Annual Report

2014/15

Together Towards World Class

University Hospitals Coventry and Warwickshire NHS Trust

We CARE We ACHIEVE We INNOVATE

Contents

PART 1

Welcome

Welcome to our Annual Report. Whilst 2014/15 has been an exciting year and we have much to report, it has also been a challenging one. Like our colleagues across the NHS, we have continued to experience increased pressures on the services that we provide and we know that there have been occasions where we have not treated patients as quickly as they and we would like as a result.

Regrettably, the pressures that we faced here also affected our financial performance and for the first time we have reported a deficit at year end. This is not a position we want to be in and we will be working hard to improve upon this in the coming year. It is however both pleasing and testimony to the hard work of our staff that we have met our Cost Improvement Programme (CIP) target for the year of £33 million.

We have invested a great deal of time in working with our partner organisations across health and social care during 2014/15 to determine how we solve some of the problems that we face as a Local Health Economy. We know that we are reliant upon other organisations to deliver some elements of healthcare and we also know that it is important for patients to receive the care that they need in the right setting and at the right time. We will continue with this work going forward so that the populations that we serve are receiving the first-class healthcare that they deserve.

Difficulties aside, we have a clear vision for the future direction of the Trust and have made further strides towards achieving this. We aspire to become a national and international leader in healthcare and there have been many developments over the year that we should be proud of. As ever, we are exceptionally proud of our staff and their continuing commitment to deliver our mission to Care, Achieve and Innovate and these are just some of the achievements of 2014/15.

Care:

- A new eye treatment room was opened on the University Hospital site which allows Coventry eye patients to receive treatment closer to home.
- A new-look Children's Emergency Department was opened, which was designed with children of all ages in mind and provides a friendly environment.
- A Bluebell Lounge was opened at the Hospital of St Cross which provides a serene haven for patients suffering with dementia.
- Our Diamond Jubilee Rehabilitation Centre was officially opened on our St Cross site by HRH Princess Alexandra.

Achieve:

- Both our University Hospital and Hospital of St Cross sites went smoke free on January 1, 2015.
- We were named as one of the top Trusts in the country for use of Twitter.
- Our 1,000th baby was delivered in the Lucina Birth Centre in March 2015.
- We were awarded International Centre of Excellence status award for the treatment of neuroendocrine tumours.
- We won the Best Dementia Friendly Hospital award.

Innovate

- We were the first Trust in the UK to move from physical to digital pathology slides, which allow our pathologists to view samples in high resolution on their computer screens from any location.
- We introduced keyhole surgery for patients too unwell to undergo conventional open heart surgery.
- Robotic surgery was introduced. The da Vinci Robot is able to perform prostate, kidney, bowel, throat and heart operations with minimal intrusion for patients.

In March 2015, we underwent a full Chief Inspector of Hospitals inspection at our University Hospital and Hospital of St Cross sites. Initial feedback from our inspectors was encouraging in terms of how open they found our organisation and how caring our staff were.

We have already made some changes following the visit and when the final report is received, we will work on any other areas that need improvement. We were however, enormously encouraged by the way that the organisation pulled together during the visit and by the pride with which our staff spoke about the services that we offer to our patients.

We have continued to work hard in implementing our Together Towards World Class five-year Organisational Development Programme during the year and have made great strides in doing so, including the development and launch of our 'Leading Together' programme as part of our World Class Leadership work stream. We have also continued the work that we had commenced around our values, and now have a comprehensive values and behaviours framework in place, which has been developed by our staff.

On a final note, we wish to express our personal thanks to all our staff who have shown professionalism and dedication over the year. We know that it has not been easy for them because of the pressures that we have faced and their commitment to patients and to our organisation is both commendable and much appreciated.

Andy Hardy
Chief Executive Officer

Andy Meehan
Chairman

The Year in Pictures

April 2014

HRH Princess Alexandra officially opened the Diamond Jubilee Rehabilitation Centre at the Hospital of St Cross. During the visit the Princess spoke with staff and patients who use the facilities. Her Royal Highness also spent time speaking with members of the Friends of the Hospital of St Cross and UHCW Charity whose kind donations enabled the project to take place.

May 2014

Doctors based at University Hospital, Coventry carried out a study looking at the levels of vitamin D deficiency in patients. The team from the pain management department studied 200 patients and found that 78% had a deficiency of vitamin D. Coventry mum of two, Hayley MacSkimming, took part in the study. She said "I can't believe the difference it made to my quality of life. The pain that I had been experiencing for so many years started to subside almost immediately."

June 2014

The Friends of St Cross were honoured with the Queen's Award for Voluntary Service 2014. This unique UK national honour was created over a decade ago by Her Majesty to mark the Golden Jubilee in 2002 and to recognise the outstanding contributions made to local communities by groups of volunteers. It has an equivalent status for voluntary groups as the MBE has for individuals.

July 2014

Robotic technology was introduced in the Emergency Department at University Hospital, Coventry which has aided better patient flow throughout the department. In July, the Pharmacy Department installed the innovative Medi-365 system in the Emergency Department which is a robotic medicine cupboard. This new system has improved the control and management of drugs and medicines.

August 2014

A state-of-the-art mobile theatre received its first patients at the Hospital of St Cross. UHCW introduced the mobile operating facility to increase capacity at the Rugby hospital and reduce waiting times for procedures at the Trust. Vanguard Healthcare provides the theatre staff while the surgeons and anaesthetists are from UHCW.

Picture courtesy of Vanguard Healthcare Solutions Ltd.

September 2014

The Frail and Older People's Team were awarded the Chief Executive Officer's Award at the Trust's Outstanding Service and Care Awards (OSCAs). The team picked up the top accolade at the event which celebrated the dedication and hard work of staff who work for UHCW and go the extra mile to deliver first-class healthcare services to the people of Coventry, Warwickshire and beyond.

October 2014

Patients benefited from a state of the art £1.4m robot which was launched at UHCW to perform keyhole surgery. The new da Vinci robot conducts prostate, kidney, bowel, throat and heart operations with minimal intrusion for patients. The surgeon will use their hands and feet to control the machine's four arms with 10 times greater precision than the human hand. This allows very complex operations to be performed using keyhole surgery which dramatically reduces blood loss and speeds up the time for recovery for the patient.

November 2014

The maternity team at UHCW won an All-Party Parliamentary Group on Maternity (APPGM) award. The award recognised UHCW's inspiring work in improving local maternity services for mums and dads and was presented to the Trust's midwives, doctors and support staff at a prestigious ceremony at the Houses of Parliament. The APPGM is serviced by the National Childbirth Trust (NCT). The awards were based on five key themes and the Trust scooped the top award in the 'effective working in a multi-disciplinary team' category.

December 2014

The Frail and Older People's Team at UHCW won a prestigious national award for the care it provides for people living with dementia while they are in hospital. The Trust's Frail and Older People's Team came out on top in the 'Best Dementia-Friendly Hospital' category. The award was presented to the team in honour of the services provided to people living with dementia for treatment or care while at the Trust.

January 2015

From January 1, 2015, smokers were prohibited from smoking on the Trust grounds and in buildings at University Hospital in Coventry and the Hospital of St Cross in Rugby. The move came as the Trust reinforced its duty of care, as outlined by NICE guidelines, to protect the health of staff, patients and visitors to UHCW. This means smoking is prohibited throughout all the Trust's sites and applies to staff, contractors, affiliated services, external agencies, students, patients and visitors.

February 2015

A new service to improve care for children with broken bones and other musculoskeletal injuries opened at University Hospital in Coventry. The new Paediatric Plaster Room, which provides significant improvements to the services for children and young people with musculoskeletal injuries. Having a dedicated children and young people's plaster room helps UHCW to meet the needs and preferences of young patients, as well as their parents and carers.

March 2015

Bereavement Specialist Midwife Sam Collinge won a national award for a project providing sensitive photographs for parents who have lost their baby in late pregnancy or shortly after birth. She collected the National Maternity Support Foundation (NMSF) Award for Bereavement Care at the Royal College of Midwives Annual Midwifery Awards. The Trust was awarded international Centre of Excellence status for its treatment of neuroendocrine tumours. Doctors and nurses at University Hospital in Coventry, celebrated after becoming one of only eight international Centres of Excellence for Neuroendocrine Tumours (NET) in the United Kingdom.

Awards 2014/15

- **The Winter Communications Campaign** led by NHS Coventry and Rugby CCG and UHCW to target key groups with 111 messages was shortlisted for a HSJ Award in the Value and Improvement in Communications category.
- **The Getting Emergency Care Right Campaign,** which aimed to improve the flow of patients needing emergency treatment was shortlisted for a PRmoment Award 2015.
- **Sam Collinge, Bereavement Midwife** won a Royal College of Midwives' Award for bereavement services.
- The 2015 PharmaTimes Clinical Research site of the year award was won by **UHCW's R, D and I Team** for the second year in a row.
- **The Getting Emergency Care Right** campaign was shortlisted for an AHCM award in the internal communications category.
- **The UHCW Maternity Team** were shortlisted for the Royal College of Midwives Maternity Team of the Year.
- **The UHCW Maternity Team** also won the Best Example of User Involvement in the APPG on Maternity Awards 2014 which was an All-Party Parliamentary Group multi-professional working award.
- **The Trust's Dementia Team** won the National Dementia Care Awards 2014 in the category Best Dementia Friendly Hospital.
- **The joint 'Feel Well, Choose Well' Campaign** across Coventry and Warwickshire which included UHCW was shortlisted for the 2014 EHI Awards in the 'Best use of social media to deliver a health campaign.'
- **The ICT Digital Dictation Team** was shortlisted for the E-Health Insider award for 'Best Use of IT to support Healthcare Business Efficiency.'
- **The Trust's Medicines Management Walk-round Assessments** was shortlisted for a Nursing Times Award 2014 in the Patient Safety Improvement category.
- **The UHCW Project on Outsourcing Pharmacy** was shortlisted in the Value and Improvement Through Outsourcing category in the HSJ Value in Healthcare Awards 2014.
- **The UHCW Project on Getting Emergency Care Right** was shortlisted in the Value and Improvement in Communications category in the HSJ Value in Healthcare Awards 2014.
- **The joint project between GE and UHCW on the use of Opera in theatres** was shortlisted for the EHI Excellence Award for Healthcare Business Analytics.
- **The UHCW project on supporting new trainee doctors called Avoiding Grey Wednesdays: Trainee led value** was shortlisted in the Value and Improvement in Training and Development category in the HSJ Value in Healthcare Awards 2014.

Political and Charitable Donations

Lisa Armour, Children's Emergency Unit Manager, cuts the ribbon at the opening of the new £215,000 Children's ED waiting area – with Roisin McCourt and JD from Free Radio either side and Andy Meehan UHCW NHS Trust Chairman

The UHCW Charity funds equipment, research and facilities for University Hospital, the Hospital of St Cross and the Community and Mental Health Services of Coventry and Warwickshire.

The aim of the Charity is for patients and their families to receive world class care and pioneering treatments, both now and in the future. This is achieved by raising funds and investing in projects that require funding that is above and beyond that available in the NHS.

In order to identify how best to help and ensure that every penny spent has the greatest impact for patients, their families and carers and staff, the Charity:

- works in partnership with the organisations it supports in order to identify projects to invest in.
- keeps abreast of innovation and achievements in healthcare through a significant network of expert health professionals.
- understands the issues faced by patients and their needs through working closely with patient liaison services and patients forums and by using patient and staff surveys.
- consults with NHS executive management teams to ensure that the projects it invests in are in keeping with priorities and aspirations for care provision.
- who tell us about the issues that their patients face and their needs. It also utilises patient and staff surveys and consults with NHS executive management teams to ensure that projects that it invests in are in keeping with the priorities and aspirations of their organisations.

The strategic aims of the Charity are to:

- fund projects that are "above and beyond" the NHS.
- support innovation in the care and treatment of patients.
- provide grants for state-of-the-art equipment and facilities, patient comfort and environmental improvements and innovative research programmes.
- build and sustain a significant annual income to support the strategic priorities of partner NHS organisations.
- deliver effective grant making, which is transparent and maximises the value of every donation.
- maximise the value of income by an effective investment management strategy.
- develop and appeals fundraising programme, working with Trusts to identify funding needs and deliver appeal objectives promptly.
- build awareness/profile in Coventry & Warwickshire to become one of the leading healthcare charities in the region.

In 2014/15 the Charity spent over £0.6m enhancing care; amongst the funding that was provided was the following:

- new waiting area for the Children's Emergency Unit £215,000
- gym equipment for coronary prevention £7,500
- accessories for the da Vinci robot £33,000
- childrens' unit bereavement facility (Jack's room) £30,000
- Healing arts – visual arts, storytelling and music sessions for patients £6,000
- Mobility equipment and the wheelchair swing – the Birches Respite Home for Children £3,200

2014/15 Objectives and Achievements	
Launch Breast Cancer Unit Appeal to raise £400k in May 2014	Launched May 2014 • Passed £200k mark in 2014/15 • Secured celebrity and professional ambassadorial support • Secured Lord Mayor of Coventry Appeal
To further build our strategic partnership with the Trust and secure an integrated way of working, including: • Identifying and managing major appeals • Identifying smaller appeals • Increasing applications and awards made from the four-month General Fund Award Programme	• Appeal for £30k for a bereavement facility on the Children and Young People's Unit complete • Appeal for Children's Emergency Department Waiting Area £222/20k target met • Appeal for £75k new money for a charity funded new treatment room in the Haematology Unit complete • £90k awarded through the general funds awards programme in 2014/15
Review the number and structure of charitable funds in order that they suit better patient care	Meetings were held with Specialty Groups Management Teams in quarter 4 of 2014/15 and recommendations received from each for a more appropriate charitable funds structure
To broaden the breadth of fundraising diversification by adding to the events portfolio, which will also increase awareness and introducing Trust and Foundations as a cost effective income stream	• Added abseil to events programme; participants raised £12,000 • Trust and Foundation Fundraiser started April 2014
To keep the Corporate Trustee Board informed of changes in governance for NHS Charities and make recommendations	Paper presented to UHCW Trust Board recommending that a new independent charity be formed

Trust staff support 'Go Pink' and the Breast Cancer Unit Appeal.

Sophie Smith cuts the ribbon of 'Jack's Room' a new bereavement facility on the Children's Unit, with help from Coventry Blaze and supported by her mum and dad, Dean and Jackie Smith (at the front)

SUPPORT THE UHCW CHARITY

If you would like to support the Charity you can do so in any of the following ways:

- **Join the hospital lottery;** for just £1 you could win £5, £25, £1,000 or £25,000 and at the same time help the Charity to enhance patient care.
- **Organising your own event and donating the money raised;** we will give you a fundraising pack and have lots of resources to help you with your fundraising.
- **Taking part in a charity event;** you could be one of over a hundred Santas taking part in our annual Jingle Jog or you could jump from a plane at 10,000 feet.
- **Leaving a gift in your will;** £4 in every £10 that we spend on enhancing patient care is donated through a will and it is only with this continued support that we can carry on this vital work
- **Making an accolade to a loved one;** be it upon their birth or upon the loss of a loved one. Our Celebrate a Life Scheme is a unique scheme named after your loved one, that family and friends can contribute to in a variety of ways and at a time of their choice. Blooms of Love is a scheme in which we plant spring flower bulbs in the hospital grounds to celebrate the life of a family member or friend. In bloom they are a wonderful symbol of many loving relationships.
- **Donation;** making a regular or a one-off donation.

THE FRIENDS OF ST CROSS

The Friends of St Cross

Veteran volunteer Mary Lock in conversation with HRH Princess Alexandra.

2014/15

This year was packed with lots of exciting news for the Friends of St Cross to celebrate and began with the visit of HRH Princess Alexandra, who graciously opened the Queen's Diamond Jubilee Rehabilitation Centre at St Cross. The Friends had donated equipment worth over £36,000 towards the project and we were delighted that Mary Lock was asked to present a posy to her Highness, and Friends volunteers formed a guard of honour as her Highness entered and left the hospital.

Joan Jesson, President of the Charity, receives the Queen's Award for Voluntary Service from Tim Cox, Lord Lieutenant of Warwickshire.

Queen's Award for Voluntary Service

In May the Friends received local recognition with a Special Award at the Pride of Rugby celebrations and then in June we were delighted to announce that we were to be honoured with the Queen's Award for Voluntary Service, known as the MBE for volunteer groups. We received the award, in September, from the Lord Lieutenant of Warwickshire.

Volunteer Anthony Newman and the Blood Taking team with one of the specimen pots and collection drums.

Diamond Jubilee Appeal

At our AGM in June 2014 we launched our an appeal to raise at least £60,000 celebrate our Diamond Jubilee year in 2015 and to mark this we are sponsoring a project to help create a new Phlebotomy Department. We have committed a total of £100,000 towards the project. The support the Appeal has received from the community of Rugby has been overwhelming. Organisations and individuals have been extremely creative in ways they are raising money. An example is the saving of 5p pieces in specimen pots with each holding £2.25. This has raised well over £1,600 so far. Others have knitted items for us to sell at various craft events, held traditional coffee mornings or run 5k to help raise over £1,000 to name but a few.

Members of the Pathology network took part in the 5k Run for Rotary and raised £1,000.

Mayor of Rugby's Charity of the Year

Local businesses have kindly nominated the Friends as their chosen charity for the year and the Mayor of Rugby, Councillor Ramesh Srivistava, selected the Friends as the Mayor's Charity for 2014/15.

Sleep Apnoea diagnostic equipment is now available in St Cross and so patients no longer travel to Coventry for the service.

Fundraising for Equipment

Every year we receive requests for equipment throughout the hospital and local community and mental health services. These requests can range from simple patient feeding equipment costing less than £100 to a Sleep Apnoea Diagnostic Unit costing £4,995. Over £10,000 worth of equipment has already been donated to the Theatres Department in 2014/15.

2014/15

On preparing our Gift list for 2015 we found that we have now recorded that a grand total of £3,111,523 has been spent, since the charity was founded in 1955, on equipment donations and support for projects. All the money spent having been raised and donated by local people. Such an amount highlights the importance local people place on the Hospital of St. Cross within their community. Our volunteers, of which there are over 200, provide help with 13 different services across the hospital and are tireless in their commitment offering over 13,000 hours per year. This year we introduced Patient Befriending and Dementia Friends services.

The Trust at a Glance

SERVICES PROVIDED AT UNIVERSITY HOSPITAL

General Acute Services

- Acute Medicine
- Accident and Emergency
- Age Related Medicine and Rehabilitation
- Anaesthetics
- Assisted Conception
- Audiology
- Breast Surgery
- Cardiology Critical Care
- Colorectal Surgery
- Dermatology
- Diabetes and Endocrinology
- Ear, Nose and Throat
- Gastroenterology
- General Medicine
- General Surgery
- Gynaecology
- Haematology
- Hepatobiliary and Pancreatic Surgery
- Upper Gastrointestinal Surgery
- Maxillo Facial Surgery
- Neurology and Neurophysiology
- Obstetrics
- Ophthalmology
- Optometry
- Orthodontics
- Orthopaedics Trauma
- Orthoptics
- Paediatrics
- Pain Management
- Plastic Surgery
- Renal Medicine
- Reproductive Medicine
- Respiratory Medicine
- Rheumatology
- Urology
- Vascular Surgery

Specialised Services

- Bone Marrow Transplantation
- Cardiothoracic Surgery
- Clinical Physics
- Haemophilia
- Invasive Cardiology
- Neonatal Intensive Care and Special Care
- Neuro Imaging
- Neurosurgery
- Oncology and Radiotherapy
- Plastic Surgery
- Renal Dialysis and Transplantation

Diagnostic and Clinical Support Services

- Biochemistry
- Dietetics
- Echo Cardiography
- Endoscopy
- Haematology
- Histopathology
- Medical Physics/Nuclear Medicine
- Microbiology
- Occupational Therapy
- Pharmacy
- Physiotherapy
- Respiratory Function Testing
- Ultrasound
- Vascular Investigation

Other services based on site but provided by other organisations:

- BMI Meriden
- Caludon Centre
- Myton Hospice

SERVICES PROVIDED AT THE HOSPITAL OF ST CROSS

- Acute Medicine
- Acute Surgery
- Ambulatory Care
- Breast Screening
- Colorectal Cancer Screening Centre
- Day Surgery, Overnight Stay / 23 hour Surgery
- Endoscopy
- Laboratory Services
- Macular Unit
- Magnetic Resonance Imaging (MRI) Scanning
- Outpatients Services
- Retinal Screening Centre
- Satellite Renal Dialysis Unit
- Scanning, Bone Density
- Urgent Care Centre
- X-ray including Ultrasound
- Inpatient Medical Services
- Inpatient Elective Surgery
- Inpatient Rehabilitation Service
- Intermediate Care
- Screening

Services based on the Hospital of St Cross site, but provided by other organisations:

- Myton Hospice
- Mental Health Unit
- Social Services
- Recompression Chamber
- GP (Out of Hours service)
- Walk-in-Centre

PART 2

Strategic Report

1 Trust Overview

1.1 ABOUT US

University Hospitals Coventry & Warwickshire NHS Trust (UHCW) was established in 1992 under the National Health Service & Community Care Act 1990 and expanded to include the Hospital of St Cross in Rugby in 1998.

We maintain a strong focus on providing high-quality, safe and effective patient care. We provide both emergency and elective care and specialise in cardiology, neurosurgery, stroke, joint replacements, in vitro fertilisation (IVF) and maternal health, diabetes and kidney transplants. We are also a designated major trauma and cancer centre.

We employ over 8,000 staff and deliver acute healthcare to the population of Coventry and Rugby as well as more specialist services to this population and regionally. Clinical care is delivered by 16 Clinical Groups that are led by a triumvirate comprising a Clinical Director, Modern Matron/Midwife and a Group Manager.

Our University Hospital site is one of the most modern healthcare facilities in Europe with 1,005 beds and 26 operating theatres. We are equally proud of our facility in Rugby which has 110 beds and six operating theatres, including one mobile theatre. The St Cross site is an important part of our future strategy and features strongly in our plans going forward. Some of our key statistics are set out in the table below:

1.2 VITAL STATISTICS FOR 2014/15

Statistics for 2014/15				
	2014/15	**2013/14**	**2012/13**	**2011/12**
Number of people attending an outpatient appointment	**608,288**	574,242	534,718	531,774
Number of outpatient appointments	**657,870**	619,438	577,548	577,802
The number of people attended Accident & Emergency (A&E) including those in specialist Children's A&E	**183,440**	176,485	175,349	173,177
The number of inpatients and day cases (based on Admissions)	**149,949**	142,389	138,588	135,633
Babies Delivered	**6,078**	5,995	6,031	6,046
Patients operated in theatres	**41,095**	41,157	40,564	42,343
Number of staff working in our hospitals (whole time equivalent)	**Circa 6,313**	Circa 6,262	Circa 6,121	Circa 6,090

2 Trust Business Review

2.1 OUR STRATEGY

Our vision is to become a national and international leader in healthcare and we have continued to work towards achieving this during 2014/15. Our vision is underpinned by our mission, 'Care, Achieve, Innovate', and our five-year strategic objectives are:

- To deliver excellent patient care and experience
- To be an employer of choice
- To deliver value for money
- To be a research based healthcare organisation
- To be a leading training and education centre

We have built on the work that we had done in the previous year to define our values and have created a values and behaviours framework as part of our Together Towards World Class (TTWC) Organisational Development Programme. We pride ourselves on being clinically-led and understand that truly world class services are driven by the clinical frontline, with support from management. Our values and behaviours were developed through extensive consultation with our staff and therefore, represent what is important to those that are delivering care to our patients. Our six values are:

- Compassion
- Openness
- Learn
- Improve
- Pride
- Partnership

We made sound progress in delivering against our objectives in 2014/15. Whilst our performance against key metrics is set out later in this report, the section below provides detail on some of our achievements against our objectives:

To deliver excellent patient care and experience.	Our scores against the Family and Friends Test have remained high indicating that many of our patients would recommend our hospital.
To be an employer of choice.	We have developed a bespoke Leadership Programme to develop our leaders and further empower them to make decisions that benefit their services.
To deliver value for money.	We met our Cost Improvement Plan target for the year.
To be a research based healthcare organization.	We met our target for recruiting patients into NIHR portfolio studies.
To be a leading training and education centre.	We have made good progress in developing a strategy with Warwick University.

Foundation Trust

Attaining Foundation Trust status remains a fundamental part of our strategy and vision. Being licensed as a Foundation Trust will demonstrate that we have achieved a level of earned autonomy that recognises our organization as one that provides a high standard of clinical care within a sound governance and financial framework. It will also serve as recognition that we have a sustainable plan going forward.

We also welcome the flexibility that Foundation Trust status will bring to us in that it will allow us to shape services in line with local needs and requirements against a backdrop of local accountability.

Together Towards World Class

Together Towards World Class

Last year we launched our organisational development programme ***Together Towards World Class*** and we have continued with the implementation of this during 2014/15.

We celebrated the first birthday of the programme in March 2015 and we used the birthday celebrations as an opportunity to:

- Celebrate the achievements of the first year.
- Thank our staff for their hard work.
- Feedback on the work that we had undertaken in response to feedback that they had given; and
- Continue the engagement and conversation that we started in 2014.

TTWC has been hugely successful and is now the linchpin for everything that we do within the Trust. We therefore look forward to the next year of the programme and to reporting back on our further progress in 2015/16.

2.2 PERFORMANCE AGAINST KEY HEALTHCARE TARGETS

We measure our performance through a balanced scorecard approach which reflects quality, governance and financial indicators in addition to indicators that tell us whether we are on track to achieve our objectives.

As an NHS Trust, many of the performance targets that we report against are set out within the NHS Trust Development Authority (TDA) Accountability Framework 2014/15, which comprises local and national targets and standards. We report our Trust-wide performance to the Trust Board on a monthly basis but also provide service level scorecards, which are the cornerstone of our Performance Management Framework.

2.3 TDA MONTHLY SELF CERTIFICATION REQUIREMENTS

In addition to key performance indicators, the Trust Board also considers a set of Board statements, which confirm that we are delivering against the following fundamental deliverables; clinical quality, good patient experience, national and local standards and doing so within our budget. We reported compliance with all but one of the Board statements during 2014/15. We were unable to report compliance against statement 11 because the Trust did not achieve level 2 performance against the Information Governance toolkit; this remained the case for the full year as performance against the toolkit is only assessed once a year. We are pleased to report that we achieved level 2 at the end of March 2015 and we will therefore be compliant against this standard for 2015/16.

2.4 PERFORMANCE EXCEPTIONS AND RISK

We have fallen short of meeting the following national targets and standards in 2014/15:

Key Performance Indicator	Target	2014/15 Performance	2013/14 Performance
Maximum waiting time of four-hours in A&E from arrival to admissions, transfer or discharge	95% of patients	90.37%	93.93%
18-week maximum wait from point of referral to treatment	90% admitted 95% non-admitted 92% incomplete pathways	75.13% 94.41% 88.10%	91.84% 97.55% 94.01%
Delayed transfers of care	3.5%	5.67%	4.37%
62 day wait for first treatment from urgent GP referral; all cancers	85% of patients	84.6%	
MRSA	Zero cases	9 cases	2 cases
Never Events	Zero cases	3 reported	

Although we are measured on a percentage basis, we know that our underperformance means that 17,620 patients that attended our A&E department during 2014/15 were not discharged, admitted or transferred within four-hours. We only achieved the 95% threshold during one month of the year and our emergency pathway has been under pressure for the remaining 11 months. We know that our patients are not getting the service that they deserve but we are very clear that despite not achieving the four-hour standard, our clinical care is safe and effective, which is our number one priority.

We have continued with our 'Getting Emergency Care Right' campaign, which focuses on embedding a number of 'safety standards' within the non-elective pathway and have also established a GP Assessment Unit (GPAU), which means that patients referred by their GP do not have to be admitted via the A&E department. Although this has only been in place for a short amount of time, it is proving successful in terms of taking patients out of our Emergency Department that do not need to be there and in terms of the quality of care and experience that we are providing.

Referral to Treatment (RTT)

Our performance in relation to this target has been disappointing and is linked to the growth in demand for some of our speciality services, pressures around our emergency pathway and the number of patients that are medically fit but cannot be discharged because they require a package of care or other service that is provided by our partner agencies.

Additionally, in response to growing concern around the number of patients that had already waited longer than 18 weeks for their treatment nationally, we entered into an agreement with our Clinical Commissioning Group and the NHS Trust Development Authority that we would fail the standards in October and November of 2014 so that we could focus upon reducing the backlog of patients that had already been waiting more than 18 weeks.

We took a planned approach to reducing the backlog which included the deployment of a temporary operating theatre on our Hospital of St Cross site and agreed to meet further reductions to the backlog in February and March 2015. Whilst it is pleasing that the rate of increase in the patients waiting over 18-weeks has slowed as a result, this together with operational pressures has unfortunately impacted on our performance against each element of the RTT target in 2014/15 and our performance is down on the previous year where the target was met in full.

Delayed transfers of care (DTOC):

We have experienced difficulty in meeting this target, which relates to the number of inpatients who are medically fit to leave hospital throughout the year because of the number of partner agencies that are involved. In response to this, we have maintained closer scrutiny of our DTOC position than we are required to do and have continually engaged with our partners in the community to facilitate the transfer of medically fit patients to more appropriate settings more quickly. However, our partner organisations have not always been able to provide the packages of care that the patients require because of their own capacity challenges, which has resulted in a burgeoning DTOC position.

During March 2015 there were 72 delayed transfers of care out of 1,090 occupied bed days which equates to 6.61% against a target of less than or equal to 3.5%. At the year end the figure was 5.67% which is deterioration from the 2013/14 position.

We continue to take action to address this including engaging with our partner agencies at all levels in order that patients are receiving the care that they require in the right place and at the right time.

Meeting the MRSA objective:

Once again we had a challenging target of zero incidences of MRSA in 2014/15 and reported nine cases against this target, although our associated rates of MSSA have reduced significantly during the year. Our MRSA performance has been very disappointing given that we have previously had very low rates. The first of these cases was reported in April 2014 with further isolated cases occurring throughout the year. We were very concerned that we had three cases reported during February 2015 and immediately instigated a number of actions aimed at determining whether there was an underlying cause for this, including bringing in external expertise. A thorough review of the data and surveillance information has been undertaken and whilst no single causative factor has been identified, we have identified measures for improvement such as enhanced reporting processes and have a robust action plan in place.

Never Events:

We reported three never events during 2014/15. The first in May 2014 and the second in October 2014 were both related to the retention of a foreign body post operatively; the third which occurred in February 2015 related to a misplaced naso-gastric tube. Thorough investigations were carried out and we remain committed to learning the associated lessons on a Trust wide basis and changing practices and procedures to prevent reoccurrence.

Successful Choose and Book:

Regrettably we have continued to under-perform against this indicator with the reported position for March being 35.4% against the national target of 3%. As in the previous year, where our performance was 27.21% we continue to face capacity challenges in both the orthopaedic and ophthalmology service and we will continue to monitor the position on a weekly basis and work hard to offer more appointments via the choose and book system.

Breaches of the 28 day treatment guarantee following cancellation of elective surgery:

We have seen a rise in the number of patients that we have not treated within 28 days of the cancellation of their planned procedure. This is linked to the pressure that we have faced on our emergency care pathway because we cannot admit patients to for their operations when our beds are taken up by patients that have been admitted in an emergency.

We do not take the cancellation of any procedure lightly as we realise the impact this has upon our patients. We have processes in place to scrutinise and challenge every decision to cancel patients including twice daily scrutiny of operating lists to ensure that wherever possible, we do not have to cancel patients a second time. As a result we have not cancelled any urgent operations a second time.

Maximum 62 day wait for first cancer treatment

We are required to treat 85% of cancer patients within 62 days of GP referral for suspected cancer. For the first time we did not achieve this target, achieving 84.6%, which is extremely disappointing. Although we have seen an increasing number of these breaches arising as a result of other Trusts referring patients to us after the 62 day period, which are classified as shared breaches, we know that we have further work to do to ensure that our performance against this important indicator improves in 2015/16 and will maintain a strong focus upon this.

Clostridium Difficile

We have built on the success of the previous year in terms of c-diff infection and reported 38 cases against a target of 54.

Performance against 2014/15 Acute Contract Targets

In addition to the nationally mandated Operational and Quality targets that are captured in our 2014/15 Acute Contract with Clinical Commissioning Groups, the Trust agreed a CQUIN schedule which focussed on improving the quality of care across a range of services.

Whilst at the time of writing, our performance against this CQUIN schedule is yet to be agreed with Commissioners the Trust has performed well against a number of nationally mandated CQUIN schemes e.g. the Friends and Family Test and improving the assessment and care of patients with dementia. In addition, the Trust has improved the management of frail elderly patients on a surgical pathway, ensuring that Gerontology input is provided at the start of the surgical spell.

2.5 FORWARD LOOK – MAIN TRENDS AND FACTORS LIKELY TO AFFECT OUR FUTURE PERFORMANCE

2.5.1 OVERVIEW

We continue to strive towards becoming a national and international leader in healthcare. The environment in which we operate however continues to be challenging due to increased demand for services and financial pressures, coupled with the requirement to improve quality of care following the publication of the Francis, Keogh and Berwick reports.

We are not alone in facing these challenges and recognize that improved pathways and collaboration with partners is a key element of our path to sustainability. We have engaged actively with our partner organisations during 2014/15 to improve pathways and to try to resolve blocks within our system and will continue to actively pursue collaboration and partnership working in the coming year.

