



annual report

2012 | 13

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Chair and Chief Executive's Report

Welcome to our Annual Report and Accounts for 2012/13, a year which has, through the dedication and hard work of our staff and volunteers, seen a continued improvement in the quality of care we provide to patients and their families and increasing levels of both staff and patient satisfaction. As a Board we are proud of the progress that the organisation continues to make and recognise and thank each staff member for their continued efforts.

As a provider of hospital and community services our focus is on ensuring we provide the best care possible locally and developing services that mean our families can receive the care they need as close to home as possible while maintaining our financial health in an increasingly difficult economic climate. Our ability to continue to achieve these objectives will ensure we are able to bring our plans for future investment in equipment, services and estate to fulfilment and meet the health needs of our young people in the longer term.

At a time of great change in the healthcare environment we are proud of our achievements this year in working with new and existing partners across the public and private sector to forge strong relationships to benefit our communities. Our work with local groups, invigorated by our consultation on our Foundation Trust application, has continued and will be further enhanced by the work programme of our new Council of Governors which represents the views of our local communities to the Trust Board.

The Trust Board has been further developed this year by the appointment of Mohammed Sarwar who joined the Board as a Non-Executive Director in May 2012, and Peter Rowe who joined as a non-voting Associate Non-Executive Director in April 2013. Mohammed has a strong background in the legal and charitable sectors and Peter has a strong clinical background.

We would also like to congratulate Mrs Sedgley on her re-appointment to the Board as a Non-Executive Director and say a fond farewell and many thanks to Mr Duckworth who stood down at the end of his term as a Non-Executive Director in January 2013 to pursue his many other charitable interests in the region. Mr Duckworth will be replaced by Mr David Wharfe who will take up his appointment later in 2013.

This report, by its nature is only able to give a brief snapshot of a year in the life of the Trust. Despite this it is packed with examples of innovations by staff and outstanding dedication to the care of patients. With your help we will continue to implement the planned enhancement of our services and facilities in 2013/14 and become "better together"



Hazel Harding

Hazel Harding
Chair



Mark Brearley

Mark Brearley
Chief Executive



your trust our year

Location and market

East Lancashire Hospitals NHS Trust was established in 2003 and is an integrated health care provider located in Lancashire in the heart of the North West of England, with Bolton and Manchester to the South, Preston to the West and the Pennines to the East forming a natural boundary with Yorkshire. We provide healthcare services primarily to the residents of East Lancashire and Blackburn with Darwen, which have a combined population in the region of approximately 530,000.

We have a total of 996 beds, comprised of 631 beds at the Royal Blackburn Hospital site, 313 beds at the Burnley General Hospital and Pendle Community Hospital sites, 33 community inpatient beds at Clitheroe Community Hospital and 19 community inpatient beds at Accrington Victoria Hospital.

The nearest NHS acute hospitals are the Royal Preston Hospital (10 miles), the Royal Bolton Hospital (14 miles), Fairfield General Hospital (13 miles) and Airedale General Hospital (16 miles).

There are currently twenty eight Foundation Trusts within the North West, seven of which are mental health NHS Foundation Trusts. Locally there are five independent sector health care providers and six NHS providers within a 25 mile radius,

which offer a range of acute and community based services. Five of the six local NHS providers are Foundation Trusts.

For elective procedures patients can also access a range of independent sector providers. Our patients can also access a range of specialist hospital services which aren't provided locally, predominantly in Manchester and Liverpool.

In addition to traditional NHS providers and private hospitals there are also a number of other independent sector healthcare providers who either operate small services within our footprint or in neighbouring areas.

We continue to monitor our competitors to ensure that we are competitively placed to capitalise on growth, maintain adequate capacity to maintain our market share and to repatriate private sector activity. This is in addition to promoting the key strengths of our services to establish a strong brand identity. We also acknowledge the excellent benefits that joint working can bring, and we aim to explore these opportunities wherever there are sustainable benefits for patients.



Commissioning

Approximately 94% of the Trust's services are commissioned by the combined commissioning resources of NHS East Lancashire Clinical Commissioning Group, Blackburn with Darwen Clinical Commissioning Group and NHS England. The Trust continues to engage with these groups as part of the NHS reforms, to redesign clinical pathways and work across organisational boundaries to deliver the best possible care in the most appropriate locations for the people of East Lancashire.

Vision and Values

We aspire to be a high performing integrated healthcare provider working in close partnerships to deliver high quality, local, sustainable care for the people in the eastern part of Lancashire. We are committed to ensuring that we provide safe and effective high quality care that produces the best outcomes with all of the resources at our disposal.

