocated to future periods	(666)	(893)	(666)	(893)
Net PFI obligation	1,289	1,455	1,289	1,455
of which liabilities are due				
not later than one year	189	166	189	166
later than one and not later than five years	1,100	952	1,100	952
later than five years	-	337	-	337

35.2 Total On-SoFP PFI commitments

Total future obligations under on-SoFP schemes are as follows:

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Total future payments committed	4,410	5,172	4,410	5,172
of which due				
not later than one year	882	862	882	862
later than one and not later than five years	3,528	3,448	3,528	3,448
later than five years	-	862	-	862

The current on-SoFP PFI obligations are due to expire on 31 March 2023.

35.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Unitary payment payable to service concession operator	882	862	882	862
Consisting of:				
Interest charge	226	247	226	247
Repayment of finance lease liability	165	145	165	145
Service element	83	83	83	83
Contingent rent	408	387	408	387
Total amount paid to service concession operator	882	862	882	862

36 Off-SoFP PFI commitments

The Group has not entered into any off-SoFP PFI agreements.

37 Events after the reporting period

There have been no events after the reporting period having a material effect on the accounts.

38.1 Financial assets by category

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Assets as per SoFP				
Trade and other receivables	42,126	30,079	42,017	31,557
Loans to subsidiaries	-	-	29,817	300
Cash and cash equivalents	29,140	31,679	22,999	31,435
Total	71,266	61,758	94,833	63,292

The financial assets as recorded above are denominated entirely in £ Sterling.

38.2 Financial liabilities by category

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Liabilities as per SoFP				
Borrowings from DHSC	2,100	-	2,100	-
Borrowings from subsidiaries	-	-	28,113	-
Obligations under PFI	1,289	1,455	1,289	1,455
Trade and other payables	39,769	40,163	39,024	40,168
Total	43,158	41,618	70,526	41,623

The financial liabilities as recorded above are denominated entirely in £ Sterling.

38.3 Fair values of current and non-current financial assets and financial liabilities at 31 March 2018

The Trust has considered the values of current and non-current financial assets and current and non-current financial liabilities and has concluded that there is no significant difference between book values and fair values that requires further disclosure in either the current or previous accounting period.

38.4 Maturity of financial liabilities

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
In one year or less	39,769	40,163	40,302	40,168
In more than one year but not more than two	357	166	2,274	166
In more than two years but not more than five	1,436	952	7,186	952
In more than five years	1,596	337	20,764	337
Total	43,158	41,618	70,526	41,623

39.1 Losses and Special Payments

The Trust incurred losses or made special payments as follows:

	31 March 2018		31 March 2017	
	Number of cases	Total value of cases £000	Number of cases	Total value of cases £000
Losses				
Cash losses	4	46	3	20
Total losses	4	46	3	20
Special payments				
Ex-gratia payments	2	6	3	4
Total special payments	2	6	3	4
Total losses and special payments	6	52	6	24
Compensation payments received		-		-

The Trust did not incur any clinical negligence, fraud, personal injury, compensation under legal obligation of fruitless payment cases where the net payment for the individual case exceeds £300k in either the current or previous accounting period.

39.2 Recovered Losses

Neither the Trust nor the Group recovered any losses in either the current or previous accounting period.

40 Public Dividend Capital

The Trust received funding from the Department of Health and Social Care during the year in the form of Public Dividend Capital (PDC). This receipt was specifically related to two NHS projects: *Cyber Resilience* (£712k); and *NHS WiFi Secondary Care* (£210k).

In the previous financial year, PDC equivalent to the book value of the net assets of Birmingham Women's NHS Foundation Trust on the date of acquisition was recognised by the Trust in the form of a transfer from the income and expenditure reserve.

41 Corporation Tax

Corporation tax expense recorded in the Group Statement of Comprehensive Income is in respect of the taxable profit of the Trust's subsidiary company Birmingham Children's Hospital Pharmacy Ltd.

The Trust's other trading subsidiary, BWC Management Services Limited, is in its first period of operation and has generated a pre-tax loss as a result of set-up costs. This has, therefore, not resulted in an additional corporation tax liability.

42 Risk Management Policies

The Trust's activities expose it to a variety of financial risks, though due to their nature the degree of the exposure to financial risk is substantially reduced in comparison with that faced by business entities. The financial risks are mainly credit risk and inflation risk, with limited exposure to market risks (currency and interest rates) and to liquidity risk.

Financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards may apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Finance and Resource Committee.

Credit risk

As a consequence of the continuing service provider relationship that the Trust has with NHS commissioning organisations and the way those organisations are financed, the Trust is exposed to a degree of customer credit risk, but substantially less than faced by business entities. In the current financial environment where NHS commissioning organisations must manage increasing healthcare demand and affordability within fixed budgets, the Trust regularly reviews the level of actual and contracted activity with commissioning organisations to ensure that any income at risk is discussed and resolved at a high level at the earliest opportunity available.