From an internal perspective, we pride ourselves on being a clinically-led organisation and rely on our workforce to bring ideas to the fore that will enable us to improve the way that we process patients through our hospitals and ensure that we provide, safe, efficient and high-quality care, each and every time. We are working hard to ensure that we have workforce plans that are in place that will help us to address some of the issues that we will face going forward and will continue our strong focus on recruitment and retention. The challenges that we face as an organisation will be similar to those that we faced in 2014/15 and include:

Managing capacity – we did not meet the A&E four-hour standard and we know that we have to work differently to ensure that our performance improves during 2015/16. We have continued to experience year-on-year growth in emergency admissions and have taken steps to address how we process our patients during 2014/15. We also need to ensure that the measures that we put into place to manage seasonal peaks in activity are robust.

We have already started putting in place measures aimed at improvement, including the opening of a GP Assessment Unit (GPAU) so that patients referred by their GP do not have to pass through the A&E department. We will also be opening a Frail Elderly Assessment Unit during 2015/16 which will ensure that this group of patients, who have specific needs and are often vulnerable, are cared for on a dedicated unit. Success for this latter development will be dependent on fast and responsive community and social services.

2014/15 has also seen an unprecedented increase in delayed transfers of care (DTOC). These are patients that are medically fit for discharge and do not need to be in one of our beds, but we cannot discharge them because they are awaiting packages of care or other services that are provided by our partners. As previously stated, we are actively working with partners to address this as we recognize the importance of patients receiving the right care, at the right time and in the right place and the impact that addressing this issue will have in terms of freeing up beds that other patients can use. 2014/15 has seen an increase in the length of stay by in excess of one day for emergency patients.

Financial Performance – we were very disappointed to have reported a deficit of £16.9m in 2014/15. We have analysed the drivers for this and we know that it is linked to the capacity issues that we have faced; our spend on agency staff is too high and we have opened additional capacity to deal with the pressures on our emergency pathway.

We also know that capacity has impacted on our elective pathway and we have not admitted as many patients for elective procedures during the year. This has meant that we have failed the referral to treatment target (RTT) and have suffered a significant income loss. These issues are likely to continue at least in the short term but the plans that we are putting into place, such as more focused partnership working, changing the way that are our services are delivered, recruiting more staff and moving more elective procedures to our Rugby site will set us on a path to financial sustainability.

Although our University Hospital site provides first class facilities that we are proud of, it is a Private Finance Initiative (PFI) Hospital and as such, impacts on our financial position. We were required to submit an application to the Independent Trust Financing Facility (ITFF) in the first part of 2014/15 to support our Capital Programme and a further application for Public Dividend Capital (PDC) towards the year end because of our projected deficit position. We are developing robust plans to ensure that we return to financial balance and will monitor our recovery plan carefully to ensure that this remains on track.

Further detail on our financial performance is provided later in this report.

Meeting required targets and standards – our ability to meet key national targets such as the A&E four-hour standard and referral to treatment targets continue to be hampered by operational pressures and this is likely to continue in the short term until such time that our medium term plans are implemented.

All aspects of our performance will continue to be closely monitored internally through our performance management framework and externally by our commissioners through Contract Performance Meetings.

Trust Board Scorecard

Measure	Previous Position	Latest Position	Direction of Travel	Year to Date Plan
Excellence in patient care and experience				
		Patient Outcomes		
Clostridium difficile (Trust acquired) – cumulative	34	41	↓	54
MRSA bacteraemia (Trust acquired) – cumulative	9	9	↔	0
Medication errors causing serious harm	0	0	↔	0
Reported harmful patient safety incidents	24.44%	22.99%	↑	24.3%
Serious Incidents (Number)	13	14	↓	7
Serious Incidents (Overdue)	5	2	↑	0
Number of never events reported – cumulative	3	3	↔	0
Central Alerting System (CAS) Alerts (Overdue)	0	2	↓	0
Same sex accommodation standards breaches	0	0	↔	0
HSMR (basket of 56 diagnosis groups) (three month in arrears)	98.69	103.36	↓	100
SHMI (Quarterly) (six months in arrears)	101.40	101.40	↔	100
Harm Free Care (one month in arrears)	95.78%	94.97%	↓	92%
Pressure Ulcers 3 and 4 (Trust associated)	1	1	↔	0
Falls per 1,000 occupied bed days resulting in serious harm	0.06	0.06	↔	0.04
Eligible patients having VTE risk assessment (one month in arrears)	96.76%	96.22%	↓	95%
C-UTI (one month in arrears)	99.54%	99.72%	↑	99.25%
Number of Maternal deaths	0	0	↔	0
		Patient Experience		
Friends & Family Test A&E Coverage	16.48%	27.32%	↑	25%
Friends & Family Test IP Coverage	38.37%	39.37%	↑	50%
Friends & Family Test IP recommenders	89.69%	90.82%	↑	89%
Friends & Family Test A&E recommenders	81.91%	81.90%	↓	85%
Maternity FFT No of touchpoints achieving a 15% response rate	3	3	↔	4
Number of complaints registered	35	43	↓	40
		Theatre Productivity		
Theatre efficiency – Main	68.35%	66.49%	↓	85%
Theatre efficiency – Rugby	70.72%	69.45%	↓	85%
Theatre efficiency – Day Surgery	50.75%	48.43%	↓	70%
Theatre utilisation – Main	81.96%	81.40%	↓	85%
Theatre utilisation – Rugby	79.80%	78.70%	↓	85%
Theatre utilisation – Day Surgery	63.84%	62.62%	↓	70%
Surgical Safety Checklist (WHO)	99.87%	100.00%	↑	100%

Compliance KPI: NHS TDA Accountability Framework, National Standard, local contract standard.
Strategic KPI: Reflective of UHCW strategic objectives. N.B. Compliance

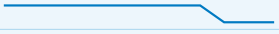
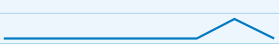
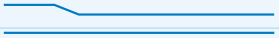
Annual Target	Annual Forecast Out Turn	Executive Lead	Owner	Trend	Data Quality	Compliance (C) or Strategic (S)
54	41	Mark Radford	Karen Bond		✓	C
0	9	Mark Radford	Karen Bond		✓	C
0	0	Meghana Pandit	Yvonne Gatley		✓	C
24.3%	22.99%	Meghana Pandit	Yvonne Gatley		✓	C
7	14	Meghana Pandit	Yvonne Gatley		✓	C
0	2	Meghana Pandit	Yvonne Gatley		✓	C
0	3	Meghana Pandit	Yvonne Gatley		✓	C
0	2	Meghana Pandit	John Knibb		✓	C
0	0	Mark Radford	Gillian Arblaster		✓	C
100	100	Meghana Pandit	Jenny Gardiner		✓	C
100	100	Meghana Pandit	Jenny Gardiner		✓	C
92%	94.97%	Mark Radford	Karen Bond		✓	C
0	26	Mark Radford	Gillian Arblaster		!	C
0.04	0.06	Mark Radford	Karen Bond		✓	C
95%	96.22%	Mark Radford	Oliver Chapman		✓	C
99.25%	99.72%	Mark Radford	Karen Bond		✓	C
0	0	Meghana Pandit	Stephen Keay		✓	C
25%	27.32%	Meghana Pandit	Lynn Betts		✓	C
50%	39.37%	Meghana Pandit	Lynn Betts		✓	C
89%	90.82%	Meghana Pandit	Lynn Betts		✓	C
85%	81.90%	Meghana Pandit	Lynn Betts		✓	C
4	3	Meghana Pandit	Lynn Betts		✓	S
40	43	Meghana Pandit	Lynn Betts		✓	C
85%	66.49%	David Eltringham	Chris Harmiston		✓	S
85%	69.45%	David Eltringham	Chris Harmiston		✓	S
70%	48.43%	David Eltringham	Chris Harmiston		✓	S
85%	81.40%	David Eltringham	Chris Harmiston		✓	S
85%	78.70%	David Eltringham	Chris Harmiston		✓	S
70%	62.62%	David Eltringham	Chris Harmiston		✓	S
100%	100.00%	Meghana Pandit	Chris Harmiston		✓	S

RAG	No Target or RAG Rating	Achieving or Exceeding Target	Slightly Behind Target	Not Achieving Target	Data Not Currently Available
DoT	↑ Improving	↔ No Change	↓ Failing		
DQ	✓ High Data Quality Assurance	! Medium Data Quality Assurance	✗ Low Data Quality Assurance		

Trust Board Scorecard

Measure	Previous Position	Latest Position	Direction of Travel	Year to Date Plan
Excellence in patient care and experience				
		Non Emergency Care		
Last minute non-clinical cancelled ops (elective)	1.28%	1.59%	↓	0.8%
Breaches of the 28 day readmission guarantee	12	16	↓	0
Urgent ops cancelled for the second time	0	0	↔	0
18 week referral to treatment time – Admitted (one month in arrears)	80.86%	77.39%	↓	90%
18 week referral to treatment time – Non-admitted (one month in arrears)	94.29%	93.46%	↓	95%
RTT – incomplete in 18 weeks (one month in arrears)	88.89%	88.68%	↓	92%
RTT 52 Week Waits (one month in arrears)	0	0	↔	0
Choose and Book appointment slot issues	31.11%	35.47%	↓	3%
Diagnostic waiters, six weeks and over	0.08%	0.19%	↓	1%
Two week cancer wait (GP referral to op appointment – one month in arrears)	97.35%	98.92%	↑	93%
31 day diagnosis to treatment cancer target (one month in arrears)	98.37%	98.82%	↑	96%
62 day urgent referral to treatment cancer target (one month in arrears)	85.51%	81.95%	↓	85%
		Emergency Care		
A&E four hour wait target	85.61%	84.16%	↓	95%
12 hour trolley waits in A&E	0	0	↔	0
Delayed transfers as a percentage of admissions	5.61%	6.61%	↓	3.5%
30 Day emergency readmissions (one month in arrears)	8.09%	7.71%	↑	7.95%
Deliver value for money				
Liquidity days	-27.40	-16.00	↑	-21.4
Capital services capacity	0.80	0.75	↓	1.2
Combined risk rating	1	1	↔	1
Forecast I&E compared to plan (£'000)	-17203	-16899	↑	1817
Forecast recurrent and non recurrent efficiency compared to plan (£'000)	34124	33767	↓	33584
Employer of choice				
Personal Development Review Non-Medical	87.47%	87.68%	↑	90%
Personal Development Review Medical	76.14%	77.05%	↑	90%
Mandatory training compliance (%)	81.95%	82.89%	↑	90%
Sickness rate	4.24%	4.18%	↑	4%
Staff turnover rate	10.77%	10.84%	↓	10%
Vacancy rate	12.26%	12.42%	↓	10%
Temporary costs and overtime as a % of total pay bill	14.92%	16.00%	↓	TBC
Leading research based health care organisation				
No of pts recruited into NIHR portfolio (two months in arrears) – cumulative	3835	4181	↑	3063
Performance in Initiating Trials (quarterly)	32.69%	42.31%	↑	80%
Performance in Delivery of Trials (quarterly)	48.00%	35.71%	↓	80%
Portfolio research studies open to recruitment (quarterly)	159	156	↓	147
Research critical findings and serious incidents (quarterly)	1	0	↑	0
Submitted research grant applications (quarterly) – cumulative	101	15	↑	112
Commercial income invoiced £000s (one month in arrears) – cumulative	1085	1108	↑	1733
Peer reviewed publications – calendar year cumulative	7	15	↑	21
Leading training and education centre				
No of Specialties at HEWM Level 3 and 4	1	1	↔	0
Job evaluation survey tool (JEST) score (one month in arrears)	3.70	3.70	↔	3.5
Doctor trainers provisionally accredited	100.00%	100%	↔	100%

Compliance KPI: NHS TDA Accountability Framework, National Standard, local contract standard.
Strategic KPI: Reflective of UHCW strategic objectives. N.B. Compliance

Annual Target	Annual Forecast Out Turn	Executive Lead	Owner	Trend	Data Quality	Compliance (C) or Strategic (S)
0.8%	1.59%	David Eltringham	Mark Kemp		✓	C
0	119	David Eltringham	Mark Kemp		✓	C
0	0	David Eltringham	Mark Kemp		✓	C
90%	90%	David Eltringham	Mark Kemp		✓	C
95%	95%	David Eltringham	Mark Kemp		✓	C
92%	92%	David Eltringham	Mark Kemp		✓	C
0	0	David Eltringham	Mark Kemp		✓	C
3%	35.47%	David Eltringham	Mark Kemp		✓	C
1%	0.19%	David Eltringham	Mark Kemp		✓	C
93%	93%	David Eltringham	Mark Kemp		✓	C
96%	96%	David Eltringham	Mark Kemp		✓	C
85%	85%	David Eltringham	Mark Kemp		✓	C
95%	90.37%	David Eltringham	Alan Cranfield		✓	C
0	0	David Eltringham	Alan Cranfield		✓	C
3.5%	6.61%	David Eltringham	Alan Cranfield		!	C
7.95%	7.71%	David Eltringham	Alan Cranfield		✓	C
-21.4	-16	David Moon	Susan Rollason		✓	C
1.2	0.75	David Moon	Susan Rollason		✓	C
1	1	David Moon	Susan Rollason		✓	C
1817	-16899	David Moon	Susan Rollason		✓	C
33584	33767	David Moon	Susan Rollason		✓	C
90%	87.68%	Ken Hutchinson	Andrew McMenemy		!	C
90%	77.05%	Ken Hutchinson	Andrew McMenemy		!	C
90%	82.89%	Ken Hutchinson	Andrew McMenemy		!	C
4%	4.18%	Ken Hutchinson	Andrew McMenemy		!	C
10%	10.84%	Ken Hutchinson	Andrew McMenemy		!	C
10%	12.42%	Ken Hutchinson	Andrew McMenemy		!	C
TBC	TBC	Ken Hutchinson	Andrew McMenemy		!	C
3675	4181	Meghana Pandit	Chris Imray		!	S
80%	42.31%	Meghana Pandit	Chris Imray		!	C
80%	35.71%	Meghana Pandit	Chris Imray		!	C
147	156	Meghana Pandit	Chris Imray		!	S
0	0	Meghana Pandit	Chris Imray		✓	S
112	135	Meghana Pandit	Chris Imray		!	S
1890	1890	Meghana Pandit	Chris Imray		!	S
172	172	Meghana Pandit	Chris Imray		!	S
0	1	Meghana Pandit	Maggie Allen		✓	C
3.5	3.70	Meghana Pandit	Maggie Allen		✓	C
100%	100%	Meghana Pandit	Maggie Allen		!	C

RAG	No Target or RAG Rating	Achieving or Exceeding Target	Slightly Behind Target	Not Achieving Target	Data Not Currently Available
DoT	↑ Improving	↔ No Change	↓ Failing		
DQ	✓ High Data Quality Assurance	! Medium Data Quality Assurance	✗ Low Data Quality Assurance		

Monthly Monitoring Against MONITOR Risk Assessment Framework Indicators

Indicator	Threshold	Weighting	Monitoring Period	Month Actual (MA)/ Year to Date (YTD)	Apr 2014	May 2014
Maximum time of 18 weeks from point of referral to treatment in aggregate – admitted (B)	90%	1	Quarterly	MA	91.60%	90.20%
		1		YTD	N/A	N/A
Maximum time of 18 weeks from point of referral to treatment in aggregate – non-admitted (B)	95%	1	Quarterly	MA	96.89%	97.04%
		1		YTD	N/A	N/A
Maximum time of 18 weeks from point of referral to treatment in aggregate – patients on an incomplete pathway (B)	92%	1	Quarterly	MA	93.53%	92.77%
		1		YTD	N/A	N/A
A&E: maximum waiting time of four hours from arrival to admission/transfer/discharge (C)	95%	1	Quarterly	MA	95.63%	94.18%
		1		YTD	95.63%	94.83%
All cancers: 62 day wait for first treatment (D) from: – from urgent GP referral for suspected cancer	85%	1	Quarterly	MA	87.15%	85.38%
		1		YTD	87.15%	86.29%
– from NHS Cancer Screening Service referral	90%	1	Quarterly	MA	97.06%	94.29%
		1		YTD	97.06%	95.65%
All cancers: 31 day wait for second or subsequent treatment (E), comprising: – surgery	94%	1	Quarterly	MA	100.00%	95.00%
		1		YTD	100.00%	97.35%
– anti cancer drug treatments	98%	1	Quarterly	MA	100.00%	100.00%
		1		YTD	100.00%	100.00%
– radiotherapy	94%	1	Quarterly	MA	94.85%	95.95%
		1		YTD	94.85%	95.37%
All cancers: 31 day wait from diagnosis to first treatment (F)	96%	0.5	Quarterly	MA	99.57%	99.02%
		0.5		YTD	99.57%	99.32%
Cancer: two week wait from referral to date first seen (G), comprising: – all urgent referrals (cancer suspected)	93%	0.5	Quarterly	MA	92.95%	97.28%
		0.5		YTD	92.95%	95.11%
– for symptomatic breast patients (cancer not initially suspected)	93%	0.5	Quarterly	MA	94.07%	100.00%
		0.5		YTD	94.07%	96.59%
Clostridium Difficile – meeting the Clostridium Difficile objective (L)	0	1	Quarterly	MA	1.00	3.00
		1		YTD	1.00	4.00
Methicillin-resistant Staphylococcus aureus (MRSA) bacteraemia – meeting the MRSA objective (M)	0	1	Quarterly	MA	1.00	1.00
		1		YTD	1.00	2.00
SCORE (total of weightings for red rated indicators)					1.5	2.0
RISK RATING					A/G	A/R

June 2014	Q1	July 2014	Aug 2014	Sept 2014	Q2	Oct 2014	Nov 2014	Dec 2014	Q3	Jan 2015	Feb 2015	Mar 2015	Q4
90.62%	90.81%	90.15%	89.12%	89.12%	89.48%	85.10%	83.50%	81.96%	83.59%	80.86%	77.39%	75.13%	77.68%
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
96.19%	96.70%	96.47%	96.06%	96.11%	96.23%	96.06%	96.04%	95.57%	95.90%	94.29%	93.46%	94.41%	94.07%
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
92.81%	92.81%	92.83%	92.23%	92.14%	92.14%	91.90%	90.86%	90.25%	90.25%	88.89%	88.68%	88.10%	88.10%
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
93.01%	94.26%	92.89%	93.09%	91.52%	92.52%	91.47%	90.46%	87.00%	89.80%	84.14%	85.61%	84.16%	84.59%
94.26%	94.26%	93.88%	93.75%	93.41%	93.41%	93.10%	92.79%	92.21%	92.21%	91.36%	90.90%	90.37%	90.37%
85.96%	86.17%	83.33%	86.71%	85.64%	85.10%	87.10%	82.46%	85.53%	84.97%	85.19%	83.11%	76.83%	81.65%
86.17%	86.17%	85.35%	85.61%	85.61%	85.61%	85.82%	85.35%	85.38%	85.38%	85.36%	85.20%	84.58%	84.58%
97.67%	96.43%	100.00%	97.44%	95.74%	97.48%	94.34%	94.12%	95.12%	94.53%	95.45%	90.91%	93.22%	93.38%
96.43%	96.43%	97.24%	97.28%	96.97%	96.97%	96.48%	96.23%	96.10%	96.10%	96.03%	95.64%	95.35%	95.35%
94.12%	96.34%	100.00%	97.56%	98.04%	98.70%	100.00%	100.00%	98.51%	99.49%	98.04%	98.08%	95.00%	97.20%
96.34%	96.34%	97.35%	97.38%	97.48%	97.48%	97.93%	98.21%	98.25%	98.25%	98.23%	98.22%	98.02%	98.02%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
94.57%	95.10%	94.89%	94.44%	96.79%	95.47%	96.38%	94.16%	95.36%	95.31%	94.01%	97.28%	97.96%	96.31%
95.10%	95.10%	95.06%	94.96%	95.26%	95.26%	95.40%	95.26%	95.27%	95.27%	95.14%	95.32%	95.53%	95.53%
100.00%	99.54%	100.00%	98.91%	100.00%	99.68%	99.12%	98.71%	99.08%	98.97%	98.13%	98.98%	100.00%	99.03%
99.54%	99.54%	99.66%	99.53%	99.61%	99.61%	99.53%	99.42%	99.38%	99.38%	99.26%	99.24%	99.30%	99.30%
98.03%	96.04%	94.83%	97.80%	98.74%	96.98%	98.17%	97.06%	98.05%	97.77%	97.36%	98.92%	98.30%	98.24%
96.04%	96.04%	95.71%	96.08%	96.51%	96.51%	96.75%	96.79%	96.93%	96.93%	96.97%	97.16%	97.26%	97.26%
99.34%	97.33%	97.88%	100.00%	100.00%	99.16%	100.00%	99.30%	100.00%	99.77%	99.26%	99.42%	99.39%	99.36%
97.33%	97.33%	97.47%	97.89%	98.17%	98.17%	98.40%	98.50%	98.64%	98.64%	98.70%	98.77%	98.82%	98.82%
3.00	7.00	5.00	2.00	1.00	8.00	5.00	1.00	9.00	15.00	1.00	3.00	7.00	11.00
7.00	7.00	12.00	14.00	15.00	15.00	20.00	21.00	30.00	30.00	31.00	34.00	41.00	41.00
0.00	2.00	1.00	0.00	1.00	2.00	0.00	1.00	0.00	1.00	1.00	3.00	0.00	4.00
2.00	2.00	3.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	6.00	9.00	9.00	9.00
2.0	2.0	2.0	3.0	3.0	2.0	4.0	4.0	4.0	3.0	5.0	5.0	6.0	4.0
A/R	A/R	A/R	A/R	A/R	A/R	R	R	R	A/R	R	R	R	R

3 Clinical Quality

The focus on quality has quite rightly never been stronger in the NHS. Quality is our number one priority and is reflected in our objectives in terms of providing excellent patient care and experience. Although we have had a challenging year, our focus on quality has not abated and we have continued to work towards achieving our quality priorities, which for 2014/15 were as follows:

- **Getting Emergency Care Right** – Ensuring Effective Handover.
- **Getting Emergency Care Right** – Ensuring patient flow in order to improve theatre efficiency.
- **Getting Emergency Care right** – Introducing a World Class Patient Experience Programme.

We choose our quality priorities by reviewing information that we gather throughout the year from various sources including clinical incidents and complaints and listening to feedback. Further detail of the progress that we have made towards achieving these priorities during 2014/15 is contained within our Quality Account document, together with our chosen quality priorities for 2015/16, which are:

- **Patient Safety** – Ensuring effective handover between healthcare professionals.
- **Clinical Effectiveness** – Ensuring ensuring End of Life Care Practices.
- **Patient Experience** – Implementation of 'Always Events'.

Aside from our quality priorities, the Trust has also implemented other projects during the year that are aimed at quality improvement. These include:

- The introduction of the country's first Digital Pathology service; for which we have subsequently been awarded Centre of Excellence Status
- Launch of the da Vinci robot, which allows surgery to be carried out robotically
- Implementation of an upgraded software system version in September 2014 which saw our ward based staff in adult inpatient areas and maternity move away from hand held PDA devices to i-Pods. We also implemented the National Early Warning System (NEWS) which is a track and trigger patient observation system to enable early detection of clinical deterioration and facilitate appropriate rapid intervention.
- Introduction of Advance Nurse Practitioner (ANP) roles in Acute Medicine, Gerontology and Surgery. ANP's are highly experienced, educated nurses with expert knowledge who can diagnose and treat patients with particular health and social care needs. These roles not only offer career development opportunities to our staff by allowing them to undertake higher level training but free up medical staff by undertaking tasks that are more traditionally the domain of doctors.
- Introduction of a new catheter management tool (HOUDINI). There are a high number of urinary catheter associated infections across the NHS. We have introduced guidance (HOUDINI) to support nurse decision making around the removal of urinary catheters, which thereby reduces the risk of infections. Our monthly point prevalence audits via the national Patient Safety Thermometer tool demonstrates that we perform very well against peer organisations in relation to catheter-related infections.

3.1 QUALITY ACCOUNT 2014/15

Further detail relating to our quality performance against internally and externally set targets and against our chosen quality priorities are contained within our Quality Account 2014/15.

- **Getting Emergency Care Right** – ensuring effective handover between healthcare professionals.
- **Getting Emergency Care Right** – ensuring patient flow through the hospital in order to improve efficiency in elective theatres.
- **Getting Emergency Care Right** – Together Towards World Class patient experience.

Our priorities for 2015/16 are also set out within our quality account following approval by our Trust Board in January. These are:

- **Patient Safety:** Ensuring Effective Handover (continuing the hard work already started on this during the last 12 months);
- **Clinical Effectiveness:** Ensuring appropriate End of Life Care, including Do Not Attempt Cardiopulmonary Resuscitation, known as DNACPR and;
- **Patient Experience:** Implementing 'Always Events', i.e. those elements of good care that all our patients should receive.

3.1.1 PATIENT EXPERIENCE AND ENGAGEMENT

We have continued to demonstrate our commitment to actively seeking feedback from patients, carers and relatives and taking action where we are able to do so in 2014/15. We have set out below the methods by which we obtain feedback and more importantly, examples of the improvements that we have made in response to the feedback that we have received.

Friends and Family Test

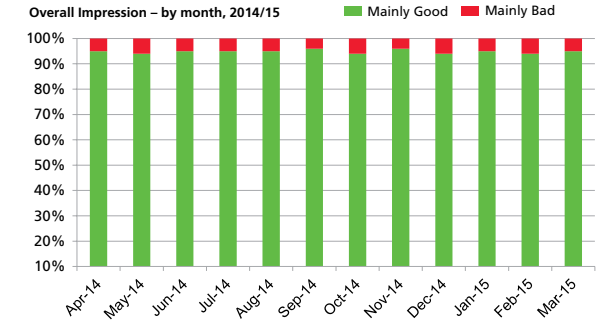
We have rolled out our Friends and Family Test (FFT) questionnaire to all areas including out-patients, day-case surgery and the paediatric department. We also participated in the national NHS Survey programme with surveys being carried out in relation to our in-patient and emergency services. From October 2014, the formula was simplified with respondents that are extremely likely or likely to recommend the service are now classed as recommenders with all other respondents being classed as non-recommenders as opposed to a score.

The responses received from the Friends and Family Test during 2014/15 indicated the highest and lowest levels of satisfaction with Trust services as set out below:

Highest	Lowest
Staff treating patients with politeness and respect	Parking
Patients feeling safe in our care	Food & Drink
Staff respecting patients' privacy and dignity	Doing things on time

Impressions:

The Trust's real time feedback system, Impressions, has continued to capture feedback from our patients, their relatives and carers and from visitors. A variety of questions are asked within the survey but one of the key questions is whether or not those responding have a mainly good or mainly bad impression of the Trust and its services. The results for this question for 2014/15 are shown below and we are very pleased that over 90% of respondents each month had a positive impression of our services.



Patient Experience

Participants in the survey are also asked to feedback in their own words about their experiences and any suggestions that they may have around how we can improve. Comments and suggestions are sent directly to the relevant ward or department and to Chief Officers on a daily basis and where concerns are identified, immediate action is taken to ensure that we are responsive. We also use comments and suggestions to inform our 'You said, we did' campaign which is detailed below.

We Are Listening Campaign 'You Said, We Did'

Our 'We Are Listening' campaign has continued in 2014/15 and is aimed at drawing attention to the mechanisms that we have in place for our patients, their families and carers and visitors to use and to the improvements that we have made as a result. We have updated the posters that we use to promote our campaign as displayed below, to include our patient information logo and revised text setting out how feedback can be given.

In addition to this we have also designed new posters that give information on initiatives that we have implemented as a result of feedback and we have detailed some examples of these below:

- New posters have been placed outside every ward giving information about the ward manager, contact details, specialties treated as well as more generic information about the Trust.
- 'Looking After You' Boards have been placed on the wards which contain information about safety, staffing levels and patient experience;
- Place mats have been introduced on wards, predominantly for use during meal times which include information on ward routines, infection prevention measures, uniforms, protected meal times and how to give feedback.
- Updating the waiting time in the A&E department more frequently so that patients know how long they are likely to have to wait to be seen.
- A vending machine has been installed in the Labour Ward waiting area.
- Clearer signage has now been installed for the Ophthalmology Department in Outpatients, to help direct visually impaired patients.

Patient Information

We have developed a patient information logo that we use on all of the patient information that we give out in order that patients know that it is trust approved.

Surveys undertaken as part of the national NHS Survey Programme:

During 2014/15, two surveys were undertaken as part of the Care Quality Commission's NHS Survey Programme: the annual Inpatient Survey Programme and the Accident and Emergency Department Survey. Whilst we are pleased to note an improvement in the scores in a large number of the questions asked in the A&E Survey, the results of our Inpatient Survey are more variable.

We have carried out an exercise to look at the results of both surveys and linked the actions that we need to take to bring about improvement to initiatives that are already in place and in particular to our Together Towards World Class programme.

Analysis of all the surveys that have been undertaken during 2014/15 allows us to conclude as follows:

Patient, relative and carer satisfaction levels remain high particularly with staff treating patients with politeness and respecting their privacy and dignity. We are also particularly pleased that our patients feel safe in our care.

There continues to be high levels of dissatisfaction with parking on our University site and further dissatisfaction with the speed with which we do things and with the food and drink that we provide. We have already taken steps to try and improve the parking situation in the form of the development of a new car park which is underway and we are also working on improving our timeliness, and our food and drink offering.

Patient Advisor Team (PAT)

We piloted Patient Advisor Teams in 2014/15 as an alternative method of engagement to the Patient Council that had been in place since 2012. The teams comprised the former members of our Patients' Council and worked both at Speciality Group and Trust level. Unfortunately this was not as successful as we had hoped and whilst members continue to work at Specialty level, our Patient Experience Team is now considering other patient forum models with a view to possibly recruiting to a new type of forum in early Autumn 2015.

3.1.2 OUR STAFF

Our staff are our most valuable resource and are at the heart of the excellence that we provide in our services. We employ a wide range of clinical and non-clinical staff that are committed and dedicated to working together for the benefit of our patients.

We invested in more staff in 2014/15 and we are planning a further increase of approximately 6% to our workforce in 2015/16. This will support some of the service developments designed to enhance patient experience, including providing beds in the most appropriate location to support care of the elderly and appointing additional midwives to further improve the ratio of midwives to births.

Staff Costs

Our pay bill represents the highest proportion of our expenditure and equated to £325,051,813 in 2014/15. Staffing costs are a therefore key consideration for the Trust Board and each Group Management Team. Our workforce is categorised into those that we substantively employ, those that work flexibly through temporary staffing services (TSS) which is out internal staffing resource and those engaged through external staffing agencies.

1st April 2015 – Actual Staff in Post (FTE)	
Consultants	355.39
Other Medical Staff	519.72
Nurses	1,791.19
Midwives	181.45
Healthcare Scientists and Technicians	565.16
Allied Health Professionals	384.90
Healthcare Assistants and Support Staff	1,342.21
Management, Administration and Estates Staff	1,174.00
Total	**6,314.02**

Staff Wellbeing

We recognise the importance of employee well-being and have a Health & Wellbeing Group in place. During 2014/15 we supported a number of successful health and well-being events for our staff with an emphasis on a healthy lifestyle and we offered a number of health checks.

We also extended the services that are available to our staff so in addition to our fast track physiotherapy service and counselling service we have now employed a psychologist that individual members of staff or teams can access where there are issues of stress both effectively and at the earliest opportunity. We intend to continue this in 2015/16 and to hold at least four health & well-being events for employees and the establishment of pilates classes and a walking club.

Staff Sickness

The year began well in terms of attendance management with levels of sickness absence at 3.87% highlighting a reduction over the previous 12 months. This fall in sickness absence levels continued throughout the first half of 2014/15 with levels falling as low as 3.3% in July 2014. However, levels began to rise from October 2014 as expected with seasonal changes affecting employee sickness. By March 2015 the sickness level was 4.18%, which is higher than 12 months previously but still highlights an overall downward trend: the annual absence figure decreased from 4.34% in 2013/14 to 3.91% in 2014/15.

Celebrating Success

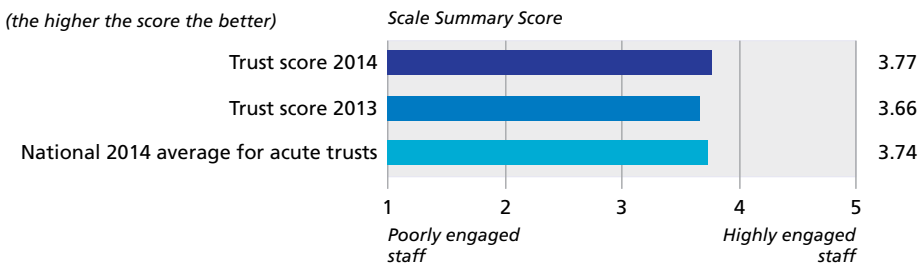
We celebrate our achievements and successes through our annual Outstanding Service and Care Awards (OSCAs), which are held to recognise the hard work, dedication and commitment of our staff and several events are held throughout the year in celebration of learning achievements. Long Service Awards also take place in recognition of the loyalty and dedication of our staff, both to the Trust and the wider NHS.

Working with Staff

We value our staff and take a partnership approach to working with them through our Joint Consultative and Negotiating Committee (JNCC) and Medical Negotiation Committee (MNC). Both of these forums are attended by members of our Executive Team and include representatives from our staff side colleagues and trade union representatives. These meetings focus upon consulting with staff in a constructive manner regarding key service changes across the Trust, as well discussing and approving policies and procedures.

National Staff Survey

The NHS survey is undertaken nationally by all NHS Trusts on an annual basis between October and December. Questionnaires were sent to a random sample of 850 staff and 315 (37% responded). Our response rate has remained stable since 2013 and was 5% below the national average in for the 2014 survey. Overall our engagement score (calculated using the response to several survey questions) measured on a scale of 1 'poorly engaged' to 5 'highly engaged', stands at 3.77. This is an increase from 3.66 in 2013/14 and is above the national average for Acute Trusts of 3.74.