Our vision is:

'We will deliver the best care with our community, locally'

Our values are based upon:

- respecting the individual
- putting patients and customers first
- promoting positive change
- acting with integrity
- serving the community

Our values are achieved through the following key operating principles:

- Understand the world we live in and deal with it
- We are clinically led and management supported
- Support departments support the front line
- Everything is delivered by and through divisions
- Compliance with standards and targets are a given. They are the things we do to help secure our independence and influence
- Quality is our organising principle - driving quality up and cost down is not mutually exclusive
- We deliver on our commitments

Did you know?

The Trust now offers an integrated respiratory, oxygen and pulmonary rehabilitation service to provide a seamless pathway for those with respiratory conditions and telehealth is used to remotely monitor the condition of patients in the community with a primary diagnosis of chronic obstructive pulmonary disease to offer rapid assessment and treatment and peace of mind to patients and their carers



Services

We provide a full range of acute hospital services and adult community services. We are a specialist centre for Hepatobiliary, Head and Neck and Urological Cancer services, in addition to being a growing centre for Cardiology services and a network provider of Level 3 Neonatal Intensive Care. Our relentless focus on patient safety and quality has enabled the Care Quality Commission (CQC) to register the Trust to provide services without conditions.

Our key commitment is to the delivery of the best possible healthcare services to the local population while ensuring the future viability of our services by continually improving the productivity and efficiency of services. This core focus has enabled demonstrable improvement in our key access, quality and performance indicators.

There is a strong focus on performance management within the Trust. Performance reporting and improvement plans are a key feature of board and senior management discussions. As a result there is a sound record of achievement in delivering against performance targets. The Trust achieved all targets in 2012/13.

Staff

The Trust is a major local employer employing just over 7,000 people. The whole time equivalent (WTE) workforce is 6,233. We recognise that our on-going success is due to the hard work, dedication and commitment of all our staff and volunteers.

Finance

We have delivered consecutive financial surpluses for the years 2007/8 to 2012/13 whilst experiencing activity growth, increases in complex case mix and general cost pressures throughout the period; and we achieved a pre-audit surplus of £4.7m in 2012/13 and delivered cost improvement savings of £16.2m.

The Trust has continued to make major investments in its healthcare facilities, predominantly focusing on its continued commitment to the Burnley General Hospital site.

Did you know?

The Virtual Ward is now available in three localities supporting those with ongoing illnesses that do not require hospitalisation to remain in their home and receive care and treatment from our nursing and medical teams and supporting earlier discharge from hospital where an admission has taken place

Principal Activities of the Trust

The Trust's function is to provide goods and services, namely hospital accommodation and services and community health services. Our principle activities are to:

- Provide elective (planned) operations and care to the local population in hospital and community settings
- Provide non – elective (unplanned emergency or urgent) operations and care to the local population in hospital settings
- Provide diagnostic and therapy services on an outpatient and inpatient basis to the local population in hospital and community settings
- Provide tertiary and specialist level services within a network of regional and national organisations e.g. Level 3 Neonatal services, specialist surgery and cancer services
- Provide learning and development opportunities for staff and students
- Provide additional services commissioned where agreement has been reached on service delivery models and price
- Provide support services to deliver the above activity and support the activity of other local health providers where these have been commissioned and agreement has been reached on service delivery models and price

Delivery of the principal activities is underpinned by our key clinical, performance and financial priorities. The Assurance Framework is the main tool by which the Trust Board monitors the risks to the organisation in relation to achieving these strategic objectives. The framework maps the organisation's objectives to principal and subordinate risks, controls and assurances.

The complete Assurance Framework is reviewed against the CQC and Monitor compliance and regulatory requirements on an ongoing basis. The Assurance Framework and changes as a result of risk mitigation plans are presented to the Trust Board on a quarterly basis and further details can be found in our Trust Board papers at: <http://www.elht.nhs.uk/trust-board-papers.htm>



The Trust has a strong commitment to the delivery of education, training, and learning and development opportunities to ensure all our staff have the skills necessary to fulfil their role and contribute to the delivery of excellent patient care. In addition to our ongoing mandatory training programmes which are tailored for staff groups we offer coaching and mentorship support for personal and professional development.

In 2012/13:

- 3,386 staff members undertook an e-learning course
- 577 staff attended library courses
- 279 staff undertook externally certified courses
- 13 staff accessed a course of postgraduate study

- 78 Healthcare Cadets have undertaken training at the Trust
- 87 existing members of staff have enrolled or completed apprenticeships
- 26 trainee Assistant Practitioners have undertaken their studies to obtain qualification.
- 288 Undergraduate Medical Students were placed in the Trust
- 214 student nurse placements were taken up
- 186 allied Health professional placements were filled
- 112 student midwife placements were undertaken
- 356 of our qualified health professionals accessed Continuing Professional Development via university modules
- 340 Doctors in training were working across the Trust

business review



We know that patients and their families want a high quality personalised experience of care at times when they may be at their most vulnerable. They want to be seen by skilled professionals who they can trust and to receive treatment and advice that can give them the best outcomes without doing them harm. They want to be treated with respect, be a partner in decisions about their care and preserve their dignity. Our way of working promotes and encourages this.