As the majority of the Trust's income comes from contracts with other public bodies, there is limited exposure to credit risk from individuals and commercial entities. The Trust mitigates its exposure to credit risk through regular review of receivables due and by calculating a provision for impairment of receivables. An analysis of the provision for impairment of receivables, along with an aging of non-impaired receivables past their due date, can be found in notes 23.1 and 23.2.

The Trust's cash is held in current accounts at UK banks only, the majority within the Government Banking Service, the result being to minimise the counter party credit risk associated with holding cash at financial institutions.

Inflation risk

The Trust has exposure to annual price increases of medical supplies and services (pharmaceuticals, medical equipment and agency staff) arising from its core healthcare activities. The Trust mitigates this risk through, for example, transferring the risk to suppliers by contract tendering and negotiating fixed purchase costs (including prices set by nationally agreed frameworks across the NHS) or reducing external agency costs via operation of the Trust's own employee 'staff bank'.

Market risk

The Trust has limited exposure to market risk for both interest rate and currency risk.

Currency risk - the Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Trust has no overseas operations nor investments and all Trust cash is held in Sterling at UK banks: Royal Bank of Scotland and the Government Banking Service (GBS). The Trust therefore has minimal exposure to currency rate fluctuations.

Interest rate risk - other than cash balances, the Trust's financial assets and all of its financial liabilities carry nil or fixed rates of interest. Cash balances at UK banks earn interest linked to the Bank of England base rate. The Trust therefore has minimal exposure to interest rate fluctuations.

Liquidity risk

The Trust's net operating costs are incurred under annual service level agreements with NHS commissioning organisations, which are financed from resources voted annually by Parliament. The Trust ensures that it has sufficient cash to meet all its commitments when they fall due and retains sufficient cash balances to facilitate this. The Trust is not, therefore, exposed to significant liquidity risks.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF BIRMINGHAM WOMEN'S AND CHILDREN'S NHS FOUNDATION TRUST

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Birmingham Women's and Children's NHS Foundation Trust (the 'Trust') and its subsidiaries (the 'Group'):

- **give a true and fair view of the state of the group's and Trust's affairs as at 31 March 2018 and of the group's and Trust's income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the Group statement of comprehensive income;
- the Group and Trust only statements of financial position;
- the Group and Trust only statements of cash flow;
- the Group and Trust only statements of changes in equity; and
- the related notes 1 to 42.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

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.

We are independent of the group and the foundation trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none">• Recognition of NHS revenue; and• Capital programme and valuations. <p>These are consistent with the key audit matters identified in 2016/17.</p>
Materiality	<p>The materiality that we used for the Group financial statements was £8.5m which was determined on the basis of 2% of total 2017/18 revenue.</p>
Scoping	<p>Our audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement. The focus of our audit work was on the Trust, with work performed at the Trust's head offices in Birmingham directly by the audit engagement team, led by the audit partner.</p>

Significant changes in our approach

There has been no significant change in our approach.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the accounting officer's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the accounting officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the foundation trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

NHS revenue and provisions

Key audit matter description




As described in note 1, Accounting Policies and note 1.3, Critical Accounting Judgements and Key Sources of Estimation Uncertainty, there are significant judgements in recognition of revenue from care of NHS service users and in provisioning for disputes with commissioners due to:


- the complexity in the Payment by Results regime; and
- the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes and agreement of future period contracts.

In 2017/18 this risk also includes the Q4, bonus and incentive elements of Sustainability and Transformation Funding (STF) which is dependent on the Trust meeting certain financial performance and access standard requirements. These elements of unsettled revenue can involve management judgement and estimation, including management consideration of unresolved commissioner challenges.


Details of the Trust's income, including £368.5m of Commissioner Requested Services are shown in notes 1.4 and 2.5 to the financial statements.


The Trust earns revenue from a number of commissioners, increasing the complexity of agreeing a final year-end position.