Staff Engagement and Consultation

The overarching aim of our Together Towards World Class Programme is for the Trust to become a world class healthcare provider. Central to the design, development and implementation of the programme is commitment to engaging employees, as they play a fundamental role in achieving this aspiration and changing the culture of the organisation.

During 2014, listening events were held across the organisation along with our local staff survey 'Staff Impressions'. The feedback that we obtained, along with organisational and academic research, was used to shape the activities within the Together Towards World Class Programme. Feedback was provided to staff through a special edition of In Touch, our internal staff newsletter and through events held in local areas and departments.

April 2014 also saw the implementation of the national Staff Friends and Family Test, whereby staff are asked to confirm whether they would recommend the Trust as a place for friends and family to be treated and whether they would recommend the Trust as a place for friends and family to work.

Whilst we were only required to survey all staff once a year during 2014/15, our approach was one of giving staff the opportunity to respond in quarters 1, 2 and 4. The national staff survey was used for this purpose in quarter 3 for this purpose. Our staff Friends and Family Test results are set out in the following sections.

Staff FFT – Service/ Treatment Provider

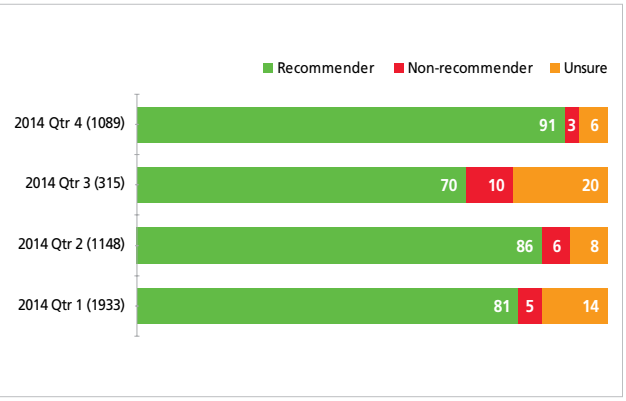
Overall throughout 2014/15 we have seen as upward trend in terms of the number of staff that would recommend the Trust as a place for their friends and family to be treated, with the latest results showing that 91% of staff would recommend the Trust.

Staff FFT – Workplace

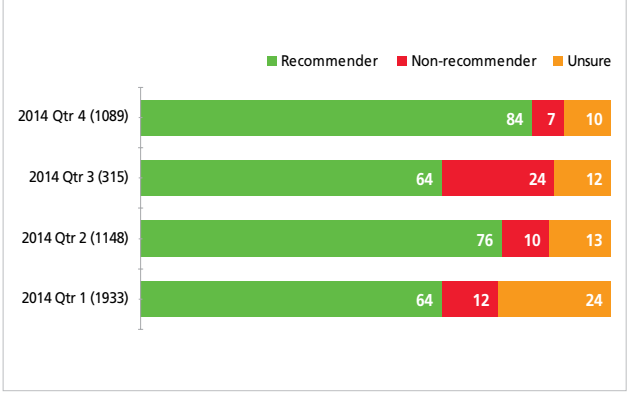
Similar to the service/treatment provider results, overall throughout 2014/15 we have seen as upward trend in terms of the number of staff that would recommend the Trust as a place for their friends and family to work, with the latest results showing 84% of staff would recommend the Trust as a place to work.

Change Makers

We have recruited a team of 80 Change Makers from all levels of the organisation to support the development and implementation of Together Towards World Class. Our Change Makers have supported the roll out of our Staff Impressions; the development of action plans in local areas and the development and implementation of our Trust values and behaviours framework. Change Makers have received training in change management in order to equip them with skills and knowledge they require to support the wider programme and have proved highly successful.



2014/15 Staff Friends and Family Results – Service/Treatment Provider



2014/15 Staff Friends and Family Results – Workplace

Recruitment Monitoring

Monitoring of job applications shows that 42.5% of applications received in 2014/15 were from black and minority ethnic (BME) applicants. Of those shortlisted, 25.5% were BME applicants, and of those successfully appointed 27% were BME applicants.

Of the total job applicants, 73% were female and 27% were male. Of those shortlisted 75% were female and 25% were male; of those candidates successfully appointed, 78% were female and 22% were male.

Of the total job applications, 3% were from those declaring that they had a disability and 96% were from those declaring that they did not have a disability; 1% were classified as undefined/not declared.

Of those shortlisted 4% declared that they had a disability against 95% who declared they did not, 1% were undefined/did not declare. Of those successfully appointed 3.5% had declared that they had a disability against 88.5% who declared that they did not, 7% were undefined and 1% did not declare.

Internal Communications

Outside of the formal activities described above, we use several communications channels to ensure we are sharing information with our staff, which they can access easily.

This includes *Your Week*, the weekly email communication for staff which contains the latest news from throughout the Trust and key successes and achievements. This was launched in direct response to staff feedback from the listening events and replaced previous fortnightly communications for staff via email.

Following suggestions from our staff, we have also increased the opportunities for them to meet with members of the executive team face to face. These include 'Coffee with the Chief Nurse' which enables any member of staff to join the Chief Nurse for an informal chat, and 'CEO Direct' where any member of staff can come and to meet the Chief Executive Officer and ask him any question they may have.

Our executive team have also worked alongside our staff through the new 'Day in the Life of' programme, which involves our Chief Officers working a shift in different areas of the organisation. Some examples of this are our Chief Executive Officer spending time in the A&E department and the Chief Operating Officer, David Eltringham, working with the portering team.

Our 'Top Leaders' which include Clinical Directors, Modern Matrons and Heads of Service, also have a monthly face-to-face briefing with Chief Executive Officer and members of the executive team, where they receive key information updates and have the opportunity to ask questions.

We continue to review these methods and investigate other channels which we could use to engage with our staff; for example we are piloting a staff recognition scheme and redesigning our health and wellbeing days.

3.1.3 EQUALITY & DIVERSITY

During 2014/15, we have continued to demonstrate our commitment to promoting equality, by working towards eliminating discrimination, embracing diversity and developing services and a workforce that is representative of the wider community.

We have also fulfilled legislative requirements by ensuring that we have equality objectives in place that have been developed in partnership with a range of our internal and external stakeholders. We ensure that all policies and significant changes are assessed for impact on protected characteristic groups using our Initial Equality Impact Assessments.

As per the requirements of the Equality Act 2010, all relevant equality data is published annually on the Trust's website. The following is an indication of the ethnic and gender profile of the organisation as at April 2015.

Ethnic Analysis (As at 30 April 2015)				
Headcount				
	Board Members	Band 8+ & Clinical Directors & Medical Directors	All Others	Total
Not BME*	13	340	6545	6898
BME	0	41	1736	1777
Totals	13	381	8281	8675

Percentage				
	Board Members	Band 8+ & Clinical Directors & Medical Directors	All Others	Total
Not BME*	100%	89%	79%	80%
BME	0%	11%	21%	20%

* Includes "Not Stated"

Gender Analysis (As at 30 April 2015)				
Headcount				
	Board Members	Band 8+ & Clinical Directors & Medical Directors	All Others	Grand Total
Female	3	245	6580	6828
Male	10	136	1701	1847
Grand Total	13	381	8281	8675

Percentage				
	Board Members	Band 8+ & Clinical Directors & Medical Directors	All Others	Grand Total
Female	23%	64%	79%	79%
Male	77%	36%	21%	21%

Equality, Diversity and Human Rights Policy

The Trust has an Equality, Diversity and Human Rights Policy in place which states that the Trust will seek to treat all people equally and fairly. This includes those seeking and using our services, employees and potential employees. No one will receive less favourable treatment on the grounds of sex/gender (including Trans people), disability/ caring responsibilities, marital status, race/colour/ ethnicity/nationality, sexual orientation, age, religion or beliefs, pregnancy nor will they be disadvantaged by conditions or requirements which cannot be shown to be justifiable.

All staff (part time, full time, temporary, job share or volunteer), services users and partners will be treated equitably and with dignity and respect.

Human Rights

The Trust is committed to building an organisation that makes full use of the talents, skills, experience and different cultural perspectives available in a multi-ethnic and diverse society. We want people to feel they are respected, valued, are able to achieve their potential and receive the most appropriate relevant hospital care. We aim to create an environment where the human rights principles of **F**airness, **R**espect, **E**quality, **D**ignity and **A**utonomy (FREDA) are promoted and are part of the organisation's core values.

Exemplars of our human rights work include: Forget Me Not dementia lounge and the work of the elderly care team, our work with the deaf community, the refurbished bereavement suite, PictoComm easy read communication tool, staff Health & Wellbeing events, Dignity at Work workshops and the Supporting Blind Patients Training.

Supporting Patients

We are nearing the end of the 2014/15 Equality Action Plan which will be Red, Amber, Green (RAG) rated in line with the Department of Health's Equality Delivery System (EDS2) framework. This will enable us to identify how we are progressing against the agreed actions within the plan. The outcome of the RAG rating will be presented to a Trust Board meeting and published on the Trust's website.

Independent Advisory Group for Equality and Diversity (IAG)

The IAG has now been in place for two years and we are both pleased and encouraged by the commitment shown to the group by its members. Membership of the group includes representation from:

- Healthwatch
- Coventry City Council
- Coventry Carers' Centre
- African Caribbean Community Organisation Limited
- Tamarind Centre – Black Mental Health
- Coventry Refugee and Migrant Centre
- Community individual (gay/ lesbian community)
- Community individual (older people)
- Faith Centre
- Grapevine (people with physical/sensory/learning disabilities)
- Patient representative
- PALS (Patient Advice and Liaison Service)
- Communications
- Patient Information Centre
- Modern Matrons
- Ward Managers
- Staffside
- Volunteer Services
- Patient Experience

The IAG has further strengthened its influence in developing practice and policies that promote Equality, Diversity and Human Rights issues for both patients and staff.

During 2014/15, the group has taken presentations from various internal departments and external organisations and ensured the implementation of recommendations. These include:-

Coventry Resource Centre for the Blind (CRCB) Outcomes

- Visibility spots and improved door controls on rotating glass doors.
- Disabled WC sign incorporated on the main signage
- Button to contact staff from outside wards is being trialled.
- Obtained training resources for wards.

Coventry Deaf Community/British Deaf Association (BDA)

Outcomes

- Introducing text messaging service at car park barriers/payment machines.
- Deaf community participation in hospital consultations, surveys and research.
- Significant number of deaf people attending members' events.
- Equality and Diversity team attending Deaf Club to update members on progress.
- UHCW signing up to up to elements of the BDA British Sign Language Charter.

Patient Experience Team

Outcomes

- IAG provided feedback on patient information format.
- IAG commented on Together Towards World Class patient experience plan.
- Equality and Diversity team have worked in partnership with Patient Experience Manager as well as Volunteers Manager developing training package for blind/visually and deaf/hearing impaired patient care.
- IAG commented on Friends Family Test (FFT) questionnaire format.

Together Towards World Class programme lead (TTWC)

Outcomes

- IAG provided feedback on the Trust's organisational development programme – TTWC.
- IAG commented on Patient Experience stream for TTWC programme.

Communications Team

- IAG explored and provided feedback for a Trust TTWC corporate video.

Chief Human Resources Officer and Director of Estates

- Provided Senior Managers with update regarding progress of the IAG and to inform them of recommendations from previous presentations.

Supporting Staff

As well as maintaining over 90% compliance for Equality and Diversity mandatory training, the Equality and Diversity team has provided bespoke training to teams and departments according to their needs. Advice, guidance and support is provided to individual and teams on all aspects of equality, diversity and human rights.

The Trust launched its Together Towards World Class (TTWC) organisational development programme last year. Equality and Diversity features strongly in the leadership element of the programme. There will be regular masterclasses which will enable our leaders to explore how they can use diversity to benefit staff, patients and the local community.

Partnership working within the Trust is a crucial element of the work of the Equality and Diversity team, in particular, where it impacts on patient care and experience. This has included leading on the Trust's Engagement Strategy, which identifies why we want to engage with patients, communities, staff, partners and stakeholders. Further work is currently taking place to develop plans which will support and underpin the strategy.

3.1.4 Research and Innovation

Research is an integral component of providing world-class services, which is a key work stream in our Together Towards World Class programme. It enables us to lead innovation and development, which in turn enables us to provide the highest quality and most effective patient management. It ensures that we are a leader rather than a follower within healthcare provision and enables us to attract and maintain highly skilled and motivated staff. As a university hospital we are working closely with the University of Warwick to develop a joint strategy between our two organisations.

We are also committed to implementing the national 'Innovation, Health and Wealth' agenda. Our Research and Development (R&D) strategy continues to evolve to reflect the changing priorities and our R&D Team has been restructured to incorporate responsibility for 'Innovation'.

Our major research themes include Metabolic and Cardiovascular Medicine, Reproductive Health, Musculoskeletal and Orthopaedics and Cancer. These are complemented by additional areas of clinical research activity, a growing amount of which is being led by our nurses, midwives and allied health professionals. We are both delighted and proud that research is extending beyond more traditional boundaries and we are developing infrastructure to support this.

In this section we will explore some of research activity that has taken place in 2014/15.

Human Metabolism Research Unit (HMRU)

The unit is a custom built world class facility designed to measure and analyse all facets of how we create and use energy. It opened in 2011 and has received significant national and international recognition. It contains a range of equipment capable of measuring a variety of anthropometric characteristics (e.g. height, weight, percentage body fat, etc.) and centres around two state-of-the-art whole body calorimeters, through which detailed 24-hour energy profiles can be generated for an individual. Such in-depth knowledge of an individual's energy expenditure opens up new avenues of metabolic research with the potential to develop new treatments and drugs. The unit helps us to understand the nature of metabolism and metabolic disorders, and uncovers new relationships between diet composition, lifestyle and long-term health implication in the population at large. This facility is a unique combination of technology, multidisciplinary expertise and advanced medical care which produces a novel environment that is capable of cutting edge research.

Biomedical Research Unit

In conjunction with the University of Warwick, we have appointed two world-class professors in implantation who head our new showcase unit. Our aim is to become the National Centre for Research in Implantation in Pregnancy, and to improve the management and outcome of prevalent pregnancy-associated disorders by conducting clinical studies that are underpinned by innovative, basic and translational research. The Unit will achieve its goal by integrating the clinical strengths of our Department of Obstetrics and Gynaecology with the scientific expertise available in the Division of Reproductive Health, and elsewhere within Warwick Medical School and the University of Warwick. There is also a developing midwifery-led research portfolio, which focuses on patient experience and we have committed funding for five years to support this initiative. This year the team secured its first National Institute for Health Research (NIHR) grant to run a national study into the use of anticoagulant therapy in the prevention of miscarriage.

Trauma and Orthopaedic Surgery Research Group

The group continues to be the most successful in terms of attracting NIHR funding. The research activity of the group focuses predominantly on the clinical effectiveness of surgery; carrying out clinical research to determine whether surgical procedures work, and where there are choices, which procedures are the most effective.

Our strategy to support our staff to develop their own research ideas and apply for funding has resulted in grant awards over £25 million in the past five years. Our increasing success and collaboration with academic partners means that our allocation from NIHR's 'Research Capability Funding' in 2012, has increased significantly, from less than £100,000 in 2012 to over £900,000 in 2015, which places us in the top 10% of NHS Trusts. In the last three years, over 500 publications have resulted from our involvement in research, helping to improve patient outcomes and experience across the NHS.

Participation in Research Trials

We consistently exceed our target for the number of patients that participate in research trials. During 2015 a total of 4,788 patients entered into our research studies, which is a 5% increase on the previous year. We aim to build on this success and exceed 5,000 patients in 2015/16.

Innovation Champions

We have invested in a number of 'Innovation Champions' who are clinicians, nurses and managers tasked with developing a responsive innovation culture within our organisation. We have developed robust systems to identify, protect and exploit any intellectual property that we create and recent investments into promoting innovation and capturing ideas have resulted in a significant increase in the number of disclosures.

We currently have 34 ideas that are in the development and / or pre-negotiation stage, with 9 licensed to external parties. In addition, we have been awarded over £1million in NIHR's 'Invention for Innovation' funding to develop a new diagnostic test for stroke and a spinal immobilisation device to protect patients' spines following an accident.

Awards

In January 2014, we were proud to win the 'PharmaTimes' NHS Research Site of the year, a nationally competitive award that demonstrates our ability to work closely with commercial partners and we are proud to report that we have also won this award in 2015.

Supporting Our Staff

We are committed to supporting nurses, midwives, allied health professionals (NMAHPs) and health care scientists to develop as the research leaders of the future. To this end, in 2014, we undertook a survey of nurses, midwives, allied health professionals (NMAHPs) and healthcare scientists, looking to assess the current level of research activity amongst these groups and how we could support them. This information has been used to develop different means for staff to get involved in research.

This year, five NMAHPs secured places on the regional Clinical Academic Internship Programme and two of our staff were selected to act as mentors for the programme. The Trust has also awarded a fellowship to enable one member of staff to develop their own research project and apply for further funding; this scheme will be further developed in 2015/16. NMAHP-led research has attracted funding for a number of projects this year, ranging from clinical trials into the best way to manage Achilles tendon injuries, educational support for pre-dialysis patients, review of out of hours admissions, and an evaluation of providing quiet time for mothers after the delivery of their babies.

3.2 SUSTAINABILITY REPORT

Sustainability is at the heart of the Trust, but to be truly sustainable it must support business growth and add value. It has been a good year for sustainability, as the work develops in line with the Sustainable Development Management Plan. The plan identifies several key objectives for the short term alongside the longer term, which are aligned to the national carbon reduction targets, as we work towards 34% reduction in CO_2 output by 2020. The Trust plan tackles the main areas of sustainability to reduce CO_2 emissions and reduce the use of finite resources, whilst improving the patient environment.

Healthy Sustainable Travel

We are en route to a sustainable future, this has been a very busy year for healthy travel which is a key sustainability object, making as many of our services accessible in the most sustainable way, to improve access to the Hospital and the community we serve.

This year has seen full participation in the Smart Networks, Smarter Choices programme run by Centro. We have worked with Centro to review our travel plan and increase the targets for the year. Out of the 24 new targets only three remain which will be complete by the end of July 2015. Centro have brought their expertise to University Hospital with regular events promoting public transport and offering reduced price ticketing through the new Coventry nBus ticket, allowing for the first time travel on any bus in Coventry rather than operator specific tickets. The 'try before you buy' scheme, providing weekly passes to staff for no charge to break down the barriers to bus travel is a simple but effective way to get passengers on the bus.

Cycling is always popular. We have seen new levels of enthusiasm as Sam Cooke and the Bikeright team held regular cycle surgeries throughout the year, offering free checks of staff bikes and the Police offering security advice and security marking. We were also fortunate enough to be able to make loan bikes available for staff to get them back on the road, for many the first time on a bike in over 10 years.

The first new cycle route in Coventry opened this year starting at University Hospital. Cycle route 3 links the Hospital to Henley College in the north of the City, as part of the off-site road improvements, and at the same time works have started to improve traffic flows for healthy travel on site.

The success of the cycle events and the additional works to site have led the Trust to win Gold as a Top Cycling Site which came with a £1,000 cash prize. As part of Smart Network, Smarter Choices, we were awarded £10,000 and these monies have been used to provide new cycle facilities for staff and visitors.

The Trust has been selected as a case study by Centro, Smart Networks, Smarter Choices Team and the video is on the Smarter Choices web site, featuring comments from the Trust Sustainability Manager.

We have always valued our partnership working as the only way to a sustainable future, this year has been no different, with travel partners National Express Coventry we have built up the public transport profile. Hosting regular events across University Hospital ensuring that representatives are on hand for every induction to promote healthier travel options to new starters, providing tailor made travel planning; alongside expert guidance on travel options.

Partnership working

The way to a sustainable future is through partnership, UHCW NHS Trust is continually working to extend its sustainability partnership, to increasing learning and sharing. As part of our commitment to Corporate Social Responsibility we work with our partners on collaborative strategies for public engagement for a sustainable future.

Through partnership and our commitment to engage with the younger audiences, we have increased our sustainability engagement across the education sector. This year included work placements with:

- Higham Lane School
- Prince's Trust
- Warwick University, Green Steps Programme

to training sessions with:

- Foxford School
- Prince's Trust

This has provided the Trust with enthusiastic students keen to work and develop with a valuable opportunity for the Trust. This has given students a chance to work within sustainability in a healthcare setting gaining experience on actual work projects as well as providing valuable opportunities for the Trust.

The Trust is pleased to be part of Sustainability West Midlands (sustainability champions for the region as designated by the Government) and the West Midlands NHS Sustainability Network, of which Clive Robinson, UHCW Sustainability Manager is the Chairman.

NHS Sustainability Day has always been part of the UHCW NHS Trust calendar and this year was no different, with a focus on healthy travel. Several events were run before, during, and after the day with partners Centro, Smart Networks, Smarter Choices, Bike Right and National Express Coventry. The Trust challenged all the NHS Trusts in the West Midlands to compete to reduce CO_2 through sustainable travel choices, starting on NHS Sustainability Day.

As part of NHS Sustainability Day, the Trust also planted two trees at 2pm as part of the NHS Forest national event. This year we were kindly helped by the Walsgrave CE Primary School Eco-team who planted an oak and a sycamore in the grounds of the school. Many thanks to the Eco-team and teacher Daisy Morgan.

The Trust was honoured to host one of the NHS Sustainability Day road shows at University Hospital which was deemed a great success. The Trust was awarded Highly Commended for its work on healthy sustainable travel at the NHS Sustainability Day awards in 2014.

GLOBAL GREEN and HEALTHY HOSPITALS

The Global Green and Healthy Hospitals Agenda form the foundation of the network, which is a project of Health Care Without Harm. By endorsing the Agenda and committing to begin by implementing at least two of its goals, hospitals and health systems can join the Network.

The Trust joined in May 2014, reiterating its commitment to sustainable healthcare, through making international commitment to increase healthy travel and reduce energy.

Biodiversity Action Planning

The natural environment is key to the work at UHCW NHS Trust, with development of external spaces for patients, staff and community, whilst improving habitats for flora and fauna. There has been some initial works of data collection of species types, but it is now time to build on this and create a biodiversity action plan over the next 12 months.

CENTRE for SUSTAINABLE HEALTHCARE
inspire • empower • transform

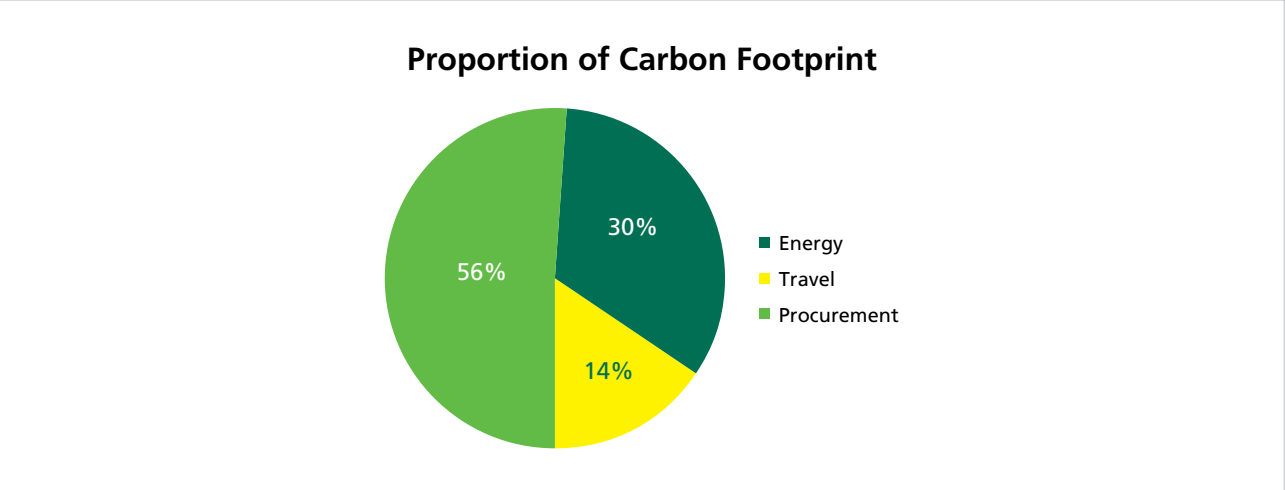
NHS FOREST
growing forests for health

This year, the Jubilee Nature Reserve at University Hospital received an international visitor, Dr Karina Patricio, Physician and Professor at University Brazil in the Faculty of Medicine of Botucatu.

Part of Dr Patricio's time was spent visiting NHS Forest sites, including the Jubilee Nature Reserve. Dr Patricio spent half a day looking at the reserve and talking to those involved, as well as those who use the area.

Finite Resource Consumption – Water				
Waste	**2011/12**	**2012/13**	**2013/14**	**2014/15**
Non – Financial Indicators (tonnes)				
Hazardous Waste Total	1,487	1,384	1,285	
Clinical	1,378	1,371	1,262	
Cytotoxic/Cytostatic	10.4	8.8	8.8	
Medicine	4.6	4.4	4.4	
Other	0	0	0	0
Non-Hazardous Waste				
Landfill	183	992	814	
Reused/recycled	77%	42%	61%	
Incinerated	1,487	1,384	1,285	
Financial Indicators (£)				
Total Disposal Cost	736,075	997,086	699,086	
Hazardous Waste – Total Disposal Cost	521,047	501,389	496,183	
Non-Hazardous total disposal cost				
Landfill	170,666	119,851	119,970	
Reused/Recycled	28,475	64,071	41,911	
Composted	0	0	0	0
Incinerated with energy recovery	521,047	501,389	469,183	
Incinerated without energy recovery	0	0	0	0
Performance Commentary (including Targets)				
We have a target of a 5% reduction in waste sent to landfill over the next three years.				
Controllable Impacts Commentary				
There is more to be done in waste reduction. New procedures are being put in place during 2015/16 that will improve segregation and improve on targets.				
Overview of Influenced Impacts				
The improved segregation has given a clearer picture of waste opportunities, which we will capitalise on during the next 12 months.				
Non – Financial Indicators (M^3)				
Water consumption				
Supplied	307,192	299,588	302,856	
Abstracted	0	0	0	0
Financial Indicators (£)				
Water Supply Cost	548,829	522,484	535,417	
Performance Commentary (including Targets)				
We have set a target of 7% water reduction target over three years which is on target, water usage continues to fall.				
Controllable Impacts Commentary				
Improved measurement and monitoring are in place which should provide reduction in 2015/16.				
Overview of Influenced Impacts				
The work in 2014/15 has shown a reduction, there is more work to be done, however the trend is reduction.				

Note: The above report has been prepared in accordance with guidelines laid down by HM Treasury "Public Sector Annual reports: Sustainability Reporting Guidance for 2013/14 Reporting" published at www.financial-reporting.gov.uk, The NHS Sustainable Development Unit Guidance: A Guide to Reporting on Sustainability in Annual Reports. Emissions accounting includes all scope 1 and 2 emissions along with separately identified emissions related to official travel. DEFRA conversion rates have been used as directed in Environmental Reporting Guidelines: Including mandatory greenhouse gas emissions reporting guidance.



Sustainable Procurement

Procurement is the major part of the Trust carbon footprint, work has begun to understand and reduce carbon within the supply chain. The work of the past year has been highlighting the issues within new projects; so managers have sight of the whole life cost, alongside the carbon consequences.

3.3 CARE QUALITY COMMISSION (CQC) REGISTRATION

We are registered with the Care Quality Commission to provide nine regulated activities at our two sites and we have maintained registration throughout 2014/15 without any compliance conditions being imposed.

In order to maintain registration we are required to demonstrate compliance with the CQC's Fundamental Standards of Quality and Safety. CQC assesses compliance with the standards through Intelligent Monitoring and inspection, and has developed a new, in-depth approach to its inspection regime. These comprehensive inspections typically involve 40-60 people and include clinicians and 'experts by experience'. Public, patients and staff also have an opportunity to share their views about services.

The CQC continues to make unannounced responsive inspections where they have concerns about quality or safety and thematic reviews to evaluate the quality of a care pathway or a specific area of service provision.

We have not had any unannounced visits from the CQC during 2014/15, but we had a comprehensive inspection that commenced on 10 March 2015. We are still awaiting receipt of the final report but once this has been issued by CQC, it will be published on their website: **www.cqc.org.uk**

3.4 NHS LITIGATION AUTHORITY

The NHS Litigation Authority (NHSLA) is a Special Health Authority that was set up to handle negligence claims made against its member organisations. We are a member of the following NHSLA schemes:

- Clinical Negligence Scheme for Trusts (CNST).
- Liabilities to Third Parties Scheme (LTPS).
- Property Expenses Scheme (PES).

All NHS organisations can apply to become scheme members and pay an annual contribution that is based upon a number of criteria. All of our Specialty Groups receive regular reports detailing the claims that have been made against them alongside complaints information which allows them to triangulate and identify areas for improvement.

PART 3

Financial Performance Overview 2014/15

Statement from David Moon, Chief Finance and Strategy Officer

The year has been extremely financially challenged across the NHS. Despite full achievement of the Trust's Cost Improvement Plan, additional pressures have led to a reported deficit of £16.9m. The Trust has therefore not met the in-year break-even duty.

This section sets out the key features of the Trust's financial performance in 2014/15.

A full set of accounts is attached including:

- Statement of Comprehensive Income.
- Statement of Financial Position.
- Statement of Changes in Taxpayers' Equity.
- Statement of Cash Flows.

Regrettably we must report that the Trust has not met its key financial duty to break-even against the statement of comprehensive income. The Trust delivered a deficit against its break-even duty of £16.9 million after adjusting for a number of technical adjustments, which are described in the review of key financial targets below.

The financial performance reflects a challenging operational position which witnessed increases in emergencies of rising acuity and dependency resulting in increasing cancelled operations and a reduction in elective activity and income. The year also saw significant increases in agency costs predominantly for medical and nursing staff. This has created additional financial pressures in excess of the planned cost improvement target set. The Trust over delivered against the planned cost improvement plan, achieving £33.8m of savings; 6% of Trust turnover.

Despite the financial position, delivery of the cost improvement target is still a significant achievement. This could not have been achieved without the efforts of all staff groups throughout the organisation and we should like to place on record our thanks and appreciation for their hard work for this.

KEY FINANCIAL TARGETS

It is important to understand how performance against the break-even duty is calculated to access performance against key targets. In its Statement of Comprehensive Income, the Trust recorded a deficit for the year of £9.5 million, which the Department of Health requires to be adjusted for the following:

- The impact of the impairment (or reversals of impairments) of non-current assets is excluded from the break-even duty calculation;
- With the introduction of International Financial Reporting Standards (IFRS) in 2009/10, the majority of NHS PFI schemes needed to be accounted for within the Statement of Financial Position. However, in order to comply with HM Treasury Consolidated Budgeting Guidance, the incremental revenue impact of the accounting changes should be excluded from the financial performance of NHS Trusts; and
- HM Treasury guidance on the interpretation of IFRS concerning accounting for donated assets required the removal of the donated assets reserve in 2011/12. However in order to comply with HM Treasury Consolidated Budgeting Guidance, the impact of this accounting change should also be excluded from the financial performance of NHS Trusts. This can result in either a positive or negative adjustment.

The table overleaf reconciles the position reported in the Trust's Statement of Comprehensive Income to its performance against its break-even duty:

	£'000
Surplus for year as per Statement of Comprehensive Income	-9,460
Exclude impact of impairments (incl. reversals) of non-current assets	799
Exclude impact of impairments (incl. reversals) of PFI assets	-8,266
Exclude impact of IFRS on PFI	0
Exclude impact of the removal of the donated assets reserve	27
Performance against the break-even duty (surplus)	**-16,900**

The table below shows the Trust's performance against each of its key financial duties:

Duty	Target	Performance	Target Met
Break-even on its Statement of Comprehensive Income (this requires the Trust to ensure that total expenditure does not exceed the total income it receives)	**Break-even**	**£16.9 million deficit** (after allowable adjustments) **Target missed** Prior to 2014/15, the Trust had a cumulative performance against the break even duty of a surplus of £20.549m. At the end of 2014/15 this had reduced to a surplus of £3.649m	✗
Remain within its approved External Financing Limit (EFL) (this requires the Trust to remain within the borrowing limits set by the Department of Health)	**£22.565 million** (this required the Trust to ensure that net borrowing plus decreases in cash balances did not exceed this sum)	**£20.977 million** **£1.588 million undershoot** Target achieved (the Trust is permitted to undershoot its EFL).	✓
Achieve a capital cost absorption rate of 3.5% (this requires the Trust to pay a dividend to the Department of Health equal to 3.5% of the average value of its net relevant assets)	**3.5%**	**3.5%** **Target achieved**	✓
Remain within its approved Capital Resource Limit (CRL) (this required the Trust to spend no more than this sum after adjusting for asset disposals and the receipt of donated assets)	**£24.065 million**	**£19.429 million** **£4.636 million under spend** **Target achieved** (the Trust is permitted to under spend against its CRL).	✓

KEY FINANCIAL CHALLENGES

The Trust commenced 2014/15 with three major financial challenges:

- To identify and deliver £33.5 million of savings in order to achieve a planned surplus of £1.8 million in year.
- To secure external financing to support the Trust's capital expenditure programme; and
- To continue to improve its liquidity position in order to support its application for foundation trust status.

NHS FINANCIAL FRAMEWORK – SAVINGS REQUIREMENT

All NHS organisations are expected to identify and deliver cash releasing efficiency savings each year, which given the economic climate and the overall need to reduce public sector expenditure, required the delivery of savings programmes of at least 4% in this financial year. In reality however, the level of savings required in any one organisation will vary from the national target dependent upon a number of factors including the differential impact of changes to the national tariff, organisation specific costs pressures (including inflation) and other changes to income resulting from contract negotiations with commissioners.

After taking into account the Trust's specific circumstances, its savings requirement was calculated to be £33.5 million, which equates to approximately 6% of the Trust's turnover. The Trust fully delivered the planned cost improvement target.

CAPITAL PROGRAMME – EXTERNAL FINANCING REQUIREMENT

Whilst a significant proportion of the Trust's annual capital investment requirement is covered by the lifecycle replacement programme for equipment provided under the PFI contract, there remains a significant proportion of medical equipment, ICT hardware and software and the reconfiguration or upgrading of hospital buildings that fall outside of the PFI contract.

For 2014/15, the Trust's non-PFI capital investment programme exceeded the amount of internally-generated funds available, and therefore the Trust was again reliant upon the receipt of external financing to fund the programme.

The Trust submitted an application to the Independent Trust Financing Facility (ITFF) during the year and eventually received approval to draw down a capital investment loan of £8.9 million towards the end of the financial year. The financing was provided in the form of an interest bearing loan (repayable over ten years).

With the loan financing secured, alongside other capital investment funds (including donations, finance leases, asset disposals and other internally-generated funds) the Trust was able to undertake non-PFI capital investment in medical equipment, hardware/software and building reconfigurations and upgrades totalling £10.9 million. However, due to the late confirmation of the availability of funding, schemes totalling approximately £4.0m were not completed during the year and will be carried forward to the capital programme for 2015/16.

IMPROVEMENT OF THE TRUST'S LIQUIDITY POSITION

The liquidity metric measures the number of days the Trust could continue to operate without any income coming into the organisation. The metric was changed in 2013/14 with the introduction of the Continuity of Service Risk Rating (CoSRR) which replaced the Financial Risk Rating (FRR) system and takes into account the cash in the bank, the value of invoices raised but not yet paid and the amount of money the organisation owes to its creditors and for loans (under FRR the metric also included a theoretical working capital facility).

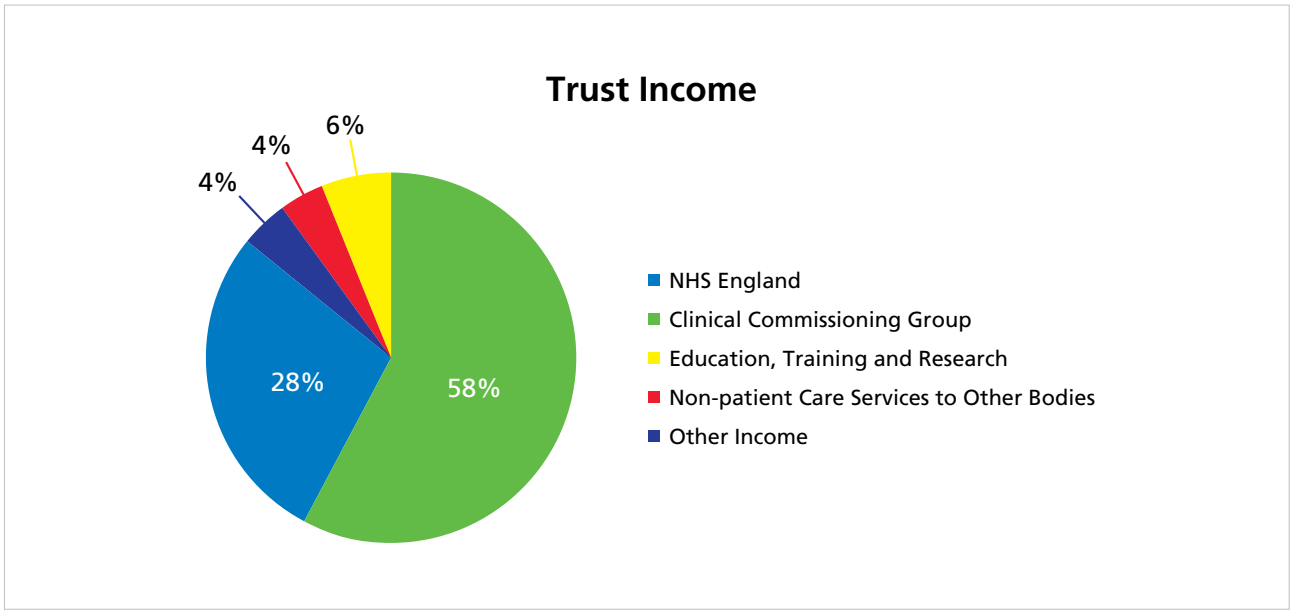
During 2014/15, the Trust's liquidity metric stood at approximately -17.4 days under CoSRR. Despite this, improved treasury management performance meant that the Trust was able to maintain good performance against the better payments practice code (91% of invoices by value were paid with 30 days of receipt of a valid invoice) and maintain a year-end cash balance of £0.6 million.

Discussions with the NHS Trust Development Authority (TDA) around options for improving the Trust's underlying liquidity position have confirmed that, in the short term, working capital requirements will be met in year through the Independent Trust Financing Function process. A long-term solution to improving the Trust's underlying liquidity position is unlikely to be agreed until the Trust has attained foundation trust status.

FINANCIAL HIGHLIGHTS

The year saw a continued growth in income, operating expenditure (excluding impairments) and capital investment (on the Trust's estate, medical equipment and IT infrastructure). The summary headline financial information for 2014/15 (compared with 2013/14) is shown in the table below:

Key Figures	2014/15 £'000	2013/14 £'000
Revenue accounts		
Operating income (turnover)	**550,196**	528,881
Retained surplus / (deficit) for the year	**-9,460**	10,863
Breakeven performance (after technical adjustments for impairments, PFI and donated assets)	**-16,900**	214
Efficiencies achieved	**33,800**	17,000
Assets		
Total assets	**455,446**	433,757
Cash and cash equivalents	**655**	893
Capital investment	**21,251**	21,378
Borrowing		
Long-term borrowing – PFI liabilities	**263,885**	269,814
Long-term borrowing – other	**14,078**	8,099
Short-term borrowing – PFI liabilities	**5,929**	8,178
Short-term borrowing – other	**2,863**	2,041



WHERE DOES THE TRUST'S INCOME COME FROM?

During 2014/15, the Trust recorded total revenue of £550.2 million. This represents an increase of 4% when compared with total revenue of £528.9 million in 2013/14. This increase was primarily due to the increased activity levels for inpatients (3.2%) and outpatients (7.8%) experienced during 2014/15.

The chart below shows the key sources of income for the Trust in 2014/15. The combined proportion of income from Clinical Commissioning Groups and NHS England for the provision of care and treatment to patients is 86% and is broadly similar in split to that received in 2013/14.

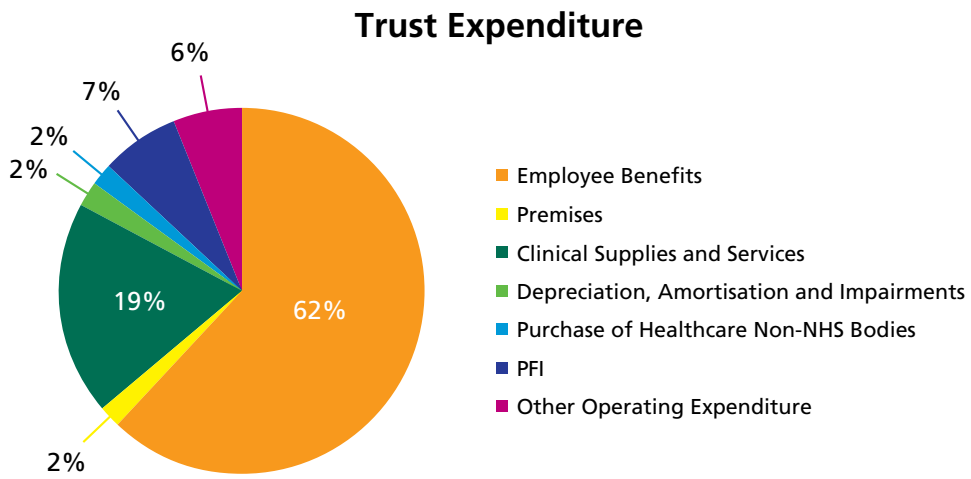
HOW DOES THE TRUST SPEND THE MONEY IT EARNS?

The Trust's operating expenditure for 2014/15 totalled £529.7 million and represents an 7.7% increase over total operating expenses of £491.8 million in 2013/14. If impairments (and impairment reversals) are excluded, operating expenses for 2014/15 would be £538.1 million compared with £501.6 million in the prior year – an increase of 7.3%.

The largest cost element continues to relate to salaries and wages, with the average number of people employed during the year being 6,918 whole time equivalents at a total cost of £325.8 million, which equates to 61.5% of total operating expenditure. This compares with 6,529 whole time equivalents with a cost of £306.5 million in 2013/14, equating to 62.3% of operating expenditure. A number of factors have contributed to this increase in cost including a 1% pay award, staff pay increments, an increased use of agency staff, changes in skill mix and a significant investment in staffing to support the delivery of emergency care services.

Clinical supplies and services (including drugs and other medical/surgical consumables) are also a significant cost element and amounted to £101.2 million, which equates to approximately 19.1% of day-to-day operating expenses. This compares with expenditure of £90.5 million in 2013/14 and represents an increase of 11.8%, which can be directly attributed to the increases in both inpatient and outpatient activity seen during the last year.

The total charged in year to operating expenditure in respect of the service element of the private finance initiative hospital was £37.7 million and continues to represent around 7.1% of total operating expenditure.



Charges relating to the depreciation, amortisation and impairment of property, plant and equipment and intangible assets totalled £9.8 million compared with £8.5 million in the previous year. As explained in the section on key financial targets, impairments are excluded from the assessment of the Trust's financial performance.

Other operating expenditure totalled £55.3 million in 2014/15 and included the following key items of expenditure:

- General supplies and services £3.9 million
- Establishment expenses £9.2 million
- Insurance costs £8.7 million
- Research and developments £4.1 million
- Healthcare purchased from non-NHS organisations £9.8 million
- Premises £9.4 million

The chart below compares expenditure by category. The breakdown of costs remains broadly similar to that in the previous year (with the exception of depreciation, amortisation and impairment charges).

OTHER COSTS

Due to continuing low interest rates, the Trust continued to earn only very modest levels of interest on its cash balances during the past year (£0.08 million).

The Trust also incurs significant financing costs which totalled £27 million in 2014/15 – this represents an increase of approximately £1.6 million (6%) from the previous year. The most significant element of the Trust's finance costs is the interest paid in relation to the PFI contract which amounted to £26.6 million in 2014/15, an increase of around £1.4 million (6%) compared to the previous year. The Trust also paid interest on its loan from the Department of Health – this amounted to £0.3 million during the year.

In addition to the above costs, the Trust is also required to pay a dividend to the Department of Health equivalent to 3.5% of the average of its opening and closing net relevant assets for the year. The dividend payable for 2014/15 is £2.9 million.

CAPITAL EXPENDITURE

The Trust is required to contain capital expenditure within an annual limit (Capital Resource Limit) which is agreed with NHS Trust Development Authority. This limit is informed by the Trust's long-term capital plan which must ensure that sufficient resources are generated from its operating activities and borrowing to finance the Trust's future capital investment programme. Surpluses of income over expenditure can also be used to finance the Trust's strategic capital investment needs.

In addition to its day-to-day operating expenses, £21.3 million was invested in new or replacement capital assets in 2014/15. This includes £10.4 million of capital additions received by the Trust under the PFI contract and £0.2 million of donated assets.

The Trust managed its capital programme effectively during the year and recorded an under spend of £4.6 million against its capital resource limit (CRL). The under-spend was mainly attributable to the late confirmation of the Trust's application for capital financing and it is anticipated that approximately £4.0 million of schemes will be carried forward into the capital programme for 2015/16.

CASH AND WORKING CAPITAL

The Trust's cash balance at the year-end was £0.6 million as at 31 March 2015. This is a small movement from the opening balance.

The Trust has met all of its loan repayments due in year and has a balance of £15.650 million remaining on a capital investment loan. This is comprised of two capital investment loans as follows:

- £15m which was drawn down in 2009 and is repayable over 10 years (current balance £6.75m) This loan is repayable at a rate of £1.5 million per annum and will be fully repaid by September 2019.
- £8.9m which was drawn down in 2014 and is repayable over 10 years (current balance £8.9m). This loan is repayable at a rate of £0.89 million per annum and will be fully repaid by September 2024.

The Trust's management of its cash balances, loans and PDC during the year ensured that the Trust met its statutory duty to remain within its External Financing Limit for the year, recording an undershoot of £1.6 million.

PAYING SUPPLIERS ON TIME

In addition to its key financial duties, the Trust is also required to comply with the better payment practice code. This requires the Trust to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust's performance against this target is summarised below:

The Trust's performance shows a marginal overall improvement from the previous financial year in volumes, but a slight deterioration in value terms. The increased agency usage has led to a significant increase in the volume of invoices up 43% on 2013/14.

Better payment practice code	2014/15		2013/14	
	Number	£'000	Number	£'000
Total non-NHS trade invoices paid in year	117,822	348,221	82,217	287,350
Total non-NHS trade invoices paid within target	106,387	315,592	73,420	265,706
% of non-NHS trade invoices paid within target	90%	91%	89%	92%
Total NHS trade invoices paid in year	3,044	81,704	2,978	80,092
Total NHS trade invoices paid within target	1,664	76,288	1,861	76,556
% of NHS trade invoices paid within target	55%	93%	62%	96%
% of all invoices paid within target	89%	91%	88%	93%

FINANCIAL OUTLOOK

The financial pressures on the NHS are set to continue with significant levels of efficiency savings being required for the foreseeable future. The negotiation of healthcare contracts for 2015/16 has been completed and the associated income and activity agreed. The Trust's overall financial plan has been developed in the context of the agreed operational plan and requires it to deliver efficiency savings of £34 million or approximately 6% of turnover. Key factors underpinning this savings requirement include:

- Deflation of the national tariff;
- Cost pressures (including inflation); predominantly arising from the growth in emergency activity in the health system,
- The requirement of commissioners to deliver their Quality, Innovation, Productivity and Prevention agenda (which impacts upon the type and quantity of services commissioned from the Trust and the consequent impact upon income and costs).
- The requirement for premium cost agency staffing.

The level of cost savings required in 2015/16 represents a major challenge which will need to be sustained for the foreseeable future. In order to respond to this challenge the Trust has:

- Strengthened its planning to ensure consistency between activity delivery, capacity and workforce;
- Embarked upon a new organisational development strategy, 'Together Towards World Class', which aims to transform service delivery across the Trust and ensure the provision of high quality, efficient and effective health services.
- Worked with partners from across the health economy as part of the System Resilience Group aimed at improving emergency care pathways and reducing pressure on acute beds with resulting benefits to the elective pathway.

In addition to the cost improvement plan, the Trust will need to mitigate the risk of rising costs and ensure financial sustainability in the longer term.

To do this the Trust has formulated a financial recovery plan overseen by all Chief Officers. This will closely link to both the cost improvement plan and the longer term transformation of services.

CONCLUSION

The 2014/15 position is a symptom of the rising challenges faced by the NHS. Emergency pressures have led for the need for short term capacity resulting in premium costs.

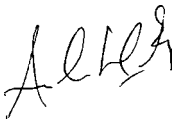
The recovery plan, together with the cost improvement programme sets to address this.

FINANCIAL ACCOUNTS

The full set of Accounts is included within this report. The accounts have been prepared on a going-concern basis and in accordance with International Financial Reporting Standards (IFRS) and the Trust's accounting policies. Their preparation has been guided by the Manual for Accounts 2014/15.

ACCOUNTING POLICIES

The Trust's accounting policies are in accordance with directions provided by the Secretary of State for Health and follow International Financial Reporting Standards and HM Treasury's Government Financial Reporting Manual to the extent that they are meaningful and appropriate to the NHS.



Andy Hardy
Chief Executive Officer

PART 4

Directors' Report 2014/15

1.1 Overview

It is the responsibility of the Directors of the Trust to prepare the Annual Report and Accounts. The Trust Board considers that the Annual Report and Accounts, 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.

1.2 DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that as far as they are aware there is no relevant audit information of which the NHS body's auditors are unaware and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS body's auditors are aware of that information.

1.3 MEMBERS OF THE TRUST BOARD

In 2014/15 there were a number of changes to our Trust Board. In accordance with our NHS Trust establishment order our Trust Board comprises:

- A Non-Executive Chairman
- Six Non-Executive Directors
- Five Executive Directors
- One Non-voting Trust Board member

The members of our Trust Board during 2014/15 were as follows:

Chairman
Andrew Meehan

Chief Executive Officer
Andrew Hardy

Chief Finance Officer
Gail Nolan *(left the Trust 4 December 2014)*

Chief Finance & Strategy Officer
David Moon *(started 5 December 2014)*
Previously in post as Chief Strategy Officer

Chief Medical Officer/Deputy CEO
Meghana Pandit

Chief Nursing Officer
Mark Radford

Chief Operating Officer
David Eltringham

Chief Human Resources Officer*
Ian Crich *(left the Trust 19 October 2015)*

Interim Chief Human Resources Officer*
Ken Hutchinson *(left the Trust 6 May 2015)*

Non-Executive Directors

Barbara Beal
Ian Buckley
Ed Macalister-Smith
Trevor Robinson
Brenda Sheils
Samantha Tubb *(left the Trust 31 July 2014)*
Peter Winstanley

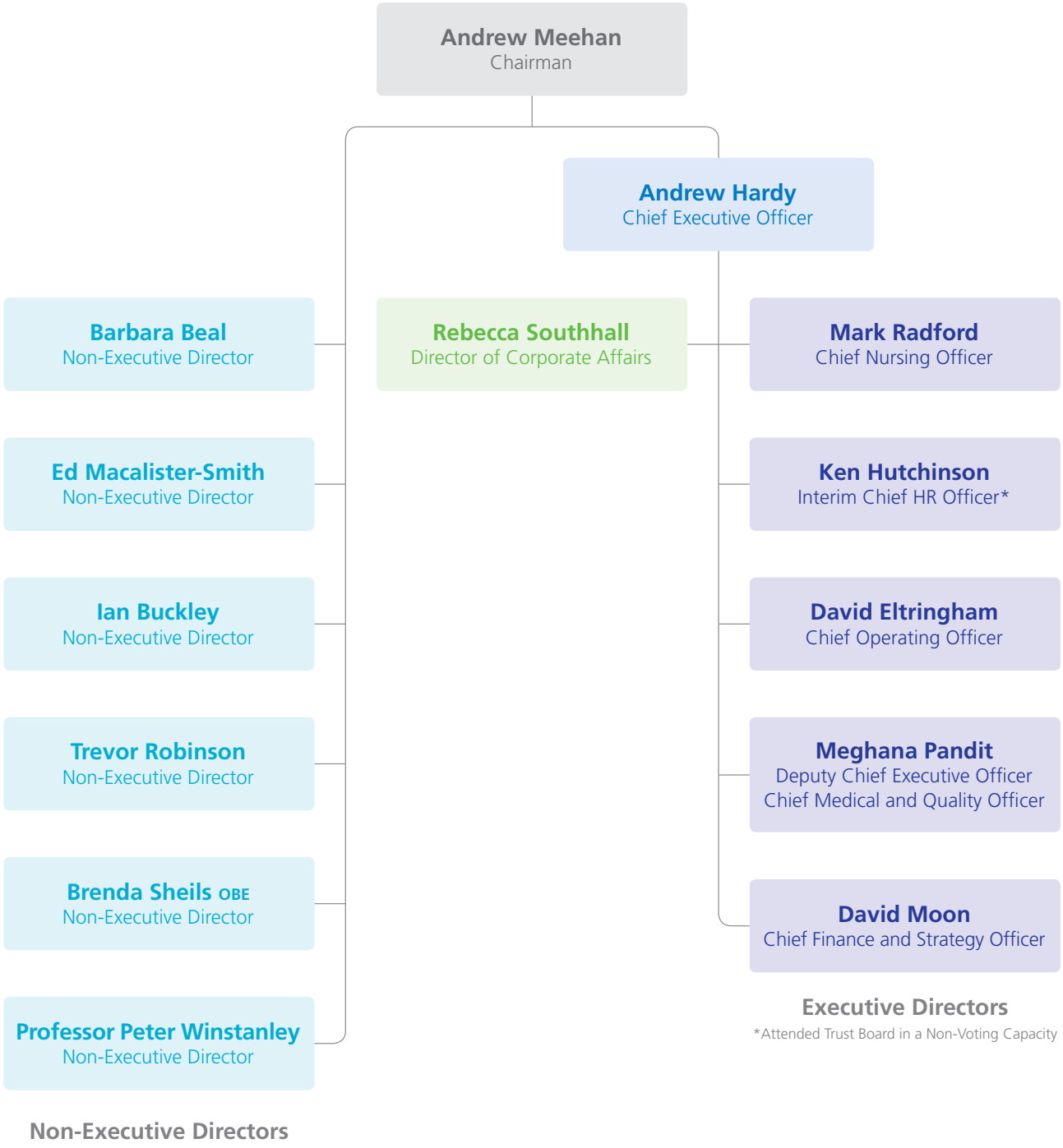
1.4 MEMBERS OF THE AUDIT COMMITTEE

The Audit Committee comprises the following Non-Executive Directors:

Trevor Robinson *(Chair)*
Ed Macalister-Smith *(Vice Chair)*
Ian Buckley
Peter Winstanley

*Non-voting board member

1.5 **Trust Board Structure** (As of March 31, 2015)



1.6 **Meet Our Board**

Andy Meehan – Chairman

Date of appointment as Board Member:
February 2014

Professional qualifications:
MA ACA

Experience: Andy Meehan is an Oxford graduate and Chartered Accountant with more than 30 years' experience in the retail and consumer product sectors. He has been Finance Director of Selfridges, Olympus Sports and Mothercare. Subsequently he was Managing Director of Storehouse International, responsible for the overseas franchise businesses of BHS and Mothercare in some 35 countries, and CEO of Co-operative Retail Services. Thereafter he was European Chief Executive of Gordon Brothers International, the US owned consultancy specialising in turnaround and restructuring of retail companies. Since 2006, he has built a portfolio of Non-Executive Director and Chairman roles across retail, consumer products, charity and health organisations including GHD, Fortnum & Mason and Myton Hospice. He is currently chairman of Ramsdens Group Financial Services business and a charity trustee at CVQO.

Prior to taking up his appointment here at UHCW, he was a Non-Executive Director at the Royal Orthopaedic Hospital NHS Foundation Trust in Birmingham. He is also treasurer for his parish church and a member of the Audit Committee for the Coventry Diocesan Board of Finance for the Church of England.

Andrew Hardy – Chief Executive Officer

Date of appointment as Board Member:
Chief Finance Officer – June 2004,
Deputy Chief Executive – July 2008, CEO – June 2010.

Professional qualifications:
BA (Hons) Economics, Charted Institute of Public Finance and Accountancy, MBA.

Experience: Mr Hardy is immediate past President and a National Board Member of the Healthcare Financial Management Association and chair of Arden Local Education Training Council (Member of West Midlands Local Education Training Board). He chaired the West Midlands AHSN Development Board and now chairs the West Midlands AHSN Southern Spoke. Mr Hardy is also Chair of Central Newborn Network, a Council Member of the Charted Institute of Public Finance and Accountancy, past Chair of the Finance Directors' Group of the Association of United Kingdom University Hospitals. He is also a Director of Right Step, a careers advisory service, and Board Director of Albany Theatre, Coventry.

1.6 **Meet Our Board**

David Moon – Chief Finance & Strategy Officer

Date of appointment as Board Member:
August 2013 as Chief Strategy Officer;
December 2014 as Chief Finance and Strategy Officer

Professional qualifications:
Chartered Institute of Public Finance & Accountancy, MBA

Experience: Mr Moon has a wealth of experience in the NHS including Director posts at South Worcestershire PCT, Solihull PCT, Worcestershire Acute Hospitals NHS Trust and Director of Finance and Deputy Chief Executive at South Warwickshire NHS Foundation Trust. Most recently he has been a Director at the National Audit Office.

Mark Radford – Chief Nursing Officer

Date of appointment as Board Member:
June 2012

Professional qualifications:
BSc (Hons) Nursing, Registered General Nurse, PGDip (ANP), MA (Medical education & Leadership), PhD (Research), Fellow of the Higher Education Academy

Experience: Professor Radford qualified as nurse in 1994 and has previously worked in anaesthetics, pre-operative assessment, critical care and A&E. Prior to joining UHCW in 2009, he was a Consultant Nurse in Perioperative Emergency Care at Heart of England NHS Foundation Trust. He has also worked as an advisor to the Department of Health, NCEPOD, MHRA and NICE on a range of areas including perioperative hypothermia, emergency management and nurse prescribing. He has published widely on advanced practice nursing and perioperative care. Mark worked at UHCW as an Associate Director of Nursing for Surgery before being promoted to Deputy Director of Nursing. Since June 2012, he has been Chief Nursing Officer with a responsibility for nursing and midwifery, infection control and safeguarding.

Meghana Pandit – Chief Medical Officer/ Deputy CEO

Date of appointment as Board Member:
May 2012 as Chief Medical Officer;
December 2014 as Deputy Chief Executive Officer

Professional qualifications:
FRCOG, MBA

Experience: Mrs Pandit trained in Obstetrics & Gynaecology in the Oxford Deanery and was Visiting Lecturer in Urogynaecology at University of Michigan, Ann Arbor, USA. Meghana was Consultant Obstetrician and Gynaecologist, Clinical Director and then Divisional Director at Milton Keynes University Hospital NHS Trust before joining UHCW. Since joining UHCW, Meghana has completed MBA from Oxford Brookes University. As Chief Medical Officer she has led the development of clinical strategy and has responsibility for Clinical Quality, Risk, Education and Training and Research, Development and Innovation. She is also Responsible Officer for over 450 doctors and continues to undertake clinical office based Gynaecology. Meghana was made a Professor of Practice at the University of Warwick in March 2015; having taken up a new professorial teaching fellow role at the University of Warwick's Warwick Manufacturing Group, working in its Institute of Digital Healthcare.

David Eltringham – Chief Operating Officer

Date of appointment as Board Member:
September 2012

Professional qualifications:
MBA – Open University, BAEd (Hons) – University College, Worcester; Registered Nurse (Adult); Diploma in Nursing Science, DNSc – Sunderland School of Nursing/Newcastle Upon Tyne Polytechnic.

Experience: From 1991 onwards worked in a number of nursing roles at University Hospitals Birmingham. Mr Eltringham spent two years working in the private healthcare sector and joined West Midlands Ambulance Service NHS Trust in 2001 as Education and Professional Development Manager then Clinical Lead for NHS Direct (Birmingham, the Black Country and Solihull). He joined Birmingham Children's Hospital NHS Foundation Trust in 2004, becoming Chief Operating Officer in November 2009, then joined UHCW as Chief Operating Officer in September 2012.

1.6 **Meet Our Board**

Ken Hutchinson – Interim Chief Human Resources Officer

Date of appointment as Board Member:
October 2014

Experience: Ken joined the NHS in 1977 and has held HR Director posts in several NHS organisations, including Leeds Teaching Hospitals and University Hospital, Birmingham.

Ian Buckley – Vice Chair

Date of appointment as Board Member:
Non-Executive Director – October 2013,
Vice Chair – September 2014

Experience: Mr Buckley has worked as Chief Executive for a number of UK and US businesses and served on both PLC and private company boards.

Trained as an engineer in Birmingham, moved into finance and leasing and became the UK Chief Executive of the US leasing giant GELCO (Now a division of GE). He was part of the management buyout and the subsequent public flotation at Evans Halshaw PLC serving as a main board director.

In 1999 he joined Advanced Communication and Information Systems as CEO, a venture capital backed, telematics business specialising in providing real time passenger information for, airports, buses and trams.

He was Deputy Chair and Non-Executive Director of Birmingham Community Healthcare NHS Trust.

Currently he is a Business Angel investor, business coach and facilitator for Leadership Trust and guest lectures at Bristol Business School.

Trevor Robinson – Non-Executive Director

Date of appointment as Board Member:
December 2008; Chair of Audit Committee since April 2009

Professional qualifications:
Degrees in Physics (BSc) and Economics, Maths and Systems Theory (BA). Currently studying for a BSc in Astrophysics. Member of Chartered Institute of Public Finance & Accountancy, Fellow of the Royal Astronomical Society and Fellow of the Royal Society of Arts

Experience: Mr Robinson has over 40 years' experience in public sector finance and was Finance Director of Hillingdon London Borough Council for 10 years. He was the first Finance Director of the newly-formed Greater London Authority in 2000, and then Resources Director of Centro (West Midlands Passenger Transport Executive) until 2007 and former Treasurer to the West Midlands Passenger Transport Authority and Financial Advisor to the Association of London Government. Also a member of the Audit and Risk Committee of Ofqual (Office of Qualifications and Examinations Regulation).

Professor Peter Winstanley – Non-Executive Director

Date of appointment as Board Member:
August 2012

Professional qualifications:
Graduated from Liverpool Medical School in 1979

Experience: Dean of Warwick Medical School. After spells in the General Infirmary at Leeds and the University of Liverpool, was awarded an MRC Training Fellowship, and spent three years working in Kenya (with the University of Oxford) on the treatment of severe malaria. In 1995, Professor Winstanley and colleagues won support to establish a Wellcome Trust Tropical Centre (WTTC) at Liverpool, and he worked with Professors Malcolm Molyneux and (more recently) Robert Heyderman to develop the unit in Malawi into a Wellcome Trust Major Overseas Programme. As Director of the WTTC, 1995 to 2009, Peter oversaw 27 Clinical Fellowships and the retention of ten of these scientists by Liverpool. Since 2007, Professor Winstanley has directed the Liverpool Biomedical Research Centre (supported by the National Institute of Clinical Research (NICR). He left his position as Head of the School of Clinical Sciences at the University of Liverpool to join Warwick Medical School at the beginning of May 2010.

1.6 **Meet Our Board**

Ed Macalister-Smith – Non-Executive Director

Date of appointment as Board Member:
October 2013

Professional qualifications:
MBA Bath University, MSc Oxford University, BSc London University

Experience: Ed Macalister-Smith has 25 years of NHS experience including CEO at NHS Wiltshire and Bath PCT Cluster, CEO at NHS Buckinghamshire, CEO at Isle of Wight NHS PCT, CEO of Nuffield Orthopaedic Centre Oxford. He retired from the NHS in November 2012 and offers a portfolio of coaching, strategy and Board governance in the NHS. He is also a Board Member of the Cotswolds AONB, and Chair of the National Institute of Health Research HSDR Priorities Panel.

Brenda Sheils OBE – Non-Executive Director

Date of appointment as Board Member:
July 2014

Professional qualifications:
B.Ed (Hons) Reading University, Post Graduate Certificate in Executive Coaching, Chartered Fellow of the Chartered Institute of Personnel and Development, Fellow of the Royal Society of Arts

Experience: Appointed in 2003 as Principal and Chief Executive of Solihull College, providing education and training to over 12,000 students, Mrs Sheils played a pivotal role in improving the skills of the local and regional workforce through the development of partnerships with major employers including Birmingham Airport, National Exhibition Centre and Jaguar Landrover and with key universities including with Warwick, Coventry and Oxford Brookes. She also has significant experience of community engagement, local regeneration and multi-agency work.

During her 39 years in education, she has worked in schools, community and adult education and colleges in Cambridgeshire, Devon, Cheshire, Coventry and Gloucestershire. She was recently awarded the OBE for services to further education and, following her retirement in March 2014, is currently an executive coach/mentor for the sector.

Barbara Beal – Non-Executive Director

Date of appointment as Board Member:
July 2014

Experience: Barbara is married with two children and two grandchildren aged six years and ten months, and lives locally residing in a village near Rugby.

She qualified and practised as a nurse and midwife at the Trust and continues to maintain her registration. She subsequently became a former Head of Midwifery, Executive Director of Nursing, Quality, Patient Safety, Patient Experience Infection Prevention and Control, Governance and Risk, Interim Operations Director, Turnaround Director, Human Resource Director and Acting Deputy Chief Executive in the Acute Healthcare Sector.

Since her early retirement in 2008, she has had significant experience as a clinical advisor, healthcare consultant, and executive coach mentor in the NHS (Acute, primary care, commissioning, mental health and learning disability care sectors), Independent Health Care Sector, GP, Clinical Commissioning Groups, Clusters, Area Teams and Clinical Commissioning Support Units.

Barbara is absolutely committed to contributing to the provision of leadership and support to all of our front line staff, senior leaders and all members of the multi-disciplinary team to improve the quality, safety, delivery and assurance of standards of clinical care, and continue to improve and enhance the patient experience, clinical and service outcomes experienced by patients, carers and their families.