How the scope of our audit responded to the key audit matter 	<p>We assessed the design and implementation of key controls within the payment by results process for recording and reporting revenue and around the preparation and review of estimates in respect of recognition of unsettled revenue.</p> <p>We tested the recognition of income through the year, including year-end cut-off, the basis for the position adopted in relation to unsettled or challenged commissioner income and evaluated the results of the agreement of balances exercise.</p> <p>We tested unsettled NHS debt at year-end on a sample basis and sought evidence to support the validity and accuracy of the unsettled amounts.</p>
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Key observations 	<p>Based on the audit evidence obtained, we conclude that NHS revenue and provisions are appropriately recognised.</p>
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Capital programme and valuation

Key audit matter description 	<p>The Trust holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £108.0m as per note 12.1. This is also discussed within accounting policy 1.24 – Critical accounting judgements and key sources of estimation uncertainty.</p> <p>The valuations are by nature significant estimates which are based on specialist and management assumptions and which can be subject to material changes in value.</p> <p>The Trust commissioned an independent valuation as at 31 March 2018 using a new valuer, Cushman and Wakefield. This resulted in an overall decrease in property values of £23.3m, a net impairment charged to operating expenses of £10.9m, and a net decrease in revaluation reserve of £12.4m.</p> <p>The change in values are primarily a result of changes in market value, changes in the valuation provider and the exclusion of VAT from the anticipated rebuild costs used to calculate the Modern Equivalent Asset Value (MEAV) as a result of the Trust issuing a non-exclusive license to operate and provide a managed service of its estate to the wholly owned subsidiary BWC Management Services Limited.</p>
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How the scope of our audit responded to the key audit matter 	<p>We assessed the design and implementation of key controls in place around the property valuation.</p> <p>We engaged our valuation specialists Deloitte Real Estate and our VAT specialists, to review and challenge the appropriateness of the assumptions used in the year-end valuation of the Trust's Land and Buildings. In particular, where sites are valued on an alternative site basis, we have challenged whether the assumptions made are consistent with the Trust's clinical strategy and have been considered and approved at an appropriate level within the Trust.</p> <p>We tested the inputs used in the valuation including the gross internal areas provided to the valuer, including testing a sample of measurements to check the accuracy of data.</p> <p>Capital additions have been tested on a sample basis and we reviewed management's assessment whether any impairment arises in respect of newly capitalised expenditure.</p>
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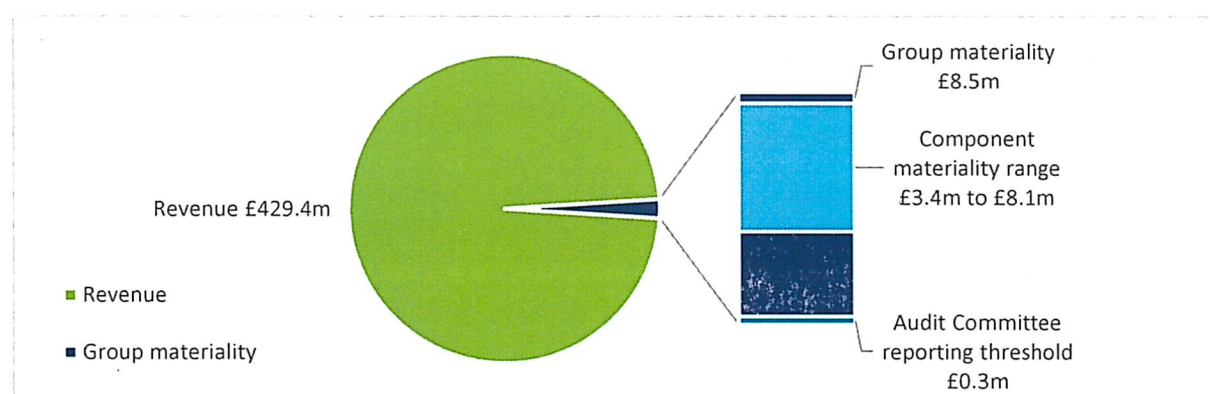
	We have considered the set up of the new wholly owned subsidiary BWC Management Services Limited and the recognition of any associated benefit.
Key observations 	Based on the audit evidence obtained, we conclude that the valuation of the Group's estate and the capital programme recognised are appropriate.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Foundation trust financial statements
Materiality	£8.5m (2016/17: £6.3m)	£8.1m (2016/17: £6.0m)
Basis for determining materiality	2% of revenue (2016/17: 2% of revenue)	2% of revenue (2016/17: 2% of revenue)
Rationale for the benchmark applied	Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.	Revenue was chosen as a benchmark as the Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.3m (2017: £0.25m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls and assessing the risks of material misstatement at the Group level.

Our audit covered all of the entities within the Group, including the Trust's subsidiaries; BWC Management Services Limited, Birmingham Children's Hospital Pharmacy Limited and Birmingham Children's Hospital Health Services Limited, which account for 100% of the Group's net assets, revenue and surplus (2016/17: 100%). BWC Management Services Limited was incorporated in June 2017 and begun trading in December 2017.

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality. The range of materiality used was £3.4m to £8.1m.

At the Group level we also tested the consolidation process.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the group's and 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 accounting officer either intends to liquidate the group or the Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the foundation trust, or a director or officer of the foundation trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

We have nothing to report in respect of these matters.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Birmingham Women's and Children's NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards 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 Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Howse (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cardiff, United Kingdom
25 May 2018