1.7 **Register of Interests**

As a public body, we are committed to being open and transparent in our dealings. All board members are required to disclose any interests that they have that might conflict with their role within the Trust. Any such interests that are declared are recorded in a Register of Interests and reported in public. The register for 2013/14 is as shown overleaf:

Register of Interests April 2014 – March 2015 *NB All voting Trust Board members are corporate Trustees of the UHCW Charity

Name	Job Title	Directorships	Ownership	Shareholdings
Moon, David	Chief Strategy Officer	Parent Governor Trinity Catholic School Leamington Spa	None	None
Robinson, Trevor	Non-Executive Director	None	None	None
Radford, Mark	Chief Nursing Officer	Peak – XV Healthcare Consulting (Dormant Company) Holly Medical Services Limited (GP Surgery (Bham)); Parent Governor-Sutton Coldfield Girls Grammar School.	None	None
Nolan, Gail	Chief Finance Officer	None	None	None
Crich, Ian	Chief Human Resources Officer	Foundation Trust Director at Foxford School, Coventry	None	None
Macalister-Smith, Ed	Non-Executive Director	None	None	None
Eltringham, David	Chief Operating Officer	None	None	None
Buckley, Ian	Non-Executive Director	None	None	None
Meehan, Andrew	Chairman	Lanthorne Ltd. – Business Consultancy and Ramsdens Financial Ltd.	Lanthorne Ltd – Business Consultancy	None
Tubb, Samantha	Non-Executive Director	n/a	None	None
Pandit, Meghana	Chef Medical Officer	Nominal director of JJ and M J Pandit Ltd. – a company registered to receive private practice income	None	None
Hardy, Andrew	Chief Executive Officer	None	None	None
Winstanley, Peter	Non-Executive Director	None	None	None
Sheils, Brenda	Non-Executive Director	Sheils Associates Ltd.	None	None
Beal, Barbara	Non-Executive Director	Griffiths Beal Healthcare Consultancy Ltd.	Griffiths Beal Healthcare Consultancy Ltd.	None

Charity or Voluntary Organisations	NHS Service Contracts:	Research Funding	Pooled Funds	Paid employment, office, profession:
Trustee of Myton Hospice, Trustee of UHCW Charity	None	None	None	Very occasionally David Moon presents a lecture on MSC courses at Warwick University (max a twice per annum).
Unpaid Independent Member of the Audit and Risk Committee of Ofqual (the examinations regulator).	None	None	None	Trevor works as a senior adviser to the Gambling Commission on a fixed-term paid contract from October 2013 to October 2015.
Trustee of Myton Hospice, Trustee of UHCW Charity	None	Raak International Collaborative Research funding (with Enschude University, Holland)	None	Visiting Professor of Nursing at Birmingham City University and Coventry University, Healthcare Consultant with System C.
None	None	None	None	None
None	None	None	None	None
None	None	None	None	Chair, NIHR HS&DR Priorities Panel, and Board Member, Leadership Coaching, occasional sessional basis, HEE Thames Valley, Oxford Deanery PSU, CQC, occasional daily work as Independent Reviewer of Ratings (NHS Trusts)
None	None	None	None	None
None	None	None	None	None
CVQO – Trustee of charity providing vocational education; Myton Hospice/ Chair/Trustee	Myton Hospice	None	None	None
None	None	None	None	None
None	None	None	None	Director of MSc at Warwick Manufacturing Group.
Trustee Health Link Malawi	Trustee – Healthcare Financial Management Association; Trustee – Coventry, Solihull and Warwickshire Partnership	None	None	None
None	None	None	None	None
None	None	None	None	None
None	None	None	None	Barbara Beal is an NHS and CQC Adviser but does not undertake employment for this in the Coventry and Warwickshire area, as advised to the NHS TDA on employment at UHCW.

1.8 Governance

TRUST BOARD

The role of our Trust Board is to govern the organisation and ensure that it is well managed. Its primary functions are:

- Setting the overall strategic direction of the Trust within the context of NHS priorities and policy.
- Regularly monitoring performance against objectives.
- Providing financial stewardship through value for money, financial control and financial planning.
- Ensuring high quality, safe and effective services and patient focused service provision through clinical and quality governance.
- Ensuring high standards of corporate governance, personal conduct and compliance with statutory duties; and
- Promoting effective dialogue with the local communities we serve.

We aspire to the highest standards in corporate governance and our corporate governance framework is set out in our Standing Orders, Standing Financial Instructions and Scheme of Reservation and Delegation, which we have reviewed in 2014/15. We have also developed a Code of Conduct and Statement of Responsibility during the year in order to further strengthen our governance arrangements.

BOARD COMMITTEES

The work of our Trust Board is supported by our Board Committees, all of which are chaired by a Non-Executive Director. The Trust Board delegates a number of functions to the committees that it formally establishes and their purpose is to provide an additional level of assurance around the most important aspects of our business.

Each committee operates to clear terms of reference that are defined by the Trust Board and in addition to receiving the minutes of Committee meetings, the Trust Board also receives a summary report from the Committee Chair that covers the main agenda items and allows issues to be escalated to the Trust Board where this is necessary.

We are required by statute to establish an Audit Committee and a Remuneration Committee but we have also established two additional Committees to support the Trust Board in carrying out its duties.

Our Committee structure is as follows:

Audit Committee

The Audit Committee comprises four Non-Executive Directors and is responsible for:

- Reviewing systems of integrated governance, risk management and internal control;
- Approving the annual work plans for the Trust's internal and external auditors and monitoring progress against these;
- Monitoring the performance of the Trust's management in responding to agreed actions;
- Reviewing the draft Annual Report, draft Quality Account and financial statements before submission to the Trust Board; and
- Ensuring that policies, procedures, systems and processes are in place to ensure effective clinical and corporate governance.

Remuneration Committee

The Remuneration Committee is responsible for determining the remuneration and terms of service of the Trust's Executive Directors and a small number of senior managers. It comprises all the Non-Executive Directors of the Trust and its principle areas of responsibility are:

- All aspects of salary, including any performance related elements and bonuses.
- Provision of other benefits including pensions and lease cars.
- Contractual arrangements including severance packages for directors in the event of termination of their employment.

Quality Governance Committee

The Quality Governance Committee is the principal source of advice and expertise to the Trust Board on patient safety and quality. The Committee ensures that adequate and appropriate clinical governance structures, processes and controls are in place across the organisation to:

- Promote safety, quality and excellence in patient care.
- Ensure the effective and efficient use of resources through evidence-based clinical practice.
- Protect the safety of employees and all others to whom the Trust owes a duty of care.
- Ensure that effective systems and processes are in place to support high quality care through an effectual training, education and ICT infrastructure.
- Ensure appropriate arrangements are in place across the Trust for identifying, prioritising and managing risk.

The Committee receives reports from its sub-committees as detailed below on a regular basis:

- Patient Safety Committee
- Risk Committee
- Patient Experience and Engagement Committee
- Information and IT Committee
- HR, Equality and Diversity Committee
- Training, Research and Education Committee

Finance and Performance Committee

The Finance and Performance Committee plays a key role in ensuring that we have a robust financial strategy and strong financial management systems in place to enable us to meet statutory financial duties. It also reviews performance against our key operational targets.

Corporate Trustee Board

Members of our Trust Board are also members of the University Hospitals Coventry and Warwickshire NHS Trust Charity Corporate Trustee Board and are responsible for overseeing the management, investment and disbursement of charitable and other funds held on Trust by the Charity.

1.9 ATTENDANCE AT MEETINGS

In accordance with our Code of Conduct, attendance at Board and Committee meetings is monitored and forms part of the appraisal process for members of the Trust Board. Further detail on the attendance of individual board members can be found in our Annual Governance Statement which forms part of the Annual Report.

2 External Auditor Remuneration

The Audit Commission appointed PricewaterhouseCoopers LLP as the external auditor to the Trust.

The auditors perform their work in accordance with the Audit Commission's Code of Practice and there are two key elements to their work:

- The audit of the annual accounts including a review of the Statement on Internal Control; and
- Further assurance services – this refers to services unrelated to the statutory audit where the NHS body has discretion whether or not to appoint an auditor.

The total external audit fees/remuneration recorded in the accounts for 2014/15 is £124,260 excluding VAT.

In addition non audit fee work paid to the auditors is recorded in the accounts to be £98,000. This includes work performed for CQC inspection preparation.

2.1 DISCLOSURES

2.1.1 Equality & Diversity

Relevant disclosures regarding disabled employees and equal opportunities and also in relation to how we inform and engage with our staff are included within the Strategic Report.

2.1.2 Employee Consultation

We have provided commentary on how we consult with our staff within the Strategic Report.

2.1.3 Sickness Absence Data

We have included this information within the Strategic Report.

2.2 COST OF INFORMATION

We comply with HM Treasury Guidance on setting charges for information. We do not generally make any charge for information requested under the Freedom of Information Act and will generally provide information in hard copy or media, e.g. a CD without cost. There is however provision within the legislation for us to refuse a request if the cost of providing the information is in excess of £450 or the equivalent in staff time that would be needed to retrieve and collate it. For further information please see our website:

www.uchw.nhs.uk/about-us/freedom-of-information-act

Patients, and in some cases their representatives, are entitled to request copies of their healthcare record and in accordance with the Data Protection Act we will charge a maximum of £50 to provide these. This covers our copying charges and postage fees.

2.3 INFORMATION GOVERNANCE (INCLUDING SERIOUS UNTOWARD INCIDENTS RELATING TO DATA LOSS OR CONFIDENTIALITY BREACHES)

The Trust submitted version 12 of the Information Governance Toolkit to the Health and Social Care Information Centre at the end of March, having achieved level 2 or above in 44 requirements. There has been an increase in the Trust's performance from 74% last year to 78% this year for version 12, giving the Trust an overall 'Satisfactory' level on the Toolkit.

The Chief Operating Officer is the Trust's Senior Information Risk Owner and the Caldicott Guardian is the Chief Medical Officer.

There have been eight Information Governance breaches in 2014/15 that have required reporting to the Information Commissioner. These are as shown below:

Number of incidents	Breach Type	Summary of Incident
5	**Disclosed in Error**	Patient details disclosed in error, as part of a Subject Access Request.
1	**Non-secure Disposal – paperwork**	Member of public contacted Trust to report that personal identifiable data had been left in a vacated private residence. All discarded information was safety and securely hand delivered to the Trust.
1	**Unauthorised Access/Disclosure**	A healthcare professional employed by a partner organisation inappropriately accessed patient records on a UHCW clinical system.
1	**Disclosed in Error**	Mis-directed fax.

2.4 BETTER PRACTICE PAYMENTS CODE

The Trust is required to comply with the code and we have commented on our performance in this regard during 2014/15 within our Strategic Report.

2.5 EMERGENCY PREPAREDNESS

The Civil Contingencies Act (2004), Health and Social Care Act, (2012) and the NHS England Emergency Preparedness Framework 2013 require NHS organisations to show that they can deal with a wide range of Significant and Major Incidents and Emergencies, such as major transport accidents, extreme weather, industrial accidents, or large scale outbreaks, e.g. Pandemic Flu, while maintaining services.

Emergency Preparedness, Resilience and Response is a fundamental part of the Trusts ability to meet these challenges, and focuses upon several areas in order to allow the Trust to maintain services to patients at all times:

Emergency Preparedness: the Trust has robust, tested plans and procedures in place and the Emergency Planning Department have been instrumental in developing plans to deal with emerging threats, such as Ebola, and Mass Casualty Incidents. The Emergency Planning Department regularly liaise with the emergency services, local authorities and other partner agencies to ensure our plans are fit for purpose.

Resilience: The Trust has participated in several multiagency exercises in order to test our response procedures, including a CBRN exercise with West Midlands Fire Service, a multiagency Ebola Exercise, and several Business Continuity exercises. In addition, Exercise Godiva was a large-scale multiagency exercise based on a serious coach accident, organised by the Emergency Planning Department in October 2013, with in excess of 60 "casualties", and over 140 players. UHCW also participated in Exercise Churchill, testing a multiagency response to a full scale hospital evacuation.

Response: The Trust has successfully responded to several incidents across the year, including a number of Internal incidents, including a large scale flooding affecting several wards, demonstrating that EPRR arrangements are well tried and tested.

2.6 PRINCIPLES FOR REMEDY

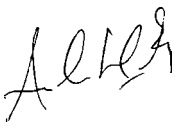
We take all complaints very seriously and continue to manage them in accordance with the NHS Complaints Regulations 2009 and the Parliamentary and Health Service Ombudsman's Principles for Good Complaints Handling, and have a Complaints Policy in place.

Each complaint that we receive is raised with the individuals concerned and with those responsible for the service, to ensure that our staff are aware of the issues that have been raised and can learn from them. Learning from complaints takes place at both corporate level and within our Clinical Groups. Our emphasis very much remains on resolving the complaint and we held 16 local resolution meetings with patients, relatives and carers in the last 12 months in order to try and achieve this.

In the period April 2014 to March 2015, the Trust received 479 formal complaints against 490 in the previous year. Although there are no specific timescales to respond to complaints set out within the regulations, we recognize the importance of responding in a timely way and have set an internal target of doing so within 25 working days.

In 2014/15, 54% of complaints received were responded to within our internal target and we upheld 66% of the complaints that were made.

During this same period, the Parliamentary and Health Service Ombudsman (PHSO), which is the second stage in the complaints process, requested 14 files for review, nine of which went forward for investigation.



Andy Hardy
Chief Executive Officer

1 Remuneration Report 2014/15

1.2 CHAIRS AND NON-EXECUTIVE DIRECTORS

Chairs and Non-Executive Directors of NHS Trusts hold statutory office under the NHS and Community Care Act 1990. The appointment and tenure of office is governed by the NHS Trusts (Membership and Procedure) Regulations 1990.

At present our Non-Executive Directors are appointed by the NHS Trust Development Authority on behalf of the Secretary of State.

Under the terms of the Act, Chairs and Non-Executive Directors are entitled to be remunerated by the NHS Trust, based on national pay rates set by the Secretary of State for Health, for as long as they continue to hold office.

For 2014/15 these rates were set as:

a. **Chair rate of remuneration** – the Chair is remunerated at £39,000 per annum. The time commitment is up to 3.5 days per week.
b. **Current rate for Non-Executive Directors** – Non-Executive Directors are remunerated at 6,157 per annum for 2.5 days per month.

Remuneration is taxable and subject to National Insurance contributions. Chairs and Non-Executive Directors are also eligible to claim allowances, at rates set nationally, for travel and subsistence costs incurred on NHS Trust business.

1.3 EXECUTIVE DIRECTORS

The Trust Remuneration Committee, comprising of the Chairman and Non-Executive Directors, determines local remuneration policies and practices for the Trust's most senior managers (defined by the Chief Executive Officer as those regularly attending the Trust Board). Executive Director pay levels are set locally by the Remuneration Committee, with the aim of attracting and retaining high calibre directors who will deliver high standards of patient care and customer service. Where appropriate, terms and conditions are consistent with the NHS Agenda for Change Framework.

All Executive Directors are employed on contracts of service and are substantive employees of the Trust. Their contracts can be terminated by either party with six months' notice. The Trust's normal disciplinary policies apply to Executive Directors, including the sanction of instant dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff. The only non-cash element of the Executive Directors' remuneration packages is pension related benefits accrued under the NHS Pension Scheme and in some cases a leased vehicle. Contributions to the NHS Pension Scheme are made by the employer and employee in accordance with the rules of the national scheme.

An annual performance appraisal is undertaken and individual objectives for Executive and Non-Executive Directors are set from the key business objectives of the Trust's strategy. The Chairman is subject to annual appraisal by the NHS Trust Development Authority.

2 PAY MULTIPLES

NHS organisations are required to disclose the relationship between the annualised remuneration of the highest-paid director in their organisation and the median annualised remuneration of the organisation's workforce as at the end of the financial year. The table shown overleaf compares these figures as at the end of March 2015 and March 2014:

	31/3/15	31/3/14
Mid-point of the banded annualised remuneration of the highest paid director	**£202,500**	£202,500
Median annualised remuneration of the workforce	**£29,102**	£29,369
Pay multiples (ratio of highest paid director to median salary)	**7.0**	6.9

The pay multiples ratio has increased marginally in 2014/15 due to a reduction in the median annualised remuneration of the workforce. In 2013/14, the median salary related to a worker on the 8th incremental point of agenda for change band 5 whilst in 2014/15 it related to a worker on the 6th incremental point of band 5. This has arisen due to an increase in the number of staff employed at band 5 or below at the end of March 2015 compared to the previous year.

The following table compares the range of annualised remuneration for the Trust's workforce for the past two years:

Total remuneration for the Trust's workforce is based upon the annualised cost of salaries and wages paid on the Trust's payroll during March 2015 for staff who remained employed at the end of the financial year (31 March). It excludes bank and agency staff for whom annualised costs are not readily available. It also excludes employer pension contributions and the cash equivalent transfer value of pensions.

3 EXIT PACKAGES AND SEVERANCE PAYMENTS

The Trust agreed the following exit packages in 2014/15 (and 2013/14):

For each of the exit packages recorded above for both 2014/15 and 2013/14 we can confirm that:

- All related to contractual payments in lieu of notice;
- None related to compulsory redundancies; and
- None involved special payments.

	31/3/15	31/3/14
Lowest annualised remuneration	**£5,240**	£6,096
Highest annualised remuneration	**£239,282**	£260,578
Number of employees with annualised remuneration in excess of the highest paid director	**5**	9

Exit package cost band	2014/15 Number	31/3/14 Number
Less than £10,000	**1**	0
£10,000 – £25,000	**1**	3
	2	**3**
Cost	**£17,446**	**£55,988**

* Note the table excludes ill-health retirements and payments in lieu of notice for ill-health terminations

4 OFF PAYROLL ENGAGEMENTS

In common with most other NHS bodies the Trust engages staff on an "off-payroll" basis. The main reasons for this are as follows:

- Recharges from other bodies (mainly other NHS organisations or Universities) for staff who hold joint appointments; and
- Temporary workers to cover vacant positions or staff absences.

The Trust is required to disclose certain information in connection with such arrangements as set out in the tables below. The information provided in these tables is not subject to audit and specifically excludes those staff recharged from other NHS bodies*. Each table shows the total number of off-payroll engagements and further analyses these between recharges from universities and other off-payroll engagements.

* Other NHS bodies are also responsible for seeking assurances around workers engaged on an "off-payroll" basis. The exclusion of workers recharged from other NHS bodies avoids "double counting" of the information provided.

For all off-payroll engagements as of 31 March 2015, for more than £220 per day and that last longer than six months:	Total Number	University Recharges	Other
Number of existing engagements as of 31 March 2015	66	21	45
Of which, the number that have existed:			
for less than one year at the time of reporting	34	0	34
for between one and two years at the time of reporting	10	2	8
for between two and three years at the time of reporting	7	4	3
for between three and four years at the time of reporting	6	6	0
for four or more years at the time of reporting	9	9	0

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015, for more than £220 per day and that last longer than six months:	Total Number	University Recharges	Other
Number of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015	38	0	38
Number of new engagements which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	21	0	21
Number for whom assurance has been requested	34	0	34
Of which:			
assurance has been received	3	0	3
assurance has not been received	31	0	31
engagements terminated as a result of assurance not being received	0	0	0

For all existing off-payroll engagements before 1 April 2014 and still in operation at 31 March 2015:			
	Total Number	University Recharges	Other
Number of existing off-payroll engagements before 1 April 2014 and still in operation at 31 March 2015	32	21	11
Number of existing engagements which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	28	21	7
Number for whom assurance has been requested	32	21	11
Of which:			
assurance has been received	21	21	0
assurance has not been received	11	0	11
engagements terminated as a result of assurance not being received	0	0	0

The Trust has engaged a number of workers without including contractual clauses allowing it to seek assurance as to their tax obligations. These cases relate to workers engaged via employment agencies which are not covered by framework agreements.

For those cases where assurance has not been received, in the majority of instances the Trust has received some information from the individuals/agencies concerned but further information is required. The Trust is taking the following action in respect of these cases:

- Seeking further advice from HM Revenue and Customs (HMRC) and the Department of Health in connection with interpretation of the guidance provided to the Trust, particularly in light of the withdrawal of HMRC's business entity tests;
- Continuing to pursue individuals and agencies for additional information and where appropriate asking them to obtain approval for their tax and national insurance arrangements from HMRC.

In addition the Trust is in the process of requesting assurances from all workers who have been in place for more than one year for whom information has previously been requested.

Given the Trust's reliance upon significant numbers of temporary staff fulfilling critical roles and pending further information/guidance from HMRC and the Department of Health, the Trust has not yet sought to terminate these contracts.

The following table provides information on off-payroll engagements for board members during 2014/15:

For any board members, and/or senior officers with significant financial responsibility:			
	Total Number	University Recharges	Other
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	2	1	1
Number of individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the year. This figure includes both off-payroll and on-payroll engagements	16	-	-

The two "off-payroll" engagements of board members and/or senior officers with significant financial responsibility during the year related to the following:

- One of the Trust's Non-Executive Directors – assurance has been received that the individual concerned is employed on the payroll of Warwick University and is subject to PAYE. The arrangement has been reviewed and approved by the Trust's Chief Executive Officer.
- An interim executive director covering a board level position pending the commencement of a new permanent postholder. Assurance around the tax arrangements for this individual will be sought when the appointment has lasted for six months. The arrangement has been reviewed and approved by the Trust's Chief Executive Officer.

2014/15

Name	Title	Date in Post From (if new in post during the period reported)	Date in Post To (if left post during the period reported)
Andrew Hardy	Chief Executive Officer		
Gail Nolan	Chief Finance Officer		31-Dec-14
David Eltringham	Chief Operating Officer		
Mark Radford	Chief Nursing Officer		
Meghana Pandit	Chief Medical Officer		
Ian Crich	Chief Human Resources Officer		19-Oct-14
David Moon	Chief Finance and Strategy Officer		
Andrew Meehan	Chairman		
Trevor Robinson	Non-Executive Director		
Samantha Tubb	Non-Executive Director		31-Jul-14
Edward Macalister-Smith	Non-Executive Director		
Ian Buckley	Non-Executive Director		
Peter Winstanley	Non-Executive Director		
Brenda Sheils	Non-Executive Director	01-Jul-14	
Barbara Beal	Non-Executive Director	01-Aug-14	
Ken Hutchinson	Interim Chief Human Resources Officer	20-Oct-14	

Salary Bands of £5,000 £'000	Benefits in Kind (to nearest £100) £'000	Performance Pay and Bonuses Bands of £5,000 £'000	Long Term Performance Pay and Bonuses Bands of £5,000 £'000	Golden Hello/ Compensation for Loss of Office Bands of £5,000 £'000	All pension-related benefits (bands of £2,500) £'000	TOTAL (bands of £5,000) £'000
200 – 205	0.8	0	0	0	22.5 – 25.0	225 – 230
105 – 110	0	0	0	0	(20.0) – (17.5)	85 – 90
120 – 125	0	0	0	0	(5.0) – (2.5)	115 – 120
125 – 130	0	0	0	0	37.5 – 40.0	160 – 165
195 – 200	0.1	0	0	0	15.0 – 17.5	210 – 215
65 – 70	0.1	0	0	0	0	65 – 70
135 – 140	0.3	0	0	0	42.5 – 45.0	180 – 185
35 – 40	3	0	0	0	0	40 – 45
5 – 10	0.3	0	0	0	0	5 – 10
0 – 5	0	0	0	0	0	0 – 5
5 – 10	2.9	0	0	0	0	5 – 10
5 – 10	2.1	0	0	0	0	5 – 10
5 – 10	0	0	0	0	0	5 – 10
0 – 5	1.5	0	0	0	0	5 – 10
0 – 5	0	0	0	0	0	0 – 5
80 – 85	0	0	0	0	0	80 – 85

Notes
1. The Trust is recharged by Warwick University for the services of Peter Winstanley and he is not therefore paid directly by the Trust.
2. David Moon was originally appointed as Chief Strategy Officer on 1 August 2013 but became Chief Finance and Strategy Officer on 1 January 2015.
3. Ken Hutchinson is engaged off-payroll (an arrangement approved by the Chief Executive Officer) – costs shown above include agency commission but exclude irrecoverable VAT.
4. Meghana Pandit's salary includes sums payable in respect of clinical duties in addition to her duties as a director of the Trust.

2013/14			
Name	**Title**	**Date in Post From** (if new in post during the period reported)	**Date in Post To** (if left post during the period reported)
Andrew Hardy	Chief Executive Officer		
Gail Nolan	Chief Finance Officer		
David Eltringham	Chief Operating Officer		
Mark Radford	Chief Nursing Officer		
Meghana Pandit	Chief Medical Officer		
Ian Crich	Chief Human Resources Officer		
David Moon	Chief Strategy Officer	01-Aug-13	
Andrew Meehan	Chairman	17-Feb-14	
Trevor Robinson	Non-Executive Director		
Samantha Tubb	Non-Executive Director		
Peter Winstanley	Non-Executive Director		
Edward Macalister-Smith	Non-Executive Director	01-Oct-13	
Ian Buckley	Non-Executive Director	01-Oct-13	
Paul Sabapathy	Non-Executive Director		31-May-13
Philip Townshend	Chairman		31-May-13
Nicholas Stokes	Non-Executive Director		31-Dec-13
Tim Sawdon	Non-Executive Director		31-May-13

Salary Bands of £5,000 £'000	Benefits in Kind (to nearest £100) £'000	Performance Pay and Bonuses Bands of £5,000 £'000	Long Term Performance Pay and Bonuses Bands of £5,000 £'000	Golden Hello/ Compensation for Loss of Office Bands of £5,000 £'000	All pension-related benefits (bands of £2,500) £'000	TOTAL (bands of £5,000) £'000
200 – 205	0.4	0	0	0	55.0 – 57.5	255 – 260
140 – 145	0	0	0	0	5.0 – 7.5	145 – 150
120 – 125	0	0	0	0	62.5 – 65.0	185 – 190
115 – 120	0	0	0	0	57.5 – 60.0	175 – 180
190 – 195	0.2	0	0	0	(60.0) – (57.5)	130 – 135
115 – 120	0.2	0	0	0	0	115 – 120
85 – 90	0.4	0	0	0	77.5 – 80.0	165 – 170
0 – 5	0	0	0	0	0	0 – 5
5 – 10	0.8	0	0	0	0	5 – 10
5 – 10	0	0	0	0	0	5 – 10
5 – 10	0	0	0	0	0	5 – 10
0 – 5	0.9	0	0	0	0	0 – 5
0 – 5	0.8	0	0	0	0	0 – 5
0 – 5	0.2	0	0	0	0	0 – 5
0 – 5	0.1	0	0	0	0	0 – 5
10 – 15	3.6	0	0	0	0	15 – 20
0 – 5	0.1	0	0	0	0	0 – 5

Notes
1. The Trust is recharged by Warwick University for the services of Peter Winstanley and he is not therefore paid directly by the Trust.
2. Meghana Pandit's salary includes sums payable in respect of clinical duties in addition to her duties as a director of the Trust.
3. Non-Executive Director benefits in kind have been restated to include benefits where the Trust had entered into a PAYE settlement agreement in relation to certain expense claims.

2014/15				
Name*	**Title**	**Date in Post From** (if new in post during the period reported)	**Date in Post To** (if left post during the period reported)	**Days in Post** (if not the full year)
Andrew Hardy	Chief Executive Officer			
Gail Nolan	Chief Finance Officer		31-Dec-14	275
David Eltringham	Chief Operating Officer			
Mark Radford	Chief Nursing Officer			
Meghana Pandit	Chief Medical Officer			
David Moon	Chief Finance and Strategy Officer			

* Non-executive directors are not in pensionable employment and therefore are excluded from the above disclosure. Similarly, executive directors not in pensionable employment are also excluded.

2013/14				
Name*	**Title**	**Date in Post From** (if new in post during the period reported)	**Date in Post To** (if left post during the period reported)	**Days in Post** (if not the full year)
Andrew Hardy	Chief Executive Officer			
Gail Nolan	Chief Finance Officer			
David Eltringham	Chief Operating Officer			
Mark Radford	Chief Nursing Officer			
Meghana Pandit	Chief Medical Officer			
David Moon	Chief Strategy Officer	01-Aug-13		243

* Non-Executive Directors are not in pensionable employment and therefore are excluded from the above disclosure. Similarly, Executive Directors not in pensionable employment are also excluded.
The pension figures for Meghana Pandit have been restated for 2013/14 due to the receipt of corrected information from the NHS Pensions Agency.

Real Increase in pension at age 60 (bands of £2,500) £'000	Real Increase in pension lump sum at aged 60 (band of £2,500) £'000	Total accrued pension at age 60 at 31 March 2015 (bands of £5,000) £'000	Lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 31 March 2015 £'000	Cash Equivalent Transfer Value at 31 March 2014 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Employers Contribution to Stakeholder Pension £'000
0.0 – 2.5	5.0 – 7.5	45 – 50	145 – 150	768	693	56	0
(2.5) – 0.0	(2.5) – 0.0	55 – 60	175 – 180	0	1,207	-934	0
0.0 – 2.5	0.0 – 2.5	30 – 35	100 – 105	562	524	24	0
2.5 – 5.0	7.5 – 10.0	30 – 35	90 – 95	455	396	49	0
0.0 – 2.5	5.0 – 7.5	40 – 45	125 – 130	705	632	56	0
0.0 – 2.5	5.0 – 7.5	40 – 45	130 – 135	715	644	54	0

Real Increase in pension at age 60 (bands of £2,500) £'000	Real Increase in pension lump sum at aged 60 (band of £2,500) £'000	Total accrued pension at age 60 at 31 March 2015 (bands of £5,000) £'000	Lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 31 March 2015 £'000	Cash Equivalent Transfer Value at 31 March 2014 £'000	Real Increase in Cash Equivalent Transfer Value £'000	Employers Contribution to Stakeholder Pension £'000
2.5 – 5.0	10.0 – 12.5	45 – 50	135 – 140	693	607	73	0
0.0 – 2.5	2.5 – 5.0	55 – 60	170 – 175	1,207	1,125	57	0
2.5 – 5.0	10.0 – 12.5	30 – 35	100 – 105	524	446	68	0
2.5 – 5.0	10.0 – 12.5	25 – 30	80 – 85	396	332	57	0
(2.5) – 0.0	(5.0) – (2.5)	35 – 40	115 – 120	632	619	0	0
2.5 – 5.0	10.0 – 12.5	40 – 45	120 – 125	644	543	59	0

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 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. In addition, NHS employees joining the NHS defined benefits pension scheme after 1 January 2008 do not have a lump sum payment as part of their pension.

Real increase 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, (including the value of any benefits transferred from another scheme or arrangement) and uses market valuation factors for the start and end of the period.

Upon retirement, it is no longer possible to transfer a pension and therefore the CETV becomes nil.

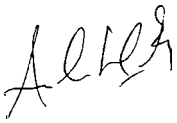
Statement of the Chief Executive's Responsibility as the Accountable Officer of the Trust

The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer to the Trust.

The relevant responsibilities of Accountable Officers are set out in the Accountable Officers' Memorandum issued by the Chief Executive of the NHS Trust Development Authority. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the Trust;
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.



Andy Hardy
Chief Executive Officer
2 June 2015

Statement of Directors' Responsibilities in Respect of the Accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year.

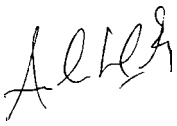
The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

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

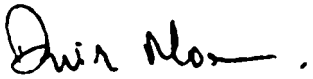
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They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

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

By order of the Board



Andy Hardy
Chief Executive Officer
2 June 2015



David Moon
Chief Finance and Strategy Officer
2 June 2015

Annual Governance Statement 2014/15

1 SCOPE OF RESPONSIBILITY

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding quality standards and the public funds and departmental assets for which I am personally responsible.

I am also responsible for ensuring that the Trust is administered prudently and economically, that resources are applied efficiently and effectively and for ensuring the highest standards of regularity and probity. I acknowledge my responsibilities as assigned to me in the NHS Accountable 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 only therefore provide reasonable and not absolute assurance of effectiveness.

The system of internal control is an on-going process designed to identify and prioritise risks to the achievement of the Trust's objectives, evaluating how likely these risks are to materialise, assessing their impact and managing them efficiently, economically and proportionately.

The system of internal control has been in place in University Hospitals Coventry and Warwickshire NHS Trust for the year ended 31 March 2015 and up to the date of approval of the annual accounts and annual report.

3 Trust Governance Framework

3.1 CORPORATE GOVERNANCE

As part of the Trust's drive to become a national and international leader in healthcare, the Trust's Board of Directors ("Trust Board") aspires to world-class governance. In furtherance of this aim, a formalised Code of Conduct and statement of Responsibilities has been developed and was approved by the Trust Board in January 2015. This document incorporates the requirements of the NHS Code of Accountability and the Nolan principles and describes the Trust's Corporate Governance Framework in terms of the role and function of the board and the individual members thereof. It also sets out the structures that are in place to ensure that the responsibilities of the Trust Board as a corporate body are effectively executed and that the Board conducts its business with the level of openness and transparency commensurate with a public sector body.

Coupled with this, the document also describes expectations in terms of conducting business in accordance with the Trust's values and within an expected set of behaviours. Finally, the document acknowledges the Trust's responsibilities under the Bribery Act and describes the approach taken to meet the requirements of the Fit and Proper Persons Test, Duty of Candour and False and Misleading Information offence.

The Code also fulfils several of the requirements of the Foundation Trust Code of Governance and its development will see the start of its full implementation over the coming year.

A register of interests and of Hospitality and Gifts for the Trust has been in place and maintained for the year and has been reported publicly in line with requirements. Board members are also invited to declare any real or potential relevant interests that they may at each board meeting in order to ensure that the Trust Board conducts its business with optimal transparency.

The key governing corporate governance documents have been reviewed by the Board during 2014/15. The Standing Orders, Standing Financial Instructions and Scheme of Delegation were revised to ensure that they continued to meet changing requirements and these were approved by the Trust Board at the September meeting at the recommendation of the Audit Committee. I confirm that these overarching documents have been in place for the 2014/15 year.

The structure of the Trust Board in terms of its supporting committees has not changed during 2014/15. The changes to the structure that were made within 2013/14 were allowed a period of 'bedding down' and following a high level review, the Trust Board resolved at the May 2014 Trust Board meeting to retain the current structure, which was working effectively. This conclusion was reached on the basis of the Committee Annual Reports provided to the Audit Committee and through direct reporting to Trust Board by the Committee Chairs.

Membership of the Committees has however changed, both to reflect the changes in membership of the Trust Board and to ensure that skills are deployed as appropriate. The Quality Governance Committee and Audit Committee in particular have benefitted from the inclusion within the membership of NEDs with clinical backgrounds.

3.2 BOARD EFFECTIVENESS

The Trust Board has seen a number of changes during the year with two new Non-Executive Directors joining the Trust Board and changes to the Chief Officer team. In recognition of this, the programme of Board Development that was embarked upon in 2013/14 has continued into 2014/15 to allow the board dedicated time to focus upon maximising its effectiveness and impact as a collective body. As a result of this work, the Board has agreed to hold quarterly away days at which strategy and other key issues can be properly debated; the board seminar programme will continue to run in tandem with this.

4 Trust Board and Supporting Committee Structure

The Trust Board operates under the principle of a unitary board where all members carry equal responsibility and corporate accountability for decisions made. It is responsible for:

- **Leadership;** defining the vision and values and setting the strategic direction for the Trust.
- **Oversight;** setting and agreeing targets and receiving regular reports on finance, quality and performance and requiring action where deviation occurs.
- **Accountability;** holding management to account for the delivery of agreed plans.
- **Sustainability;** ensuring that the Trust is fit for purpose for the future by appointing suitable executives to manage the Trust and by approving plans in furtherance of the vision.

The Trust Board has met in public each month with the exception of August and December. Due to the nature of some items of business, the Trust Board has resolved to exclude members of the public and the press from meetings and has continued the meeting in private. In order to meet expectations around transparency and openness, the Chairman has provided a high level overview of the agenda items and key decisions made at the next available public Trust Board meeting.

An additional extraordinary meeting was held in June to consider the Annual Accounts 2013/14 and these were presented, together with the Annual Report at an Annual General Meeting in July 2014.

4.1 COMMITTEE STRUCTURE

The work of the Trust Board is supported by the following formal statutory committees that it has established. These are subject to clear terms of reference which have been approved by the Trust Board and are chaired by a Non-Executive Director.

The following non-statutory committees are also in place and chaired by a Non-Executive Director.

The Chair of each Board Committee reports to the Trust Board and outlines the most important aspects of the agenda and any issues that properly need bringing to the attention of the Trust Board as a whole. Formal minutes of the meetings are also received by the Trust Board following approval.

A formal record of attendance at meetings is kept and attendance at meetings is an expectation that is laid out within the Code of Conduct and Statement of Responsibilities. The following section sets out key details of the main duties of the Board Committees and attendance at meetings thereof during 2014/15.

Committee	Chair
Remuneration Committee	Andrew Meehan
Corporate Trustee Board	Andrew Meehan
Audit Committee	Trevor Robinson
Finance and Performance Committee	Ian Buckley
Quality Governance Committee	Ed Macalister-Smith

Trust Board Attendance				
Name	**Position**	**Possible Meetings**	**Meetings Attended**	**Attendance Rate**
Non-Executive Directors				
Mr T Robinson*	Non-Executive Director	10	5	50%
Mr I Buckley*	Non-Executive Director	10	10	100%
Mr E Macalister-Smith	Non-Executive Director	10	7	70%
Ms S Tubb	Vice Chair*	4	4	100%
Prof P Winstanley	Non-Executive Director	10	7	70%
Mr A Meehan	**CHAIR**	10	9	90%
Mrs B Beal	Non-Executive Director	7	6	86%
Mrs B Sheils	Non-Executive Director	6	6	100%
Executive Directors				
Mr A Hardy	Chief Executive Officer	10	9	90%
Mrs M Pandit	Chief Medical Officer	10	7	70%
Mrs G Nolan	Chief Finance Officer	6	6	100%
Mr D Eltringham	Chief Operating Officer	10	9	90%
Prof M Radford	Chief Nursing Officer	10	10	100%
Mr I Crich	Chief HR Officer	5	4	80%
Mr D Moon	Chief Finance & Strategy Officer	10	8	80%
Mr K Hutchinson	Interim HR Officer	5	5	100%

It should be noted that Trevor Robinson has signalled his intent to resign his position but given his status of Audit Chair, he has remained in post until a replacement is sought to ensure continuity.
Samantha Tubb left the Trust as a NED on 31 July 2014
Ian Buckley became Vice Chair following the departure of Sam Tubb.
Ian Crich, Chief HR Officer left the Trust on 17 October 2014.
Gail Nolan left the Trust as Chief Finance Officer on 31 December 2014 .
David Moon was appointed as Chief Finance & Strategy Officer with effect from 1 December 2014.
Brenda Sheils joined the Trust on 1 July 2014.
Barbara Beal joined the Trust on 1 August 2014.

4.1.1 AUDIT COMMITTEE

The Audit Committee comprises exclusive Non-Executive Director membership and is chaired by a Non-Executive Director with a formal accountancy qualification. The Committee meets six times per year and considers the financial statements at an extraordinary meeting in June of each year. Membership of the committee changed during 2014/15 owing to changes in the Trust Board outlined above and the number of NED members has been increased to four following approval of revised terms of reference at the September 2014 Trust Board.

The record of attendance at Audit Committee meetings during 2013/14 for each of the nominated non-executive members was as shown below:

The Committee is responsible via its terms of reference for focussing upon establishing and ensuring the effectiveness of over-arching systems of integrated governance, risk management and internal control and to provide assurance to the Board thereon. It executes this duty through:

- Reviewing systems of integrated governance, risk management and internal control;
- Approving the annual work plans of the internal and external auditors and monitoring performance against those plans;
- Approving the work plan for the Local Counter Fraud Specialists and receiving update reports;
- Monitoring the performance of Trust management in responding to issues raised by auditors;
- Reviewing the draft annual report, draft Quality Account, Annual Report and financial statements before submission to the Board;
- Ensuring that policies, procedures, systems and processes are in place to ensure effective clinical and corporate governance; and
- Ensuring that a robust Board Assurance Framework (BAF) is in place

During the course of the year the Audit Committee has:

- Received a number of reports from Internal Audit arising out of the Annual Internal Audit Plan for the year and an ad hoc report relating to agency staffing in response to a specific issue raised by management.
- Approved a number of measures aimed at enhancing its functioning as a Committee in response to an Effectiveness Survey that was undertaken; this has included setting Committee objectives for 2015/16.

Audit Committee Attendance

Name	Position	Possible Meetings	Meetings Attended	Attendance Rate
Mr T Robinson	**CHAIR**	5	4	80%
Mr E Macalister-Smith	Non-Executive Director	5	4	80%
Mr I Buckley	Non-Executive Director	1	1	100%
Prof P Winstanley	Non-Executive Director	3	3	100%
In attendance				
Mr D Moon	Chief Strategy Officer	1	1	100%
Mrs R Southall	Director Corporate Affairs	4	4	100%

- Overseen improvement in the number of outstanding actions arising out of internal audit recommendations.
- Scrutinised the new Raising Concerns (formerly Whistleblowing Policy) and made a recommendation for approval to the Trust Board.
- Approved proposals for the write-off of debt following scrutiny and challenge.

During the course of the year, Internal Audit issued limited assurance reports on the following areas:

- Data Quality: iPM, VitalPAC and Patient Notes; this audit focused upon the consistency of information across the three different systems that are in use across the Trust.
- Theatre Efficiency; this focused on the effectiveness of the controls that are in place aimed at ensuring the most effective use of theatre time, which is an internal stretch target.

Moderate assurance reports in relation to:-

- Financial Reporting and Delivery including CIP
- World Health Organisation checklist
- Reference Costs
- Data Quality – Accident and Emergency 4 hour wait

Significant assurance reports in relation to:

- Budget Setting including CIP Planning
- Financial Systems
- Data Quality: Cancer Wait Targets
- Data Quality: 18 Week Wait Targets
- Head of Internal Audit Opinion

Actions for improvement are agreed by management following each internal audit exercise and progress against these actions is monitored by the Committee through the Tracker Report which is received at each ordinary meeting.

4.1.2 THE REMUNERATION COMMITTEE

The Remuneration Committee comprises all of the Non-Executive Directors with the Chair taking the Committee Chair. Membership has changed commensurate with the changes to the aforementioned changes to the Trust Board and attendance is as detailed below:

The Committee is responsible for determining the remuneration and terms of service of the Trust's Executive Directors. The principle areas of responsibility include:

- All aspects of salary, including any performance related elements and bonuses.
- Provisions of other benefits, including pensions and lease cars.
- Contractual arrangements, including severance packages for directors in the event of termination of employment.

During the course of the year the Remuneration Committee has:

- Approved the proposal for a 1% non-consolidated uplift in the remuneration of the Chief Officers.
- Approved the annual objectives of the Chief Executive Officer.
- Approved the annual assessment of the performance of the Chief Executive Officer prior to submission to the TDA.
- Approved the amalgamation of the former Chief Finance Officer and Chief Strategy Officer posts and the associated remuneration.
- Approved the creation of Chief Human Resources and Information Officer post following the departure of the Chief Human Resources Officer.
- Approved the Remuneration Statement for inclusion within the Annual Report.

The Remuneration Committee Attendance

Name	Position	Possible Meetings	Meetings Attended	Attendance Rate
Non-Executive Directors				
Mr T Robinson	Non-Executive Director	4	3	75%
Mr I Buckley	Non-Executive Director	4	4	100%
Mr E Macalister-Smith	Non-Executive Director	4	3	75%
Mrs B Beal	Non-Executive Director	2	1	50%
Mrs B Sheils	Non-Executive Director	2	2	100%
Ms S Tubb	Non-Executive Director	2	2	100%
Prof P Winstanley	Non-Executive Director	4	3	75%
Mr A Meehan	**CHAIR**	4	4	100%

4.1.3 CORPORATE TRUSTEE BOARD

The Corporate Trustee Board comprises the Board of Directors of the NHS Trust acting in the capacity as Trustees of the University Hospitals Coventry and Warwickshire NHS Trust Charity. Membership of the Corporate Trustee Board has changed over the year commensurate with the changes to the Trust Board that have been described.

The Corporate Trustee Board sets the strategy for the Charity and approves: key policies and procedures; the annual report and financial statements; investments; spending plans; and the scheme of delegation within which nominated fund managers and charity managers operate. In addition it selects the Charity's fundraising appeals and approves its fundraising strategy.

During the year the Corporate Trustee Board has continued to investigate the option of the Charity becoming a fully independent Charity and has made a formal recommendation to the Trust Board that this should be pursued.

It has also received reports on: the Charity's financial position; charitable spending; legacies and bequests; fundraising activities; and governance arrangements and has approved the annual accounts for the Charity.

Attendance for the year at Corporate Trustee Board meetings is as follows:

Corporate Trustee Board Attendance

Name	Position	Possible Meetings	Meetings Attended	Attendance Rate
Non-Executive Directors				
Mr T Robinson	Non-Executive Director	2	1	50%
Mr I Buckley	Non-Executive Director	2	2	100%
Mr E Macalister-Smith	Non-Executive Director	2	0	0%
Ms S Tubb	Non-Executive Director	1	1	100%
Prof P Winstanley	Non-Executive Director	2	1	50%
Mr A Meehan	**CHAIR**	2	2	100%
Mrs B Beal	Non-Executive Director	1	0	0%
Mrs B Sheils	Non-Executive Director	1	1	100%
Executive Directors				
Mr A Hardy	Chief Executive Officer	2	2	100%
Mrs M Pandit	Chief Medical Officer	2	0	0%
Mrs G Nolan	Chief Finance Officer	1	0	0%
Mr D Eltringham	Chief Operating Officer	2	1	50%
Prof M Radford	Chief Nursing Officer	2	2	100%
Mr D Moon	Chief Strategy Officer	2	1	50%

4.1.4 THE FINANCE AND PERFORMANCE COMMITTEE

The Finance and Performance Committee comprises executive and non-executive membership and is chaired by a Non-Executive Director with recent and relevant financial and commercial expertise.

Membership of the Committee was reviewed during 2014/15 in light of changes to the Trust Board and attendance is as follows:

The Committee is responsible for reviewing the Trust's performance against key financial and operational targets and for reviewing the key financial strategies and policies.

During the course of the year, the Finance and Performance Committee has:

- Received regular reports from the Trust's executive directors on key aspects of financial and operational performance within an integrated reporting framework;
- Received briefings on the Trust's financial planning and contracting arrangements;
- Evaluated a number of projects and business cases;
- Commissioned and received a number of reports and 'deep dive' analysis reports into areas of concern arising out of financial and operational performance including: activity and income, elective and emergency capacity, cash and liquidity, capital and PFI and a mid-year CIP review.

Key areas of concern for the Committee during 2014/15 included:

- Financial performance;
- Spend on agency and temporary staffing.
- Meeting operational performance targets.

4.1.5 THE QUALITY GOVERNANCE COMMITTEE

The Quality Governance Committee comprises executive and non-executive membership with a NED chair. Membership of the committee has changed during 2014/15 as a result of changes to the Trust Board and it now benefits from the addition of two NEDs with a clinical background.

The Finance and Performance Committee Attendance

Name	Position	Possible Meetings	Meetings Attended	Attendance Rate
Non-Executive Directors				
Mr I Buckley	Non-Executive Director/CHAIR	8	7	88%
Ms S Tubb	**CHAIR**	3	3	100%
Mrs Barbara Beal	Non-Executive Director	5	4	80%
Mrs Brenda Sheils	Non-Executive Director	5	5	100%
Executive Directors				
Mrs G Nolan	Chief Finance Officer	4	2	50%
Mr D Eltringham	Chief Operating Officer	8	4	50%
Mr I Crich	Chief Human Resources Officer	5	3	60%
Mr D Moon	Chief Finance & Strategy Officer	8	6	75%

The purpose of the Committee is to support the Trust Board in assuring that the Trust delivers high quality, safe services to patients through:

(a) Promoting safety, quality and excellence in patient care.
(b) Ensuring the effective and efficient use of resources through the evidence-based clinical practice.
(c) Protecting the safety of employees and all others to whom the Trust owes a duty of care.
(d) Ensuring that effective systems and processes are in place to support high quality care through an effectual training and education and ICT infrastructure.
(e) Ensuring appropriate arrangements across the Trust are in place for identifying, prioritising and managing risk.

The Committee oversees and monitors the corporate delivery of patient safety, patient experience, risk management, education and training, information and information technology and regulatory standards to ensure that the Trust has the appropriate strategies, processes, systems, policies, and procedures in place to deliver the necessary standards of care.

It acts as the principal source of advice and assurance to the Trust Board on patient safety and quality governance.

The Committee is responsible for receiving reports from its following sub-committees on a scheduled and regular basis:

- Patient Safety Committee
- Risk Committee
- Patient Experience and Engagement Committee
- Information and IT Committee
- HR, Equality and Diversity Committee
- Training, Education and Research Committee

Attendance for the year is as set out below:

During the course of the year the Quality Governance Committee has received reports relating to the following:

- The Risk Register
- Serious Incident
- Mortality Data reports
- Infection control reports
- Patient Safety Thermometer reports
- Intelligent Monitoring Reports issued by the CQC
- Safeguarding Adults & Children
- Updates in relation to the Information Governance Toolkit
- Reports and action plans following Deanery visits
- Emergency Planning

The Quality Governance Committee Attendance

Name	Position	Possible Meetings	Meetings Attended	Attendance Rate
Non-Executive Directors				
Mr E Macalister-Smith	**CHAIR**	9	9	100%
Prof P Winstanley	Non-Executive Director	9	4	44%
Barbara Beal	Non-Executive Director	5	3	60%
Brenda Sheils	Non-Executive Director	5	5	100%
Executive Directors				
Mrs M Pandit	Chief Medical Officer	10	8	80%
Mr D Eltringham	Chief Operating Officer	10	5	50%
Prof M Radford	Chief Nursing Officer	10	8	80%
Mr K Hutchinson	Interim HR Officer	3	2	67%

5 Quality Governance

The Trust Board is accountable for the quality of the services that are provided. Executive responsibility for quality rests with the Chief Medical Officer and Chief Nursing Officer. A Quality Strategy has been in place for 2014/15, which details the principles that drive improvements and the delivery of high quality care is also a driving force within the Trust's Clinical Strategy.

A combination of structures and processes are in place to ensure effective quality governance and the Trust Board has continued to monitor progress against the actions outlined in the Quality Governance Framework action plan through the Quality Governance Committee. These quality governance arrangements allow the Trust Board to discharge its duties in relation to quality and underpin the production of the Quality Account in terms of providing the requisite assurance.

The following section provides a high level summary of these structures and processes under the three quality domains. Further information can be found in the Quality Account that the Board of Directors is required to produce each year under the Health Act 2009. The Quality Report 2014/15 has been developed in line with relevant national guidance and the content has been scrutinised by the Quality Governance Committee and Audit Committee prior to Trust Board approval. Comments have also been provided by local stakeholders including commissioners, patients and the local authority.

5.1 CLINICAL EFFECTIVENESS

Clinical Audit

The Trust has a comprehensive plan of clinical audit in place, which is presented to the Audit Committee for assurance; progress against the plan is then monitored at the Quality Governance Committee. The plan comprises nationally mandated audits and audits that are determined by the Trust and a summary Clinical Audit and Effectiveness report is produced each year as a supplement to the Quality Account.

This details the benefits derived from participation in audits and a summary of the key actions arising out of clinical audit exercises.

5.2 SAFETY

Patient safety is a fundamental responsibility of the Trust Board and an established Patient Safety Committee that reports to the Quality Governance Committee is in place. In addition to receiving a regular committee report, the Quality Governance Committee also receives patient safety related reports and data as set out in section 4.1.5. The Trust Board receives regular reports and minutes from the Quality Governance Committee.

Members of the Trust Board have continued to visit wards and departments across the Trust as part of the Patient Safety Walk-Round programme and to support a ward to board culture. The Patient Story Programme has also continued during the year, with the Trust Board hearing first-hand accounts of the experience of patients, relatives and carers.

The Trust has mechanisms in place to act upon alerts received from relevant central bodies and has reformulated the former Whistle-Blowing Policy into a Raising Concerns Policy, which clearly sets out how concerns can be raised, from incident reporting through to raising concerns directly with members of the Trust Board where necessary.

5.2.1 Never Events

The Trust has reported three never events during 2014/15 comprising:

1. Misplaced nasogastric tube.
2. Retained swab.
3. Retained tip of a receptorscope.

Never Events are a high priority for the Trust Board and form part of the Performance Framework, with monitoring taking place each month via the balanced scorecard. A thorough root cause analysis (RCA) has taken place each following each Never Event. The report and associated action plans are presented to the Chief Executive Officer and action plans are followed up to ensure that all actions are completed. In line with the Trust's commitment to ensure that learning is derived, the following mechanisms have been put into place to ensure that Trust wide learning takes place:

- Presentations at the Grand Round
- Speciality Group Newsletters
- Innovation workshops
- Human factors training for the areas in which never events have occurred

Specific actions that have followed Never Events include changes to clinical guidelines to prevent a similar occurrence.

5.2.3 Serious Incidents

Serious Incidents form part of the Trust's Performance Framework; incidents are a key performance indicator on the balanced scorecard that is reported to the Trust Board. A more detailed report is received by the Trust Board twice a year, which contains trend analysis and the Quality Governance Committee receives a more detailed report each month detailing all serious incidents that have taken place, together with a summary of the actions that have been taken in response.

All serious incidents are subject to a root cause analysis, and the associated investigation report and actions plans are presented to the Significant Incident Group (SIG) which meets each week. Incidents that are classified as Serious Incidents Requiring Investigation (SIRI) are reported to commissioners in line with requirements. A total of 78 SIRIs were reported during 2014/15.

Incident reporting is openly encouraged across the Trust as part of a patient safety culture and where an incident has affected a patient, he or she, and their family members where appropriate, are kept informed and assurance is provided that lessons have been learned. The Trust has also taken measures to ensure that it complies with the provisions of the Duty of Candour.

5.3 EXPERIENCE

The Trust utilises a bespoke patient, carer, and relative satisfaction questionnaire which can be accessed via the Trust's website, as hard copy questionnaires, via a QR Code and via hand held devices used by volunteers on the wards in real time. The questionnaire allows respondents to give feedback in their own words and includes the Friends and Family Test (FFT) question. Verbatim comments are emailed to wards and departments and to Chief Officers on a daily basis in order that timely action can be taken where required; this includes contacting patients or relatives. Responses for 2014/15 demonstrate a 94% 'mainly good impression' of the Trust which is a decrease on the previous year.

In 2014/15, 89% (34,137 respondents) of those who answered, the FFT said that they would recommend the Trust to a friend or family member if they needed similar care or treatment. The Trust also participates in the national survey programme.

Patient experience is a keen area of focus for the Trust Board and the FFT is part of the performance framework that is reported each month. Complaints are also featured in the performance framework. A significant development during 2014/15 is the introduction of the 'We Care' Patient Experience report, which brings together the various components that act as a measure of the patient experience.

5.4 CARE QUALITY COMMISSION (CQC) REGISTRATION

The Trust has been registered with the Care Quality Commission to provide nine *Regulated Activities* at two locations (University Hospital, Coventry, and the Hospital of St Cross, Rugby) since 1 April 2010. Systems are in place to ensure compliance with the registration requirements and the Essential Standards of Quality and Safety. Each standard is allocated to an identified lead, who is responsible for providing evidence of compliance.

A mock assessment programme is in place whereby unannounced visits take place across the Trust and recommendations and actions arising out of this are followed up. A full inspection by the Chief Inspector of Hospitals also took place in March 2015 and the outcome is awaited.

The Trust has not been issued with any improvement notices during the 2014/15 period.

6 Performance Management Framework

The Trust's performance is assessed through a suite of Key Performance Indicators (KPIs) at a Trust, Group and Specialty level. These KPIs support the delivery of safe, high quality and evidenced patient care and helps the Trust to determine whether its key strategies are being realised. Performance is reported to the Trust Board each month via a balanced scorecard which comprises national and locally set KPIs, each of which are allocated to an executive director. In addition, the Trust Board undertakes a self-assessment against the TDA Board statements and against Foundation Trust licensing requirements each month.

The Trust has put into place measures to ensure the accuracy and quality of the data that it reports including mapping the data flow for all indicators contained within the balanced scorecard. All information is processed and reported via a single source; the Trust's Performance and Programme Management Office and data relating to national target is signed off by an appropriate officer of the Trust prior to submission.

In order to provide additional assurance to the Audit Committee and Trust Board around data quality, the Trust's Internal Auditor has undertaken audit exercises during 2014/15 in relation to:

- Cancer wait data
- 18 week wait data

An outcome of significant assurance has been provided to the Audit Committee in relation to the data quality of cancer waiting times and 18 week wait and moderate assurance was provided for Accident and Emergency four hour wait data. A rolling programme of data quality continues as part of the Internal Audit programme going forward.

The Trust has also received assurance around its Referral to Treatment Data as part of the National RTT Data Validation Programme and the conclusion reached is that the Trust can be assured that the current patient tracking list is of sound quality and there have been no concerns highlighted requiring the programme to escalate these internally or externally.

6.1 PERFORMANCE AGAINST THE NHS TRUST DEVELOPMENT AUTHORITY ACCOUNTABILITY FRAMEWORK 2014/1

A&E 4 Hour Standard

The Trust's outturn performance against the 95% A&E four hour standard for 2014/15 was 90.37% and the target was therefore not achieved.

The Trust's Emergency Department has continued to face significant pressure in line with the position nationally, but remains committed to improving performance against the standard and the experience of patients. To this end, there has been continued focus on the 'Getting Emergency Care Right' initiative, which is aimed at embedding safety standards on the non-elective pathway.

In addition to this, a GP Assessment Unit was established in February 2015 to capture all urgent medical GP referrals and although this has only been in operation for a short time, it is proving successful. In the first six weeks a total of 1,115 patients were referred to the unit, of which 462 (40%) were discharged directly home, and a further 3% diverted to Ambulatory Clinics. It is hoped that the overall discharge performance will improve further in the future but there is no doubt that the GPAU has positively contributed to the Trust's improving position in the latter part of the year.

Referral to Treatment (RTT) for admitted patients

There has been increasing pressure on the 18 week referral to treatment pathways over the past year as a consequence of pressure on the emergency care pathway and the growth in demand in certain specialities. This was breached for the first time this year in August 2014.

The Trust entered into an agreement with the TDA and the CCG that it would fail the RTT standards in October and November 2014 on a planned basis in order to reduce the backlog of patients already waiting over 18 weeks. Further agreement was reached to reduce the backlog in February and March 2015.

The rate of increase in the number of patients waiting over 18 weeks has slowed as a result but performance against the RTT target has suffered as a consequence.

Cancer – 62 day wait for first treatment from GP referral for suspected cancer

The 85% target was breached in July, November and February of 2014/15, and the target for the year end was not met. This was contributed to by an increase in late referrals (after 62 days) from other Trusts, which are categorised as shared breaches.

A number of actions were taken to improve performance for this indicator including revisions to relevant pathways, additional support for tracking patients on an urgent suspected cancer pathway and reviews of all radiotherapy breaches in the month. Internal audit have also undertaken a review of the processes that are in place around the capture and recording of data associated with this target and a separate review on management process; the associated recommendations for improvement have been agreed.

Clostridium difficile

The Trust had a challenging Clostridium-Difficile (Trust acquired) target of 54 cases for the year but performed well against this with 38 cases being recorded against the target.

MRSA

The Trust had a challenging target of zero incidences of MRSA in 2014/15. At the year-end, nine cases were reported, which meant that the target was not achieved. These cases have occurred throughout the year, with the first reported in April 2014, although the rise in incidences towards the year end, with three reported in February 2015, was a cause for serious concern. A comprehensive approach has been taken to determining the cause of the rise, including the commissioning of an external review.

Diagnostics

The Trust failed the diagnostics wait target in December 2014. A number of issues were identified as causative and internal audit have undertaken a review of the controls that are in operation to prevent further breaches. A number of actions have been agreed and progress against these will be monitored via the Audit Committee.

6.2 INFORMATION GOVERNANCE

The Chief Operating Officer is the Trust's Senior Information Risk Owner (SIRO) and the Caldicott Guardian post is jointly held by the Director of Governance and the Chief Medical Officer.

The Trust submitted version 12 of the Information Governance Toolkit to the Health and Social Care Information Centre at the end of March 2015, having achieved level 2 or above in all 44 requirements. There has been an increase in the Trust's performance from 74% last year to 78% this year for version 12, giving the Trust an overall 'Satisfactory' level on the Toolkit.

The Information Commissioner has not taken any regulatory action against the Trust during 2014/15 but there have been eight Information Governance breaches in 2014/15 that have required reporting as detailed below.

To ensure that necessary learning takes place, root cause analysis is carried out in respect of each incident and a report and action plan is developed and monitored.

Number of incidents	Breach Type	Summary of Incident
5	Disclosed in Error	Patient details disclosed in error, as part of a Subject Access Request.
1	Non-secure Disposal – Paperwork	Member of public contacted Trust to report that personal identifiable data had been left in a vacated private residence. All discarded information was safety and securely hand delivered to the Trust.
1	Unauthorised Access/ Disclosure	A healthcare professional employed by a partner organisation inappropriately accessed patient records on a UHCW clinical system.
1	Disclosed in Error	Mis-directed fax.

7 Risk Management

I am accountable for risk management across all activities within the Trust and have delegated this responsibility to the Chief Medical Officer who has overall responsibility at Board level.

A Risk Management Strategy has been in place for the year ended 31 March 2015; this was reviewed by the Trust Board in March 2015. The strategy is aimed at providing a clear framework for managing risk across the organisation. It sets out a systematic approach to the identification and management of risks in order to ensure that risk assessment is an integral part of clinical, managerial and financial decision making. It also sets out the role of the Trust Board and its standing committees, together with individual responsibilities.

The Trust's Risk Management Policy provides guidance on the implementation of the Risk Management Strategy, and contains details on operational risk management. It provides guidance for managers in assessing and evaluating risks.

7.1 THE RISK AND CONTROL FRAMEWORK

Effective risk management requires the involvement of all staff, and all staff have a role in the identification and management of risk. The risk management team provides training on an ongoing basis, which includes risk assessment and a range of other statutory training programs. The Trust also provides staff with training in incident investigation as well as root cause analysis programmes for risk assessors.

The risk management process starts with risk assessments that are carried out at all levels of the organisation; these risks are then documented on the risk register. A single risk register is in place and is utilised across the organisation to capture risks at Specialty Group and Corporate Service level. A 5 x 5 risk matrix is utilised as a means of assessing risk, which provides guidance around the boundaries of exposure to consequences and impact should this risk be realised.

In order to promote accountability and autonomy, low scoring risks are managed within the area in which they arise, whilst higher scoring risks are managed at either Speciality Group level or corporately commensurate with their score. Greater focus is placed on the control and management of higher scoring risks in order to reduce the potential for harm.

The Quality Governance Committee that comprises executive and non-executive membership receives and monitors the Corporate Risk Register at each meeting. It also considers whether any individual risk has the potential to affect delivery of the strategic objectives and should therefore be considered for inclusion on the BAF. The Chair of the Committee can escalate any risk to the Trust Board through the Chair's Committee Report to ensure that the directors are kept aware of potential risks to quality.

The Trust's Risk Committee draws together all risk work streams throughout the organisation. It ensures that risks are managed, assurances are sought and review is comprehensive. Its membership includes the nominated leads for risk to cover all the risk domains, e.g. finance, operational, Human Resources, ICT and clinical and non-clinical (health, safety, security and fire) risks and its work is overseen by the Quality Governance Committee.

Risks are also discussed at Specialty Group level as part of the Quality Improvement and Patient Safety (QIPS) meetings that take place each month and are a focus of the quarterly performance review meetings undertaken by the Chief Officers. Information obtained from the QIPS meetings is collated centrally by the Quality Department.

The Trust Board is responsible for the identification and management of risks to the achievement of the objectives that it has agreed and produces a Board Assurance Framework (BAF) each year that is then monitored on a quarterly basis. This includes:

- Definition of the risk
- Assessment of potential likelihood and impact
- Key controls by which the risk is managed
- Gaps in controls and assurance
- Action plans to ensure improvement in controls and assurances

The Audit Committee also has oversight of the BAF in line with its responsibility for assessing the overall system of internal control. The Internal Audit Annual Plan, which is risk driven and provides independent assurance around the effectiveness of the key controls that are in place across the Trust, is reviewed in light of any changes to the BAF, to assess whether additional audit activity is required. A number of contingency days are held each year to accommodate changes to the risk profile. The Trust Board has approved the reduction in score of a number of BAF risks during the year, which evidences the effectiveness of the controls that are in place to manage them.

Independent assurance in relation to the rigour of the BAF is provided by Internal Audit, who undertake both an interim and full review of the BAF each year and the overall conclusion is that the 2014/15 BAF meets year end requirements and provides reasonable assurance that there is an effective system of internal control to manage the risks identified by the Trust.

The Local Counter Fraud Specialist undertakes a programme of work for the Trust which includes awareness/deterrence training; fraud detection and prevention; and investigations. The Audit Committee receives regular reports relating to the Counter Fraud Annual plan and the Trust actively seeks redress and legal sanctions where appropriate.

7.2 **RISK PROFILE**

The major risks that the Trust has faced in 2014/15 were as follows:

1. Poor patient experience, reputational and financial impact of failing key national performance indicators and inspections.
2. Patient Flow; inability to create the required flow of patients across the Trust as a result of increased delayed transfers of care (DTOC).
3. Staffing Levels; increased usage of bank and agency staff across the Trust in 2014/15 in comparison to 2013/14.
4. Financial position; failing to meet the statutory duty to break even as a result of increasing operational pressures.
5. Never Events; the Trust reported three Never Events in 2014/15.
6. MRSA; the Trust has reported nine cases of MRSA in 2014/15.

8 Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of internal auditors, clinical audit and the executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control. It is also informed by reports from external auditors, Trust committees and the overall performance management framework.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit Committee, the Finance and Performance Committee, the Quality Governance Committee and the Chief Officers' Group. Plans to address weaknesses and ensure continuous improvement of the systems are in place.

The BAF itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. Internal Audit provides me with an opinion about the effectiveness of the BAF and the internal controls reviewed as part of the internal audit plan. Work undertaken by internal audit is reviewed by the Chief Officers' Group and by the Audit Committee.

The BAF is reviewed by the Trust Board four times a year and it provides me with and the Trust Board with evidence of the effectiveness of the controls in place to manage risks.

My review is also informed by external audit opinion, inspections carried out by the Care Quality Commission and other external inspections, accreditations and reviews.

The processes outlined below are well established and ensure the effectiveness of the systems of internal control through:

- Board review of the BAF
- Audit Committee scrutiny of controls in place
- Review of serious incidents, learning, risk management and clinical effectiveness by the Committees of the Trust Board
- Internal audits of the effectiveness of the systems of internal control

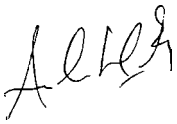
Conclusion

My review confirms that the Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

The Trust has however identified the following control issues that require declaration during 2014/15

- The Trust did not meet the obligation to achieve a break-even financial position. This is likely to result in a qualified audit opinion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. In addition, the auditors may be required to issue a letter to the Secretary of State under the Audit Commission Act 1998 (s19).
- The Trust did not meet the following performance targets for 2014/15:
  - The A&E four hour standard.
  - The MRSA target.
  - The 18 week referral to treatment target (admitted).
  - The 62 day cancer target.
- The Trust reported three never events during 2014/15.

Detailed actions are in place aimed at addressing these issues.



Andy Hardy
Chief Executive Officer
2 June 2015

PART 5

Financial Statements

Financial Statements 2014/15

Statement of Comprehensive Income for year ended 31 March 2015

	NOTE	2014/15 £000s	2013/14 £000s
Gross employee benefits	10.1	**(325,784)**	(306,456)
Other operating costs	8	**(203,932)**	(185,386)
Revenue from patient care activities	5	**483,670**	457,916
Other operating revenue	6	**66,526**	70,965
Operating surplus		**20,480**	37,039
Investment revenue	12	**84**	63
Other gains	13	**6**	1,506
Finance costs	14	**(27,177)**	(25,614)
Surplus/(deficit) for the financial year		**(6,607)**	12,994
Public dividend capital dividends		**(2,853)**	(2,131)
Retained surplus/(deficit) for the year		**(9,460)**	10,863
Other Comprehensive Income			
Impairments and reversals taken to the revaluation reserve		**5,814**	(45)
Net gain on revaluation of property, plant & equipment		**5,480**	3,625
Total comprehensive income for the year		**1,834**	14,443
Financial performance for the year			
Retained surplus/(deficit) for the year		**(9,460)**	10,863
IFRIC 12 adjustment (including IFRIC 12 impairments)[a]		**(8,266)**	(11,154)
Impairments (excluding IFRIC 12 impairments)[b]		**799**	1,437
Adjustments in respect of donated gov't grant asset reserve elimination[c]		**27**	(932)
Adjusted retained surplus/(deficit)		**(16,900)**	214

A Trust's reported NHS financial performance position is derived from its Retained Surplus/(Deficit), but adjusted for the following:

a) The introduction of International Financial Reporting Standards (IFRS) in 2009/10 has resulted in PFI contracts being recorded in the Statement of Financial Position. However, the measurement of NHS trusts' financial performance needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure and therefore, the incremental revenue expenditure resulting from the application of IFRS to PFI is not chargeable for overall budgeting purposes. Therefore any incremental costs recognised in the Statement of Comprehensive Income are reversed.

b) Impairment charges relating to property, plant and equipment is not considered part of the organisation's financial performance and therefore any impairment charges recognised in the Statement of Comprehensive Income are reversed.

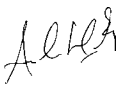
c) The financial impact associated with the acquisition and subsequent depreciation of donated assets (see also note 1.13) is not considered part of the organisation's financial performance. Therefore any income (related to the acquisition of donated assets) and depreciation of donated assets recognised in the Statement of Comprehensive Income is reversed.

There is a statutory requirement for NHS trusts to break-even taking one year with another. The Trust's break-even performance is shown in note 43.1. The notes on pages 110 to 158 form part of this account.

Statement of Financial Position as at 31 March 2015

	NOTE	31 March 2015 £000s	31 March 2014 £000s
Non-current assets:			
Property, plant and equipment	15	**373,568**	354,442
Intangible assets	16	**3,886**	1,143
Investment property	18	**5,007**	5,007
Trade and other receivables	22.1	**30,046**	35,535
Total non-current assets		**412,507**	396,127
Current assets:			
Inventories	21	**11,558**	10,293
Trade and other receivables	22.1	**30,726**	25,771
Cash and cash equivalents	26	**655**	893
Sub-total current assets		**42,939**	36,957
Non-current assets held for sale	27	**0**	673
Total current assets		**42,939**	37,630
Total assets		**455,446**	433,757
Current liabilities			
Trade and other payables	28	**(44,601)**	(44,141)
Provisions	35	**(3,013)**	(3,421)
Borrowings	30	**(6,402)**	(8,719)
DH capital loan	30	**(2,390)**	(1,500)
Total current liabilities		**(56,406)**	(57,781)
Net current liabilities		**(13,467)**	(20,151)
Total assets less current liabilities		**399,040**	375,976
Non-current liabilities			
Provisions	35	**(2,470)**	(2,500)
Borrowings	30	**(264,703)**	(271,163)
DH capital loan	30	**(13,260)**	(6,750)
Total non-current liabilities		**(280,433)**	(280,413)
Total assets employed:		**118,607**	95,563
FINANCED BY:			
Public Dividend Capital		**55,080**	33,870
Retained earnings		**12,181**	21,043
Revaluation reserve		**51,346**	40,650
Total Taxpayers' Equity:		**118,607**	95,563

The notes on pages 110 to 158 form part of this account.
The financial statements on pages 109 to 158 were approved by the Board on 2 June 2015 and signed on its behalf by:



Andy Hardy
Chief Executive Officer
2 June 2015

Statement of Changes in Taxpayers' Equity for the Year ending 31 March 2015

	Public Dividend Capital £000s	Retained Earnings £000s	Revaluation Reserve £000s	Total Reserves £000s
Balance at 1 April 2014	**33,870**	**21,043**	**40,650**	**95,563**
Changes in taxpayers' equity for 2014/15				
Retained deficit for the year		(9,460)		**(9,460)**
Net gain on revaluation of property, plant, equipment			5,480	**5,480**
Impairments and reversals			5,814	**5,814**
Transfers between reserves		598	(598)	**0**
Reclassification Adjustments				
New temporary and permanent PDC received – cash	21,210			**21,210**
Net recognised revenue/(expense) for the year	**21,210**	**(8,862)**	**10,696**	**23,044**
Balance at 31 March 2015	**55,080**	**12,181**	**51,346**	**118,607**
Balance at 1 April 2013	**24,870**	**9,234**	**38,016**	**72,120**
Changes in taxpayers' equity for the year ended 31 March 2014				
Retained surplus for the year		10,863		10,863
Net gain on revaluation of property, plant, equipment			3,625	3,625
Impairments and reversals			(45)	(45)
Transfers between reserves		946	(946)	0
Reclassification Adjustments				
New temporary and permanent PDC received – cash	9,000			9,000
Net recognised revenue for the year	**9,000**	**11,809**	**2,634**	**23,443**
Balance at 31 March 2014	**33,870**	**21,043**	**40,650**	**95,563**

Statement of Cash Flows for the Year ended 31 March 2015

	NOTE	2014/15 £000s	2013/14 £000s
Cash Flows from Operating Activities			
Operating surplus		**20,480**	37,039
Depreciation and amortisation	8	**18,177**	18,174
Impairments and reversals	8	**(8,405)**	(9,717)
Donated Assets received credited to revenue but non-cash		**0**	(1,230)
Interest paid		**(27,097)**	(25,555)
Dividend paid		**(3,064)**	(2,126)
Increase in Inventories		**(1,265)**	(429)
(Increase)/Decrease in Trade and Other Receivables		**642**	(3,152)
Increase/(Decrease) in Trade and Other Payables		**(1,730)**	4,232
Provisions utilised		**(242)**	(504)
Decrease in movement in non-cash provisions		**(245)**	(2,007)
Net Cash Inflow/(Outflow) from Operating Activities		**(2,749)**	14,725
Cash Flows from Investing Activities			
Interest Received		**84**	63
Payments for Property, Plant and Equipment		**(15,774)**	(19,204)
Payments for Intangible Assets		**(2,291)**	(924)
Proceeds of disposal of assets held for sale (PPE)		**679**	944
Net Cash Outflow from Investing Activities		**(17,302)**	(19,121)
Net Cash Outflow before Financing		**(20,051)**	(4,396)
Cash Flows from Financing Activities			
Gross Temporary and Permanent PDC Received		**21,210**	9,000
Loans received from DH – New Capital Investment Loans		**8,900**	0
Loans repaid to DH – Capital Investment Loans Repayment of Principal		**(1,500)**	(1,500)
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**(8,816)**	(6,147)
Net Cash Inflow from Financing Activities		**19,794**	1,353
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(257)**	(3,043)
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**870**	3,913
Cash and Cash Equivalents (and Bank Overdraft) at year end	26	**613**	870

1 ACCOUNTING POLICIES

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the Department of Health Group Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Manual for Accounts 2014/15 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

Going Concern

There is a general presumption that an NHS trust's accounts are prepared on a going concern basis due to the fact that the NHS (Residual Liabilities) Act 1996, ensures that all the assets and liabilities of dissolved or merged NHS bodies are transferred to another NHS body, thereby ensuring continuity of operations.

Although the Trust has reported a deficit in its accounts for 2014/15 and has a planned deficit for 2015/16, the accounts are prepared on a going concern basis on the grounds that:

a.) Contracts with key commissioners for the provision of services have been agreed for 2015/16; and
b.) The NHS Trust Development Authority has confirmed that it will ensure that sufficient cash financing will be available to the Trust to ensure it can meet its financial obligations.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Movement of assets within the DH Group

The Trust did not have any assets or liabilities transferred to or from other entities within the DH Group during 2014/15, nor in 2013/14.

1.4 Charitable Funds

The Trust has considered the requirement to consolidate the Charitable Funds under its control (University Hospitals Coventry and Warwickshire NHS Trust Charity) into its financial statements (in accordance with the requirements of IFRS 10 Consolidated Financial Statements) but has determined that they are not material and therefore has not applied this policy (see also note 1.32). The Trust has however, recorded information about the Charitable Funds in note 41 – Related Party Transactions.

1.5 Pooled Budgets

The Trust has not entered into any pooled budget arrangements.

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the NHS trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the NHS trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The most significant judgement around accounting policies has been the decision to account for the Trust's PFI hospital in the Statement of Financial Position. The key accounting standards used in assessing this were IFRIC 12, IFRIC 4, IAS 16 and IAS 17.

1.6.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

- Valuation of property, plant and equipment (see note 1.10);
- Accrued income for partially completed spells at the end of the financial year (see note 1.7);
- Provision for the impairment of receivables (see note 22.3); and
- The calculation of provisions (see notes 1.20 and 35).

1.7 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and, is measured at the fair value of the consideration, receivable. The main source of revenue for the Trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

The Trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

1.8 Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements, other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.9 Other expenses

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

1.10 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at fair value.

Land and buildings used for the Trust's services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

During 2014/15 the Trust used indices provided by a professional property adviser to reflect the current value of the estate at 31 March 2015. In 2013/14, the Trust engaged a professional property adviser to undertake a desktop exercise to value the estate at 31 March 2014. The impact of these revaluations is recorded in notes 15 and 17. The Trust's last full revaluation exercise was under taken in January 2012.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees, but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Until 31 March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.11 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 Depreciation, amortisation and impairments

Freehold land, properties under construction, and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives

At each reporting period end, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). This is necessary to comply with Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set. AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

1.13 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Government grants

The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.16 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the Trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The Trust as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the NHS Trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.17 Private Finance Initiative (PFI) transactions

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:

a) Payment for the fair value of services received;
b) Payment for the PFI asset, including finance costs; and
c) 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

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the Trust's approach for each relevant class of asset in accordance with the principles of IAS 16.

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.

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.

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.

The Trust will review any prepayment balance annually and compare the total of the prepayment balance and remaining lifecycle contributions, to the latest agreed plan of future spend. An impairment will be recognised when the total of the prepayment balance and remaining contributions exceeds by more than 5% of the latest agreed plan of future spend.

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.

Other assets contributed by the Trust to the operator

Assets contributed (e.g. cash payments, surplus property) by the Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.18 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out methodology. This is considered to be a reasonable approximation to fair value due to the high turnover of inventories.

1.19 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

1.2 Investment Property

Investment property is property (land, or a building, or both) held by the Trust and not occupied by the Trust to earn rentals, or for capital appreciation, or both, rather than for:

(a) use in the supply of its services, or for administrative purposes; or
(b) sale in the ordinary course of business.

Valuation

All investment property is measured initially at cost and is then subsequently measured at fair value. Fair value is determinded on a market value basis.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period.

The last valuation was undertaken in March 2014.

1.20 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event, it is probable that the Trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms (1.3% for employee early departure obligations).

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.21 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 35.

As the provisions for clinical negligence claims are included in the financial statements of the NHSLA, they are not included in the Trust's financial statements.

1.22 Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.23 Carbon Reduction Commitment Scheme (CRC)

CRC and similar allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS body makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

1.24 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.25 Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. However the Trust only has loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired, and impairment losses recognised, if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.26 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.27 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.28 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March 2015. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.29 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. Details of third party assets are given in Note 44 to the accounts.

1.30 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the Trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

1.31 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.32 Subsidiaries

Material entities over which the Trust has the power to exercise control are classified as subsidiaries and are consolidated. The Trust has control when it is exposed to or has rights to variable returns through its power over another entity. The income and expenses; gains and losses; assets, liabilities and reserves; and cash flows of the subsidiary are consolidated in full into the appropriate financial statement lines. Appropriate adjustments are made on consolidation where the subsidiary's accounting policies are not aligned with the Trust's, or where the subsidiary's accounting date is not co-terminus.

Subsidiaries that are classified as 'held for sale' are measured at the lower of their carrying amount or 'fair value less costs to sell'.

The Trust has considered the requirement to consolidate the Charitable Funds under its control (University Hospitals Coventry and Warwickshire NHS Trust Charity) into its financial statements (in accordance with IFRS 10 requirements), but has determined that they are not material and therefore has not applied this policy (see also note 1.4). The Trust has however, recorded information about the Charitable Funds in note 41 – Related Party Transactions.

1.33 Associates

There are no material entities over which the Trust has the power to exercise significant influence so as to obtain economic or other benefits.

1.34 Joint Operations

Joint operations are activities undertaken by the Trust in conjunction with one or more other parties but which are not performed through a separate entity. The Trust records its share of the income and expenditure; gains and losses; assets and liabilities; and cash flows.

1.35 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCNE/SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

1.36 Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2014/15. The application of the Standards as revised would not have a material impact on the accounts for 2014/15, were they applied in that year:

IFRS 9 Financial Instruments – subject to consultation – subject to consultation
IFRS 13 Fair Value Measurement – subject to consultation
IFRS 15 Revenue from Contracts with Customers

1.37 Investment Property

Investment property is property (land, or a building, or both) held by the Trust and not occupied by the Trust to earn rentals, or for capital appreciation, or both, rather than for:

(a) use in the supply of its services, or for administrative purposes; or
(b) sale in the ordinary course of business.

Valuation

All investment property is measured initially at cost and is then subsequently measured at fair value. Fair value is determinded on a market value basis.

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period.

The last valuation was under taken in March 2014.

2 POOLED BUDGETS

The Trust has not entered into any pooled budget arrangements.

3 OPERATING SEGMENTS

The Trust Board is considered to be the chief operating decision maker of the organisation. The Trust Board is of the view that whilst it receives limited financial information broken down by division, the information received does not show the full trading position of that division. Furthermore, the activities undertaken by these divisions have a high degree of interdependence and therefore the Trust Board has determined that is appropriate to aggregate these divisions for segmental reporting purposes.

The rationale for determining the chief operating decision maker and for aggregating segments is as follows:

Chief operating decision maker:
International Financial Reporting Standard 8: Operating Segments; states that the chief operating decision maker will have responsibility for allocating resources and assessing the performance of the entity's operating segments.

For the University Hospitals Coventry and Warwickshire NHS Trust, responsibility for these functions is set out in the Trust's Scheme of Reservation and Delegation. This document includes (amongst others) the following key decisions which are reserved to the Trust Board:

- The approval of strategies, plans and budgets;
- The agreement of the organisational structures, processes and procedures to facilitate the discharge of business by the Trust;
- The monitoring and review of financial performance;

Consequently it has been determined that the Trust Board is the chief operating decision maker.

Operating segments:
IFRS 8 sets out the criteria for identifying operating segments and for reporting individual or aggregated segmental data. The Trust Board has considered the requirements of IFRS 8 and whilst it does receive budgetary performance information at a specialty group level based upon groups of services (including for example medical specialties, surgical specialties etc.), this information is limited in that:

- Income is not currently regularly reported by specialty;
- Costs associated with any one specialty or service provided by the Trust are split across several specialty groups;
- Cross charging for services between specialty groups is not widely undertaken; and
- Many services provided by the Trust are not operationally independent.

In addition to the above key factors, consideration has also been given to the principles around aggregation of operating segments set out in IFRS 8 which concludes that segments may be aggregated if the segments have similar economic characteristics, and the segments are similar in each of the following respects:

(a) the nature of the products and services:
The services provided are very similar in that they represent the provision of healthcare to ill/vulnerable people. Furthermore many of the services are interconnected with care for an individual being shared across different specialties and departments.

(b) the nature of the production processes:
Services are provided in very similar ways (albeit to differing extents) to the majority of patients including outpatient consultations, inpatient care, diagnostic tests, medical and surgical interventions.

(c) the type or class of customer for their products and services:
The Trust's customers are similar across all services in that they are ill/vulnerable people – whilst certain patient groups may be more susceptible to different healthcare needs, most services are provided to customers of all ages, gender etc.

(d) the methods used to distribute their products or provide their services:
The majority of services are delivered to customers through attendance at hospital as outpatients, day cases or inpatients.

(e) if applicable, the nature of the regulatory environment:
The regulatory environment in which the Trust's services are provided is NHS healthcare.

The Trust Board has therefore concluded that further segmental analysis is not appropriate and that the specialty financial information should be aggregated for the purpose of segmental reporting.

Reconciliation of the accounts to Trust Board reports

The following table shows the retained surplus recognised by the chief operating decision maker (CODM), and performance against the break-even duty.

	2014/15 £000s	2013/14 £000s
Trust income	550,196	528,881
Trust expenditure	(529,716)	(491,842)
Financing costs net of investment revenue and other gains	(27,087)	(24,045)
PDC dividend	(2,853)	(2,131)
Retained surplus/deficit reported to CODM	**(9,460)**	**10,863**
Adjustments to arrive at break-even performance:		
Reverse impact of Impairments (Non-PFI)	**799**	**1,437**
Reverse impact of Impairments (PFI)	**(9,204)**	**(11,154)**
Reverse impact of PFI under IFRS (vs UK GAAP)	**938**	**0**
Reverse Impact of Donation Reserve Elimination	**27**	**(932)**
Performance against break-even duty reported to CODM	**(16,900)**	**214**

Income sources

Key information on the Trust's sources of income is as follows:

- The total amount of income (included in the Trust's surplus/deficit) from external customers is £550.2 million (£528.9 million in 2013/14)
- The majority of the Trust's income is derived from patient care activities and totalled £483.7 million (£457.9 million in 2013/14) with the main customers being:
  - Clinical Commissioning Groups (CCGs) from which £320.9 million (£305.3 million in 2013/14) was received; and
  - NHS England from which £152.4 million (£140.3 million in 2013/14) was received.

There are no other sources of income which exceed 10% of the Trust's total revenue.

- All income derives from services provided in England, although the source of a small part of this income will come from NHS bodies in other parts of the United Kingdom, the Isle of Man or from overseas visitors who are treated in the Trust's hospitals. However, income from such sources is not material.

4 INCOME GENERATION ACTIVITIES

The Trust undertakes some minor income generation activities with an aim of achieving profit, which is then used in patient care. However, none of these activities incurred costs or income in excess of £1 million or was otherwise material.

5 REVENUE FROM PATIENT CARE ACTIVITIES

	2014/15 £000s	2013/14 £000s
NHS Trusts	**2,013**	1,747
NHS England	**152,420**	140,328
Clinical Commissioning Groups	**320,874**	305,323
Foundation Trusts	**515**	0
NHS Other (including Public Health England and Prop Co)	**0**	3,023
Non-NHS:		
Local Authorities	**659**	773
Private patients	**1,141**	970
Overseas patients (non-reciprocal)	**114**	71
Injury costs recovery	**4,155**	3,779
Other	**1,779**	1,902
Total Revenue from patient care activities	**483,670**	457,916

6 OTHER OPERATING REVENUE

	2014/15 £000s	2013/14 £000s
Recoveries in respect of employee benefits	**3,606**	3,800
Education, training and research	**32,280**	35,339
Charitable and other contributions to revenue expenditure – non-NHS	**46**	147
Receipt of donations for capital acquisitions – Charity	**244**	1,245
Non-patient care services to other bodies	**23,404**	21,980
Income generation	**2,060**	1,797
Rental revenue from operating leases	**1,125**	1,598
Other revenue	**3,761**	5,059
Total Other Operating Revenue	**66,526**	70,965
Total operating revenue	**550,196**	528,881

7 OVERSEAS VISITORS DISCLOSURE

	2014/15 £000s	2013/14 £000s
Income recognised during 2014/15 (invoiced amounts and accruals)	**114**	71
Cash payments received in-year (re-receivables at 31 March 2014)	**54**	27
Cash payments received in-year (iro invoices issued 2014/15)	**16**	35
Amounts added to provision for impairment of receivables (re receivables at 31 March 2014)	**0**	8
Amounts added to provision for impairment of receivables (iro invoices issued 2014/15)	**92**	13
Amounts written off in-year (irrespective of year of recognition)	**18**	69

8 OPERATING EXPENSES

	2014/15 £000s	Restated 2013/14 £000s
Services from other NHS Trusts	**28**	183
Services from CCGs/NHS England	**128**	123
Services from other NHS bodies	**13**	11
Services from NHS Foundation Trusts	**96**	142
Total Services from NHS bodies*	**265**	459
Purchase of healthcare from non-NHS bodies	**9,743**	6,779
Trust Chair and Non-executive Directors	**82**	53
Supplies and services – clinical	**101,171**	90,531
Supplies and services – general	**3,864**	4,440
Consultancy services	**1,145**	1,692
Establishment	**9,178**	7,603
Transport	**1,181**	1,146
Service charges – ON-SOFP PFIs and other service concession arrangements	**37,673**	36,400
Business rates paid to local authorities	**2,568**	3,134
Premises	**9,399**	8,300
Hospitality	**277**	293
Insurance	**468**	435
Legal Fees	**365**	611
Impairments and Reversals of Receivables	**2,433**	1,248
Inventories write down	**0**	0
Depreciation	**17,890**	18,167
Amortisation	**287**	7
Impairments and reversals of property, plant and equipment	**(8,405)**	(9,717)
Audit fees	**135**	161
Other auditor's remuneration *[1]	**98**	0
Clinical negligence	**8,658**	8,926
Research and development (excluding staff costs)	**4,085**	4,956
Education and Training	**1,209**	865
Change in Discount Rate	**179**	152
Other	**(16)**	(1,255)
Total Operating expenses (excluding employee benefits)	**203,932**	185,386
Employee Benefits		
Employee benefits excluding Board members*[2]	**324,493**	305,231
Board members*[2]	**1,291**	1,225
Total Employee Benefits	**325,784**	306,456
Total Operating Expenses	**529,716**	491,842

*Services from NHS bodies does not include expenditure which falls into a category below.
*[1] Other auditor's remuneration relates to Care Quality Commission inspection support.
*[2] The prior year comparatives have been restated following a review of Board members' employee benefits for 2013/14.

9 OPERATING LEASES

The majority of the Trust's operating leases are short-term fixed-price leases, and include:

- Lease Cars
- Equipment (including medical and office equipment)
- Premises

9.1 TRUST AS LESSEE

	Land £000s	Buildings £000s	Other £000s	2014/15 Total £000s	2013/14 £000s
Payments recognised as an expense					
Minimum lease payments				**349**	321
Total				**349**	321
Payable:					
No later than one year	0	159	152	**311**	314
Between one and five years	0	635	182	**817**	817
After five years	0	976	0	**976**	1,135
Total	**0**	**1,770**	**334**	**2,104**	2,266

9.2 TRUST AS LESSOR

The Trust's operating leases as lessor relate to the leasing of buildings and land on its hospital sites.

	2014/15 £000s	2013/14 £000s
Recognised as revenue		
Rental revenue	1,125	1,598
Total	**1,125**	1,598
Receivable:		
No later than one year	1,125	1,105
Between one and five years	2,098	2,053
After five years	36,284	35,342
Total	**39,507**	38,500

10 EMPLOYEE BENEFITS AND STAFF NUMBERS

10.1 EMPLOYEE BENEFITS

	2014/15 Total £000s	Permanently employed £000s	Other £000s
Employee Benefits – Gross Expenditure			
Salaries and wages	**280,419**	229,234	51,185
Social security costs	**18,800**	17,929	871
Employer Contributions to NHS BSA – Pensions Division	**27,250**	25,987	1,263
Total employee benefits	**326,469**	**273,150**	**53,319**
Employee costs capitalised	**685**	685	0
Gross Employee Benefits excluding capitalised costs	**325,784**	**272,465**	**53,319**

	2013/14 Total £000s	Restated Permanently employed £000s	Restated Other £000s
Employee Benefits – Gross Expenditure 2013/14			
Salaries and wages*	261,124	222,298	38,826
Social security costs*	18,619	17,626	993
Employer Contributions to NHS BSA – Pensions Division*	26,965	25,526	1,439
TOTAL – including capitalised costs	306,708	265,450	41,258
Employee costs capitalised	252	252	0
Gross Employee Benefits excluding capitalised costs	306,456	265,198	41,258

*The prior year comparatives have been restated following a review of the classification of Other staff.

10.2 STAFF NUMBERS

	2014/15 Total Number	Permanently employed Number	Other Number	Restated 2013/14 Total Number
Average Staff Numbers				
Medical and dental*	**1,005**	880	125	982
Administration and estates*	**1,192**	1,123	69	1,145
Healthcare assistants and other support staff*	**1,330**	1,223	107	1,257
Nursing, midwifery and health visiting staff*	**2,436**	2,086	350	2,225
Scientific, therapeutic and technical staff*	**916**	874	42	878
Other*	**39**	38	1	42
TOTAL	**6,918**	**6,224**	**694**	6,529
Of the above – staff engaged on capital projects	**13**	13	0	5

* The prior year comparatives have been restated following a review of the calculation of average staff numbers.

10.3 STAFF SICKNESS ABSENCE AND ILL HEALTH RETIREMENTS

	2014/15 Number	2013/14 Number
Total Days Lost	55,087	60,514
Total Staff Years	6,183	6,078
Average working Days Lost	8.91	9.96
Number of persons retired early on ill health grounds	**6**	5
	£000s	£000s
Total additional pensions liabilities accrued in the year	**188**	632

10.4 EXIT PACKAGES AGREED IN 2014/15

Exit package cost band (including any special payment element)	2014/15			2013/14		
	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number	*Number of compulsory redundancies Number	*Number of other departures agreed Number	Total number of exit packages by cost band Number
Less than £10,000	0	1	1	0	0	0
£10,000-£25,000	0	1	1	0	3	3
Total number of exit packages by type (total cost)	**0**	**2**	**2**	0	3	3
Total resource cost (£s)	**0**	**17,446**	**17,446**	0	55,988	55,988

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

This disclosure reports the number and value of exit packages agreed in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

10.5 EXIT PACKAGES – OTHER DEPARTURES ANALYSIS

	2014/15		2013/14	
	Agreements Number	Total value of agreements £000s	Agreements Number	Total value of agreements £000s
Contractual payments in lieu of notice	2	17	3	56
Total	2	17	3	56
Non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

This disclosure reports the number and value of exit packages agreed in the year. Note: the expense associated with these departures may have been recognised in part or in full in a previous period

As a single exit packages can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 10.4 which will be the number of individuals.

The Remuneration Report includes disclosure of exit payments payable to individuals named in that Report.

Other ill health termination benefits are excluded from the above table.

10.6 **PENSION COSTS**

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at **www.nhsbsa.nhs.uk/pensions.** The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011/12, the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVCs run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

11 BETTER PAYMENT PRACTICE CODE

11.1 MEASURE OF COMPLIANCE

	2014/15 Number	2014/15 £000s	2013/14 Number	2013/14 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**117,822**	**348,221**	82,217	287,350
Total Non-NHS Trade Invoices Paid Within Target	**106,387**	**315,592**	73,420	265,706
Percentage of NHS Trade Invoices Paid Within Target	**90.29%**	**90.63%**	89.30%	92.47%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**3,044**	**81,704**	2,978	80,092
Total NHS Trade Invoices Paid Within Target	**1,664**	**76,288**	1,861	76,556
Percentage of NHS Trade Invoices Paid Within Target	**54.66%**	**93.37%**	62.49%	95.59%

The Better Payment Practice Code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

11.2 THE LATE PAYMENT OF COMMERCIAL DEBTS (INTEREST) ACT 1998

There were no charges recorded for the late payment of commercial debts (nil 2013/14).

12 INVESTMENT REVENUE

	2014/15 £000s	2013/14 £000s
Interest revenue		
Bank interest	**84**	63
Total investment revenue	**84**	63

13 OTHER GAINS AND LOSSES

	2014/15 £000s	2013/14 £000s
Gain on disposal of assets other than by sale (PPE)	**6**	6
Gain on disposal of assets held for sale	**0**	8
Change in fair value of investment property	**0**	1,492
Total	**6**	1,506

14 FINANCE COSTS

	2014/15 £000s	2013/14 £000s
Interest		
Interest on loans and overdrafts	**261**	271
Interest on obligations under finance leases	**52**	55
Interest on obligations under PFI contracts:		
- main finance cost	**15,601**	15,964
- contingent finance cost	**11,004**	9,263
Total interest expense	**26,918**	25,553
Other finance costs	**210**	0
Provisions – unwinding of discount	**49**	61
Total	**27,177**	25,614

15.1 PROPERTY, PLANT AND EQUIPMENT

2014/15	Land £000's	Restated Buildings excluding dwellings £000's	Restated Dwellings £000's	Restated Assets under construction & payments on account £000's	Plant & machinery £000's	Transport equipment £000's	Information technology £000's	Furniture & fittings £000's	Total £000's
Cost or valuation:									
At 1 April 2014 Restated*	**30,284**	**273,190**	**480**	**4,717**	**118,483**	**202**	**28,052**	**150**	**455,558**
Additions of Assets Under Construction				**4,302**					**4,302**
Additions Purchased	0	2,119	0		11,308	0	57	5	**13,489**
Additions – Purchases from Cash Donations & Government Grants	0	244	0	0	0	0	0	0	**244**
Additions Leased	0	0	0		74	0	0	0	**74**
Reclassifications	0	0	0	(2,379)	1,744	0	748	0	**113**
Disposals other than for sale	0	0	0	(905)	(432)	0	0	0	**(1,337)**
Upward revaluation/positive indexation	0	15,129	33	0	0	0	0	0	**15,162**
Reversal of Impairments	0	5,814	0	0	0	0	0	0	**5,814**
At 31 March 2015	**30,284**	**296,496**	**513**	**5,735**	**131,177**	**202**	**28,857**	**155**	**493,419**
Depreciation									
At 1 April 2014 Restated*	**0**	**3,187**	**43**	**0**	**74,932**	**194**	**22,625**	**135**	**101,116**
Reclassifications	0	0	0		(330)	0	330	0	**0**
Disposals other than for sale	0	0	0		(432)	0	0	0	**(432)**
Upward revaluation/positive indexation	0	9,682	0		0	0	0	0	**9,682**
Impairments	0	0	0	865	432	0	0	0	**1,297**
Reversal of Impairments	0	(9,682)	0	0	0	0	(20)	0	**(9,702)**
Charged During the Year	0	7,670	21		8,388	5	1,803	3	**17,890**
At 31 March 2015	**0**	**10,857**	**64**	**865**	**82,990**	**199**	**24,738**	**138**	**119,851**
Net Book Value at 31 March 2015	**30,284**	**285,639**	**449**	**4,870**	**48,187**	**3**	**4,119**	**17**	**373,568**
Asset financing:									
Owned – Purchased	30,284	23,441	449	4,870	17,373	3	4,119	17	**80,556**
Owned – Donated	0	1,323	0	0	1,263	0	0	0	**2,586**
Held on finance lease	0	0	0	0	659	0	0	0	**659**
On-SOFP PFI contracts	0	260,875	0	0	28,892	0	0	0	**289,767**
Total at 31 March 2015	**30,284**	**285,639**	**449**	**4,870**	**48,187**	**3**	**4,119**	**17**	**373,568**

Revaluation Reserve Balance for Property, Plant & Equipment	Land £000's	Buildings £000's	Dwellings £000's	Assets under construction & payments on account £000's	Plant & machinery £000's	Transport equipment £000's	Information technology £000's	Furniture & fittings £000's	Total £000's
At 1 April 2014	20,033	14,688	46	0	5,360	9	0	0	**40,136**
Movements (specify)	0	11,238	33	0	(62)	0	0	0	**11,209**
At 31 March 2015	**20,033**	**25,926**	**79**	**0**	**5,298**	**9**	**0**	**0**	**51,345**

Additions to Assets Under Construction in 2014/15	£000's
Buildings excl Dwellings	1,927
Dwellings	(4)
Plant & Machinery	2,379
Balance as at YTD	**4,302**

* The brought forward values for cost and depreciation have been restated following a review of the fixed asset register. This has a net book value impact of nil and primarily relates to cumulative depreciation adjustments following the desk top revaluation of the Trust's estate at the end of 2013/14.

15.2 PROPERTY, PLANT AND EQUIPMENT PRIOR-YEAR

2013/14	Land £000's	Restated Buildings excluding dwellings £000's	Restated Dwellings £000's	Restated Assets under construction & payments on account £000's	Plant & machinery £000's	Transport equipment £000's	Information technology £000's	Furniture & fittings £000's	Total £000's
Cost or valuation:									
At 1 April 2013	30,558	259,437	1,394	4,371	116,200	202	25,898	144	**438,204**
Additions of Assets Under Construction				3,157					**3,157**
Additions Purchased	0	3,357	0		11,122	0	1,453	6	**15,938**
Additions – Non Cash Donations (i.e. Physical Assets)	0	0	0	0	1,230	0	0	0	**1,230**
Additions – Purchases from Cash Donations & Government Grants	0	15	0	0	0	0	0	0	**15**
Reclassifications	0	1,046	0	(1,871)	0	0	825	0	**0**
Reclassifications as Held for Sale and Reversals	(274)	0	(901)	0	0	0	0	0	**(1,175)**
Disposals other than for sale	0	0	0	0	(10,069)	0	(124)	0	**(10,193)**
Revaluation	0	3,555	70	0	0	0	0	0	**3,625**
Impairments/negative indexation charged to reserves	0	(52)	(64)	0	0	0	0	0	**(116)**
Reversal of Impairments charged to reserves	0	71	0	0	0	0	0	0	**71**
Cumulative depreciation netted off cost following revaluation*		5,761	(19)	(940)					**4,802**
At 31 March 2014	**30,284**	**273,190**	**480**	**4,717**	**118,483**	**202**	**28,052**	**150**	**455,558**
Depreciation									
At 1 April 2013	0	2,731	0	0	74,076	191	20,951	133	**98,082**
Reclassifications as Held for Sale and Reversals	0	0	(25)		0	0	0	0	**(25)**
Disposals other than for sale	0	0	0		(10,069)	0	(124)	0	**(10,193)**
Impairments/negative indexation charged to operating expenses	0	221	0	940	1,680	0	124	0	**2,965**
Reversal of Impairments charged to operating expenses	0	(12,682)	0	0	0	0	0	0	**(12,682)**
Charged During the Year	0	7,156	87		9,245	3	1,674	2	**18,167**
Cumulative depreciation netted off cost following revaluation*		5,761	(19)	(940)					**4,802**
At 31 March 2014	**0**	**3,187**	**43**	**0**	**74,932**	**194**	**22,625**	**135**	**101,116**
Net Book Value at 31 March 2014	30,284	270,003	437	4,717	43,551	8	5,427	15	**354,442**
Asset financing:									
Owned – Purchased	30,284	22,442	437	4,717	15,046	8	5,427	15	**78,376**
Owned – Donated	0	1,034	0	0	1,500	0	0	0	**2,534**
Held on finance lease	0	0	0	0	905	0	0	0	**905**
On-SOFP PFI contracts	0	246,527	0	0	26,100	0	0	0	**272,627**
Total at 31 March 2014	**30,284**	**270,003**	**437**	**4,717**	**43,551**	**8**	**5,427**	**15**	**354,442**

* These values have been restated following a review of the fixed asset register. This has a net book value impact of nil and primarily relates to cumulative depreciation adjustments following the desk top revaluation of the Trust's estate at the end of 2013/14.

15.3 (CONTINUED) **PROPERTY, PLANT AND EQUIPMENT**

Donated assets

The Trust benefitted from a total of £244,000 (2013/14 £1,245,000) of donated property, plant and equipment, consisting of £244,000 (2013/14 £445,000) from University Hospitals Coventry and Warwickshire NHS Trust Charity and nil from other charities (2013/14 £800,000 from Coventry Hospitals Charity).

Assets held at revalued amounts

Land and building assets are all held at revalued amount, with specialised properties valued on a modern equivalent depreciated replacement cost (DRC) basis. A full revaluation exercise was undertaken in January 2012 by David Cooney MA. MRICS, an Associate within the valuation consultancy department of GVA Grimley Ltd. During 2013/14, David Cooney undertook a desktop exercise to value the estate as at 31 March 2014. During 2014/15, the Trust used indicies provided by GVA Grimley to reflect the current value of the estate as at 31 March 2015.

Asset lives

The following ranges of asset lives are applied:

	Minimum Life (Years)	Maximum Life (Years)
Intangible Assets		
Software Licences	4	5
Property, Plant and Equipment		
Buildings excluding Dwellings	2	87
Dwellings	2	62
Plant & Machinery	5	15
Transport Equipment	7	7
Information Technology	5	5
Furniture and Fittings	5	5

Market Value of assets

Operational specialised assets, such as hospitals, are valued at existing use value as there is no market for such facilities and a market valuation cannot be obtained.

Other non-specialised assets such as houses are valued at market value.

Trust as lessor of assets

The Trust leases certain facilities on its sites to other NHS and non-NHS organisations. Many of these leases involve the use of rooms within the Trust's main hospital buildings and as such, their valuation cannot easily be separated from that of the main hospital building. These leases are not considered to be material.

However, there are three leases that involve the leasing of discrete areas of land on the University Hospital site and one on the Hospital of St Cross site. The value of land covered by these leases is £5 million (2013/14 £5 million).

16.1 INTANGIBLE ASSETS

2014/15	Computer Licenses £000's	Total £000's
At 1 April 2014	**1,704**	**1,704**
Additions Purchased	2,291	**2,291**
Additions Leased	852	**852**
Reclassifications	(113)	**(113)**
At 31 March 2015	**4,734**	**4,734**
Amortisation		
At 1 April 2014	**561**	**561**
Charged during the year	287	**287**
At 31 March 2015	**848**	**848**
Net Book Value at 31 March 2015	**3,886**	**3,886**
Asset Financing: Net book value at 31 March 2015 comprises:		
Purchased	3,034	**3,034**
Finance Leased	852	**852**
Total at 31 March 2015	**3,886**	**3,886**

The intangible assets of the Trust relate to computer software, which is carried at historic cost.

16.2 INTANGIBLE ASSETS PRIOR YEAR

2013/14	Computer Licenses £000's	Total £000's
Cost or valuation:		
At 1 April 2013	666	666
Additions – purchased	924	924
Additions Leased	114	114
At 31 March 2014	1,704	1,704
Amortisation		
At 1 April 2013	554	554
Charged during the year	7	7
At 31 March 2014	561	561
Net book value at 31 March 2014	1,143	1,143

The intangible assets of the Trust relate to computer software, which is carried at historic cost.

17 ANALYSIS OF IMPAIRMENTS AND REVERSALS RECOGNISED IN 2014/15

	2014/15 Total £000s
Property, Plant and Equipment impairments and (reversals) taken to SoCI	
Unforeseen obsolescence*1	1,277
Changes in market price*2	(9,682)
Total charged to Annually Managed Expenditure (AME)	**(8,405)**
Total Reversal of Impairments of Property, Plant and Equipment changed to SoCI	**(8,405)**
Total Reversal of Impairments charged to SoCI – AME	**(8,405)**
Overall Total Reversal of Impairments	**(8,405)**

*1 This relates to equipment and IT systems which have had to be replaced, or have ceased to be used, before the end of its expected life.

*2 Land and building assets are all held at revalued amounts. The application of indices to the Trust's estate as at 31 March 2015 resulted in a reversal of impairments recognised in prior years.
Note all the above impairments relate to Property, Plant and Equipment and none of the impairments related to donated or government granted assets.

18 INVESTMENT PROPERTY

	31 March 2015 £000s	31 March 2014 £000s
At fair value		
Balance at 1 April 2014	**5,007**	3,515
Gain from Fair Value Adjustments	**0**	1,492
Balance at 31 March 2015	**5,007**	5,007

19 COMMITMENTS

19.1 CAPITAL COMMITMENTS

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2015 £000s	31 March 2014 £000s
Property, plant and equipment	**613**	715
Intangible assets	**325**	0
Total	**938**	715

19.2 OTHER FINANCIAL COMMITMENTS

The Trust has not entered into any non-cancellable contracts (which are not leases or PFI contracts or other service concession arrangements).

20 INTRA-GOVERNMENT AND OTHER BALANCES

	Current receivables £000s	Non-current receivables £000s	Current payables £000s	Non-current payables £000s
Balances with Other Central Government Bodies	0	0	6,165	0
Balances with NHS bodies outside the Departmental Group	0	0	150	0
Balances with NHS bodies inside the Departmental Group	24,813	0	5,124	13,260
Balances with Bodies External to Government	5,913	30,046	41,954	264,703
At 31 March 2015	**30,726**	**30,046**	**53,393**	**277,963**
prior period:				
Balances with Other Central Government Bodies	16,789	0	4,080	0
Balances with Local Authorities	251	0	0	0
Balances with NHS bodies outside the Departmental Group	0	0	114	0
Balances with NHS Trusts and FTs	2,736	0	1,768	0
Balances with Bodies External to Government	5,995	35,535	38,179	0
At 31 March 2014	**25,771**	**35,535**	**44,141**	**0**

21 INVENTORIES

	Drugs £000s	Consumables £000s	Total £000s
Balance at 1 April 2014	**2,634**	**7,659**	**10,293**
Additions	25,201	56,286	**81,487**
Inventories recognised as an expense in the period	(24,142)	(56,080)	**(80,222)**
Balance at 31 March 2015	**3,693**	**7,865**	**11,558**

22.1 TRADE AND OTHER RECEIVABLES

	Current		Non-current	
	31 March 2015 £000s	31 March 2014 £000s	31 March 2015 £000s	31 March 2014 £000s
NHS receivables – revenue	**19,862**	12,238	**0**	0
NHS prepayments and accrued income	**4,848**	7,287	**0**	0
Non-NHS receivables – revenue	**3,105**	2,666	**0**	0
Non-NHS receivables – capital	**0**	0	**0**	0
Non-NHS prepayments and accrued income	**2,470**	2,006	**0**	0
PDC Dividend prepaid to DH	**108**			
Provision for the impairment of receivables	**(4,006)**	(2,578)	**0**	0
VAT	**323**	521	**0**	0
Current/non-current part of PFI and other PPP arrangements prepayments and accrued income	**0**	0	**25,639**	31,255
Other receivables	**4,016**	3,631	**4,407**	4,280
Total	**30,726**	25,771	**30,046**	35,535
Total current and non-current	**60,772**	61,306		
Included in NHS receivables are prepaid pension contributions:	**0**			

The great majority of trade is with key NHS bodies including CCGs and NHS England. As NHS bodies are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

22.2 RECEIVABLES PAST THEIR DUE DATE BUT NOT IMPAIRED

	31 March 2015 £000s	31 March 2014 £000s
By up to three months	**2,886**	2,696
By three to six months	**531**	482
By more than six months	**0**	0
Total	**3,417**	3,178

22.3 PROVISION FOR IMPAIRMENT OF RECEIVABLES

	2014/15 £000s	2013/14 £000s
Balance at 1 April 2014	**(2,578)**	(2,893)
Amount written off during the year	**1,005**	1,563
Amount recovered during the year	**1,146**	1,182
Decrease in receivables impaired	**(3,579)**	(2,430)
Transfers (to)/from Other Public Sector Bodies under Absorption Accounting	**0**	0
Balance at 31 March 2015	**(4,006)**	(2,578)

The Trust's policy for the impairment of receivables is as follows:

- Injury cost recovery income: subject to a provision for impairment of receivables of 18.9% (2013/14: 15.8%) as per DH guidance.
- Non-NHS receivables that are over six months old: subject to a provision for impairment of receivables of 100%.
- Non-NHS receivables less than six months old: individually assessed and an appropriate provision made.
- NHS receivables: individually assessed and an appropriate provision made (taking account of the NHS agreement of balances exercise).

23 NHS LIFT INVESTMENTS

The Trust has no NHS LIFT investments.

24 OTHER FINANCIAL ASSETS

The Trust has no other financial assets.

25 OTHER CURRENT ASSETS

The Trust has no other current assets.

26 CASH AND CASH EQUIVALENTS

	31 March 2015 £000s	31 March 2014 £000s
Opening balance	**893**	3,968
Net change in year	**(238)**	(3,075)
Closing balance	**655**	893
Made up of		
Cash with Government Banking Service	**651**	888
Cash in hand	**4**	5
Cash and cash equivalents as in statement of financial position	**655**	893
Bank overdraft – Commercial banks	**(42)**	(23)
Cash and cash equivalents as in statement of cash flows	**613**	870
Patients' money held by the Trust, not included above	**27**	25

27 NON-CURRENT ASSETS HELD FOR SALE

	Dwellings £000s	Total £000s
Balance at 1 April 2014	673	**673**
Less assets sold in the year	(673)	**(673)**
Balance at 31 March 2015	0	**0**
Liabilities associated with assets held for sale at 31 March 2015	0	**0**
Balance at 1 April 2013	453	**453**
Plus assets classified as held for sale in the year	1,150	**1,150**
Less assets sold in the year	(930)	**(930)**
Balance at 31 March 2014	673	**673**

All of the Trust assets held for sale were residential properties which were surplus to requirements.
During the year six properties with a value of £673,000 were sold (2013/14: Ten properties were sold with a value of £930,000).
At the end of the year there no properties held for sale (2013/14: Six properties were held for sale with a value of £673,000).

Revaluation reserve balance for Non-current assets held for sale	£000s
Opening 1 April 2014	**514**
Closing 31 March 2015	**0**

28 TRADE AND OTHER PAYABLES

	Current	
	31 March 2015 £000s	31 March 2014 £000s
NHS payables – revenue	**2,884**	2,107
Non-NHS payables – revenue	**5,663**	9,650
Non-NHS payables – capital	**5,229**	2,968
Non-NHS accruals and deferred income	**24,538**	20,956
Social security costs	**2,944**	2,945
VAT	**119**	73
Tax	**3,102**	1,725
Other	**122**	3,717
Total	**44,601**	44,141
Total payables (current and non-current)	**44,601**	44,141
Included above:		
outstanding Pension Contributions at the year end	**0**	3,741

The majority of payables are expected to be paid within 30 days of the year-end or in the case of accruals 30 days after receipt of a valid invoice. The main exception to this is deferred income which will be released to the Statement of Comprehensive Income over the course of the next year.

29 OTHER LIABILITIES

The Trust has no other financial liabilities (2013/14: £nil).

	Current		Non-current	
	31 March 2015 £000s	31 March 2014 £000s	31 March 2015 £000s	31 March 2014 £000s
Bank overdraft – commercial banks	**42**	23		
Loans from Department of Health**	**2,390**	1,500	**13,260**	6,750
PFI liabilities:*				
Main liability	**5,929**	8,178	**263,885**	269,814
Finance lease liabilities	**431**	518	**818**	1,349
Total	**8,792**	10,219	**277,963**	277,913
Total other liabilities (current and non-current)	**286,755**	288,132		

* The Trust's main hospital facility (and some equipment) is provided under a PFI contract and the asset and related liabilities are recorded in the Statement of Financial Position. The sums recorded above relate to the finance lease liability associated with this contract. Further analysis of the PFI contract is included at note 37 to these accounts.

** The DH loan relates to the balance remaining on two capital investment loans as follows:
-£15m which was drawn down in 2009 and is repayable over 10 years (current balance £6.75m)
-£8.9m which was drawn down in 2014 and is repayable over 10 years (current balance £8.9m).

Borrowings / Loans – repayment of principal falling due in:	31 March 2015		
	DH £000s	Other £000s	Total £000s
Up to one year	2,390	6,402	**8,792**
One to two years	2,390	5,339	**7,729**
Two to five years	6,420	22,177	**28,597**
Over five years	4,450	237,187	**241,637**
TOTAL	15,650	271,105	**286,755**

31 OTHER FINANCIAL LIABILITIES

The Trust has no other financial liabilities (£nil 2013/14).

32 DEFERRED REVENUE

	Current	
	31 March 2015 £000s	31 March 2014 £000s
Opening balance at 1 April 2014	**3,463**	448
Deferred revenue addition	**3,443**	3,463
Transfer of deferred revenue	**(3,463)**	(448)
Current deferred Income at 31 March 2015	**3,443**	3,463
Total deferred income (current and non-current)	**3,443**	3,463

33 FINANCE LEASE OBLIGATIONS AS LESSEE

The Trust has a small number of equipment finance leases, which are not considered to be significant.

Amounts payable under finance leases (Other)	Minimum lease payments		Present value of minimum lease payments	
	31 March 2015 £000s	31 March 2014 £000s	31 March 2015 £000s	31 March 2014 £000s
Within one year	**472**	552	**431**	518
Between one and five years	**851**	1,386	**180**	1,349
After five years	**0**	0	**638**	0
Less future finance charges	(74)	(71)		
Minimum Lease Payments / Present value of minimum lease payments	**1,249**	1,867	**1,249**	1,867
Included in:				
Current borrowings			**431**	518
Non-current borrowings			**818**	1,349
			1,249	1,867

34 FINANCE LEASE RECEIVABLES AS LESSOR

The Trust has no finance lease receivables as lessor.

35 PROVISIONS

		Comprising			
	Total £000s	Early Departure Costs*1 £000s	Legal Claims*2 £000s	Fines and Penalties*3 £000s	Other*4 £000s
Balance at 1 April 2014	**5,921**	1,375	122	2,729	1,695
Arising during the year	**1,928**	35	81	1,677	135
Utilised during the year	**(242)**	(136)	(44)	0	(62)
Reversed unused	**(2,352)**	0	(46)	(2,175)	(131)
Unwinding of discount	**49**	25	0	0	24
Change in discount rate	**179**	94	0	0	85
Balance at 31 March 2015	**5,483**	**1,393**	**113**	**2,231**	**1,746**
Expected Timing of Cash Flows:					
No Later than One Year	**3,013**	136	113	2,527	237
Later than One Year and not later than Five Years	**776**	545	0	0	231
Later than Five Years	**1,694**	712	0	0	982
Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:					
As at 31 March 2015	55,683				
As at 31 March 2014	45,245				

*1 Early departure costs are pensions relating to former staff are based upon actuarial estimates and are reviewed annually. Payments are made quarterly to the NHS Pensions Agency in respect of the Trust's liability.
*2 Legal claims relate to employers'/third party liability claims. Cost estimates and timings are provided by the NHS Litigation Authority.
*3 Fines and penalties.
*4 Other provisions include:
-Injury benefits payable by the NHS Pensions Agency on behalf of the Trust.
-Other employee related claims.

36 CONTINGENCIES

	31 March 2015 £000s	31 March 2014 £000s
Contingent liabilities		
NHS Litigation Authority legal claims	**(72)**	(61)
Net value of contingent liabilities	**(72)**	(61)

During April 2014, the Trust unexpectedly lost a complex employment tribunal case. Due to the ongoing uncertainties around this case and the difficulty in obtaining a reliable estimate of costs, neither a provision nor a contingent liability has been recorded in these statements.

37 PFI AND LIFT – ADDITIONAL INFORMATION

The Trust has entered into a PFI contract for the construction, operation and maintenance of a major acute hospital along with the provision of a significant proportion of medical and other equipment required for use in the hospital. The PFI contractor is also responsible for the provision of a number of services including estate maintenance, certain equipment maintenance and the provision of hotel / soft services to a required Trust specification. These services include catering, domestic, laundry / linen, portering, transport, switchboard, help desk, car parking and security. In addition, as part of the PFI contract, these services are also provided to the Hospital of St Cross.

The PFI consortium includes:

1. Principal contract party with the Trust, is Coventry & Rugby Hospital Company (CRHC)
2. Coventry & Rugby Hospital Company have contracts with:
   a. Hard FM – Vinci Facilities
   b. Soft FM – ISS Mediclean whose current contract is market tested under the PFI contract every seven years
   c. Equipment – GE Medical Systems

The PFI contract terminates on 31 December 2042, at which point ownership of the buildings and equipment provided under the contract passes to the Trust.

The PFI contract is a tripartite contract involving the provision of a University Hospital for UHCW NHS Trust, and also incorporates a Mental Health facility for Coventry and Warwickshire Partnership NHS Trust, all of which are on the same NHS PFI site and jointly contracted with CRHC.

Inflation on the PFI Unitary Payment is twofold. All costs except Soft FM pay are based upon the movement in the Retail Prices Index (RPI) over the previous 12 months on a February to February basis. Soft FM pay uplift is based mainly on Agenda for Change as a result of the Retention of Employment model being used, where the majority of staff are in effect seconded by the Trust to the soft services provider but remain on NHS conditions of service.

The following information is required by the Department of Heath for inclusion in national statutory accounts.

Charges to operating expenditure and future commitments in respect of ON and OFF SOFP PFI	2014/15 £000s	2013/14 £000s
Service element of on SOFP PFI charged to operating expenses in year	**37,673**	36,400
Total	**37,673**	36,400
Payments committed to in respect of off SOFP PFI and the service element of on SOFP PFI		
No Later than One Year	**37,673**	36,400
Later than One Year, No Later than Five Years	**150,692**	145,601
Later than Five Years	**857,910**	865,327
Total	**1,046,275**	1,047,328

Imputed "finance lease" obligations for on SOFP PFI contracts due Analysed by when PFI payments are due	2014/15 £000s	2013/14 £000s
No Later than One Year	**21,099**	23,779
Later than One Year, No Later than Five Years	**75,831**	78,540
Later than Five Years	**444,971**	463,361
Subtotal	**541,901**	565,680
Less: Interest Element	**(272,087)**	(287,688)
Total	**269,814**	277,992

Present Value Imputed "finance lease" obligations for on SOFP PFI contracts due Analysed by when PFI payments are due	2014/15 £000s	2013/14 £000s
No Later than One Year	**5,929**	8,178
Later than One Year, No Later than Five Years	**26,697**	23,351
Later than Five Years	**237,188**	246,463
Total	**269,814**	277,992
Number of on SOFP PFI Contracts		
Total Number of on PFI contracts	**1**	
Number of on PFI contracts which individually have a total commitments value in excess of £500m	**1**	

38 IMPACT OF IFRS TREATMENT – CURRENT YEAR

The information below is required by the Department of Heath for budget reconciliation purposes	2014/15 £000s	2013/14 £000s
Revenue costs of IFRS: Arrangements reported on SoFP under IFRIC12 (e.g. PFI / LIFT)		
Depreciation charges	**11,941**	11,735
Interest Expense	**26,605**	25,227
Impairment reversal – AME	**(9,204)**	(11,154)
Other Expenditure	**37,673**	36,118
Impact on PDC dividend payable	**(1,184)**	(1,644)
Total IFRS Expenditure (IFRIC12)	**65,831**	60,282
Revenue consequences of PFI / LIFT schemes under UK GAAP / ESA95 (net of any sublease revenue)	**(74,097)**	(72,354)
Net IFRS change (IFRIC12)	**(8,266)**	(12,072)
Capital Consequences of IFRS : LIFT/PFI and other items under IFRIC12		
Capital expenditure 2014/15	**10,386**	8,897
UK GAAP capital expenditure 2014/15 (Reversionary Interest)	**4,459**	3,694

39 FINANCIAL INSTRUMENTS

39.1 FINANCIAL RISK MANAGEMENT

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with clinical commissioning groups and NHS England, and the way those organisations are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the Finance Department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the NHS Trust Development Authority. The borrowings are for one to 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2015 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with clinical commissioning groups and NHS England, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

39.2 FINANCIAL ASSETS

	Loans and receivables £000s	Available for sale £000s	Total £000s
Embedded derivatives			**0**
Receivables – NHS	18,553		**18,553**
Receivables – non-NHS	2,389		**2,389**
Cash at bank and in hand	655		**655**
Other financial assets	0	0	**0**
Total at 31 March 2015	**21,597**	**0**	**21,597**
Embedded derivatives			**0**
Receivables – NHS	11,438		**11,438**
Receivables – non-NHS	2,696		**2,696**
Cash at bank and in hand	893		**893**
Other financial assets	0	0	**0**
Total at 31 March 2014	**15,027**	**0**	**15,027**

39.3 FINANCIAL LIABILITIES

	Other £000s	Total £000s
Embedded derivatives		**0**
NHS payables	3,030	**3,030**
Non-NHS payables	31,963	**31,963**
Other borrowings	15,692	**15,692**
PFI & finance lease obligations	271,063	**271,063**
Other financial liabilities	3,115	**3,115**
Total at 31 March 2015	**324,863**	**324,863**
Embedded derivatives		0
NHS payables	2,107	2,107
Non-NHS payables	33,725	33,725
Other borrowings	8,273	8,273
PFI & finance lease obligations	279,859	279,859
Other financial liabilities	3,224	3,224
Total at 31 March 2014	327,188	327,188

The Trust's main financial liabilities at 31 March 2015 are as follows:

The Trust has a large PFI contract with total future liabilities of £270 million which are due to be repaid over the next 27 years and 9 months. The repayment of this liability is factored into the Trust's Integrated Business Plan and is planned to be repaid from a combination of internally generated funds not required for future investment (depreciation) and revenue surpluses. Note 37 provides further information on this liability.

The Trust has £15.65 million of outstanding loans from the Department of Health. The repayment of these loans is factored into the Trust's Long Term Financial Model. Note 30 provides further information on these loans.

40 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events after the end of the reporting period.

41 RELATED PARTY TRANSACTIONS

During the year, none of the Trust's Board Members, or parties related to them, have undertaken any material transactions with University Hospitals Coventry and Warwickshire NHS Trust.

The Department of Health is regarded as a related party. During the year University Hospitals Coventry and Warwickshire NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

	Revenue 2014/15 £000	Expenditure 2014/15 £000	Receivable 31 March 2015 £000	Payable 31 March 2015 £000
Coventry And Rugby CCG	261,482	39	2,873	0
Birmingham and the Black Country Area Team (NHS England)	131,365	0	6,954	0
Health Education England	24,953	39	2,774	0
Warwickshire North CCG	25,593	0	314	0
South Warwickshire CCG	18,755	0	86	0
Arden, Herefordshire & Worcestershire Area Team (NHS England)	12,068	0	1,163	0
NHS Litigation Authority	0	9,069	0	3
South Warwickshire NHS Foundation Trust	4,886	1,479	777	732
West Leicestershire CCG	6,026	0	1,726	0
George Eliot Hospital NHS Trust	4,206	1,164	602	364
Nene CCG	5,934	0	229	0
Leicestershire and Lincolnshire Area Team (NHS England)	4,071	0	1,312	0
Department of Health	4,586	212	0	0
East Leicestershire And Rutland CCG	3,491	0	555	0
NHS Blood and Transplant	131	3,702	0	146
Solihull CCG	2,742	0	329	0
The Royal Wolverhampton Hospitals NHS Trust	2,737	43	82	2
Coventry and Warwickshire Partnership NHS Trust	1,938	464	146	61
Greater Manchester Area Team (NHS England)	1,908	0	349	0
Birmingham Crosscity CCG	1,478	0	0	156
Redditch And Bromsgrove CCG	1,200	0	0	269
Lancashire Area Team (NHS England)	1,116	0	186	0
Birmingham Childrens Hospital NHS Foundation Trust	519	183	478	119
Cheshire, Warrington & Wirral Area Team (NHS England)	861	0	395	0
Worcestershire Acute Hospitals NHS Trust	620	159	233	108
Merseyside Area Team (NHS England)	925	0	155	0
Public Health England	716	217	132	3
Shropshire and Staffordshire Area Team (NHS England)	986	0	59	0
Wyre Forest CCG	577	0	369	0

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies including:

	Revenue 2014/15 £000	Expenditure 2014/15 £000	Receivable 31 March 2015 £000	Payable 31 March 2015 £000
National Health Service Pension Scheme	0	27,250	0	0
HM Revenue and Customs	0	18,800	0	6,165
Coventry City Council	0	2,283	0	0
Warwickshire County Council	659	0	0	0

The Trust has also received revenue and capital payments from the University Hospitals Coventry and Warwickshire NHS Trust Charity, the Trustee of which is the Corporate Trust Board of University Hospitals Coventry and Warwickshire NHS Trust. Note the Charity also supports Coventry and Warwickshire Partnership NHS Trust. The Trust has not consolidated the Charity accounts into its accounts on the basis that they are not material. A statement of financial activities and balance sheet for the Charity are shown below:

Statement of Financial Activities	2014/15 £000s
Total income resources	805
Resources expended with host NHS Trust	-623
Net outgoing resources	182
Gains on revaluation	194
Other fund movements	0
Net movement in Funds	376

Balance Sheet	31 March 2015 £000s
Investments	2,352
Other fixed assets	0
Total fixed assets	2,352
Cash	1,148
Other Current Assets	54
Current Liabilities	-612
Net assets/liabilities	2,942
Restricted/Endowment Funds	129
Non-Restricted Funds	2,813
Total Charitable Funds	2,942

42 LOSSES AND SPECIAL PAYMENTS

The total number of losses cases in 2014/15 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	41,348	76
Special payments	113,634	67
Total losses and special payments	154,982	143

The total number of losses cases in 2013/14 and their total value was as follows:

	Total Value of Cases £s	Total Number of Cases
Losses	372,782	212
Special payments	128759	66
Total losses and special payments	501,541	278

The Trust incurred no individual losses over £300,000 (2013/14 £nil).

43 FINANCIAL PERFORMANCE TARGETS

The figures given for periods prior to 2009/10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

43.1 **BREAKEVEN PERFORMANCE**

	2005/06 £000s	2006/07 £000s	2007/08 £000s	2008/09 £000s	2009/10 £000s	2010/11 £000s	2011/12 £000s	2012/13 £000s	2013/14 £000s	**2014/15 £000s**
Turnover	334,510	408,461	378,867	426,673	465,211	472,923	484,816	509,163	528,881	**550,196**
Retained surplus/(deficit) for the year	0	54	201	4,825	158	(7,010)	(18,284)	(23,565)	10,863	**(9,460)**
Adjustment for:										
Timing/non-cash impacting distortions:										
2006/07 PPA (relating to 1997/98 to 2005/06)	0									
2007/08 PPA (relating to 1997/98 to 2006/07)	(98)	(340)								
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	(1,906)							
Adjustments for impairments				0	3,097	7,967	17,718	24,714	(9,717)	**(8,405)**
Adjustments for impact of policy change re donated/government grants assets							345	(508)	(932)	**27**
Consolidated Budgetary Guidance – adjustment for dual accounting under IFRIC12*					6,979	3,205	1,686	1,275	0	**938**
Absorption accounting adjustment								0	0	**0**
Break-even in-year position	**(98)**	**(286)**	**(1,705)**	**4,825**	**10,234**	**4,162**	**1,465**	**1,916**	**214**	**(16,900)**
Break-even cumulative position	**(276)**	**(562)**	**(2,267)**	**2,558**	**12,792**	**16,954**	**18,419**	**20,335**	**20,549**	**3,649**

*Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009/10, NHS trusts' financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

	2005/06 %	2006/07 %	2007/08 %	2008/09 %	2009/10 %	2010/11 %	2011/12 %	2012/13 %	2013/14 %	**2014/15 £000s**
Materiality test (I.e. is it equal to or less than 0.5%):										
Break-even in-year position as a percentage of turnover	-0.03	-0.07	-0.45	1.13	2.20	0.88	0.30	0.38	0.04	**-3.07**
Break-even cumulative position as a percentage of turnover	-0.08	-0.14	-0.60	0.60	2.75	3.58	3.80	3.99	3.89	**0.66**

43.2 **CAPITAL COST ABSORPTION RATE**

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

43.3 EXTERNAL FINANCING

The Trust is given an external financing limit which it is permitted to undershoot.

	2014/15 £000s	2013/14 £000s
External financing limit (EFL)	**22,565**	4,807
Cash flow financing	**20,051**	4,396
Unwinding of Discount Adjustment		61
Finance leases taken out in the year	**926**	114
External financing requirement	**20,977**	4,571
Under/(over) spend against EFL	**1,588**	236

43.4 CAPITAL RESOURCE LIMIT

The Trust is given a capital resource limit which it is not permitted to exceed.

	2014/15 £000s	2013/14 £000s
Gross capital expenditure	**21,251**	21,378
Less: book value of assets disposed of	**(1,578)**	(930)
Less: donations towards the acquisition of non-current assets	**(244)**	(1,245)
Charge against the capital resource limit	**19,429**	19,203
Capital resource limit	**24,065**	19,963
(Over)/underspend against the capital resource limit	**4,636**	760

44 THIRD PARTY ASSETS

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2015	31 March 2014
Third party assets held by the Trust	**27**	25

Auditors' Opinion

Independent auditors' report to the Directors of the Board of University Hospitals Coventry and Warwickshire NHS Trust ('the Trust')

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view, of the state of the Trust's affairs as at 31 March 2015 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to the National Health Service in England.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by University Hospitals Coventry and Warwickshire NHS Trust, comprise:

- the Statement of Financial Position as at 31 March 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Taxpayers' Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is the accounting policies directed by the Secretary of State for Health with the consent of the Treasury as being relevant to the National Health Service in England.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

We have also audited the information in the Remuneration Report that is subject to audit, being:

- the table of salaries and allowances and senior managers;
- the table of pension benefits of senior managers; and
- the table of pay multiples.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE CODE OF AUDIT PRACTICE

In our opinion:

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as being relevant to the National Health Service in England.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Code of Audit Practice issued by the Audit Commission requires us to report to you if:

- in our opinion, the Governance Statement does not comply with the Trust Development Authority's Guidance or is misleading or inconsistent with information of which we are aware from our audit; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

We referred a matter to the Secretary of State under section 19 of the Audit Commission Act 1998 on 28 April 2015 because the Trust has taken a course of action that, if followed to its conclusion, will lead to a breach of the 'breakeven duty' set out at paragraph 2(1) of Schedule 5 to the National Health Service Act 2006. The Trust has recorded a retained deficit of £16.9 million in its draft accounts for the 2014/15 financial year. The Trust has submitted to the Trust Development Authority a plan for the 2015/16 financial year with a deficit of £22.4 million. The cumulative deficit for these two years would be £39.3 million. No recovery plan has yet been formalised and we do not believe the Trust will recover this cumulative deficit in 2016/17.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the accounting policies directed by the Secretary of State, with the consent of the Treasury, as being relevant to the National Health Service in England.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Part II of the Audit Commission Act 1998, the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Board of University Hospitals Coventry and Warwickshire NHS Trust in accordance with Part II of the Audit Commission Act 1998 as set out in paragraph 44 of the Statement of Responsibilities of Auditors and of Audited Bodies (Local NHS bodies) published by the Audit Commission in April 2014, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

CONCLUSION ON THE TRUST'S ARRANGEMENTS FOR SECURING ECONOMY, EFFICIENCY AND EFFECTIVENESS IN THE USE OF RESOURCES

Basis for Qualified Conclusion

In considering the Trust's arrangements for securing financial resilience, we identified that the Trust does not have a financial plan to achieve its statutory break-even duty over a three year period and will continue to require external cash financing.

Qualified Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission on 13 October 2014, with the exception of the matter reported in the basis for qualified conclusion paragraph above, we are satisfied that, in all significant respects, University Hospitals Coventry and Warwickshire NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

What a review of the arrangements for securing economy, efficiency and effectiveness in the use of resources involves

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission on 13 October 2014, as to whether the Trust has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

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

Our responsibilities and those of the Trust

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission on 13 October 2014.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

CERTIFICATE

We certify that we have completed the audit of the financial statements of University Hospitals Coventry and Warwickshire NHS Trust in accordance with the requirements of Part II of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Richard Bacon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Date: 4 June 2015

(a) University Hospitals Coventry and Warwickshire NHS Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

University Hospitals Coventry and Warwickshire NHS Trust

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