We strongly believe that patients have the right to expect high quality care in a safe and clean environment. Our Quality Governance Framework and Quality Improvement Strategy reflect our commitment to delivering this for our local community.

We continue to embed a culture of continuous improvement and use quality initiatives across the organisation. Our priorities focus on the domains of

- Safety;
- Effectiveness of care;
- Patient experience/Personalised care.

As required by the NHS Trust Development Authority we have identified five improvement priorities with associated action plans to address them. These are:

- Preventing premature death
- Providing a high quality training and education environment
- Provision of acute oncology services
- Improving the emergency care pathway across the health economy
- Reduce the level of paediatric emergency admissions



We are working in an environment of increasing healthcare needs, demands and opportunities at a time when public services are facing unprecedented financial challenge and change. In response to this the NHS has developed the framework of Quality, Innovation, Productivity and Prevention (QIPP). This has been aligned to our Quality Improvement Strategy and complements our domains of safe, effective and personalised care, and emphasises the need for efficiency to be a product of what we achieve as a result of improving quality. This is consistent with our organising principles.

The NHS is also moving towards the measurement of outcomes as the determinants of clinical quality. The NHS outcomes framework has categorised these as:

- preventing people from dying prematurely,
- enhancing quality of life for people with long term conditions,
- helping people to recover from periods of ill health or following injury,
- ensuring that people have a positive experience of care,
- treating and caring for people in a safe environment and protecting them from avoidable harm.

These elements will form the basis of how we will measure whether we are achieving what our patients need from us in the forthcoming year.

2012/13... a year of achievement

The Trust has a dedicated workforce committed to providing the best service possible to patients, their families and local communities. A number of our staff have received accolades during the year:-



Jane Sarsfield, Specialist Diabetes Nurse

Jane was nominated by patients as an NHS Hero and received a certificate from Sir David Nicholson, Chief Executive of the NHS. She went on to be awarded “Queen’s Nurse”, a recognition from the Queen’s Nursing Institute of her commitment to patient centred values and continually improving practice.

looking after you





Safety

Through strong executive leadership we utilise a range of methods to provide and seek assurance that we deliver High Quality Harm Free Care.

There is an established and ongoing programme of Patient Safety Leadership Walk Rounds. They provide an opportunity for executive leads along with the Non Executive Directors to challenge and review systems and processes and an opportunity for staff to engage with the Board.

Whilst we can demonstrate a year on year reduction in hospital acquired infection rates we continue to be vigilant and the focus on hygiene continues. We achieved our 2012/13 targets for reducing healthcare acquired infections with 3 post-48 hour cases of MRSA against a trajectory of 3 and 36 post-3 day Clostridium Difficile cases against a trajectory of 43.

One of our key commitments in improving quality is to reduce our mortality rate. We reduced our in year mortality rate(HSMR) by 1% in 2012/13 and our target for the coming year is to reduce this by another 5%. Through the strengthened Mortality Steering Group we have monitored our hospital standardised mortality rate

and introduced strategies designed to improve our mortality. Working with partner organisations and Dr Foster we are able to rapidly detect and investigate any unexpected increases in mortality rates at individual specialty level. Our Critical Care Outreach team support staff on the wards in identifying and caring for patients at risk of becoming dangerously unwell. We have implemented 5 clinical bundles for patients at high risk of mortality (in sepsis, pneumonia, Chronic Obstructive Pulmonary Disease, (COPD) fractured neck of femur and stroke).

We have a very active and influential Patient Safety Group which involves clinicians from all Clinical divisions. This group receives assurance on Quality and Safety requirements and that initiatives are systematically actioned and monitored.

We have successfully maintained the standards required to achieve National Health Service Litigation Authority (NHSLA) Level 3 accreditation for Trust-wide acute services with an exceptionally high level of compliance, which placed the Trust in the top 15% of Trusts nationally. As a level 3 Trust our assessment and monitoring processes are embedded throughout the organisation. The attainment of NHSLA standards are a natural by-

Did you know?

The adult speech and language therapy service has been developing the use of iPads in both treatment and as communication aids for people who have either lost speech or who only have very limited speech output. A number of people with limited physical movement are also being supported to use the Ipad via switches which, in addition to promoting communication, enables them to gain more independence in other activities such as emailing and internet use.



product of our quality, risk and safety work. The Governance Committee, Quality and Safety Board and the Patient Safety Group underpin this work.

Effectiveness of Care

Our commitment to continuous improvement has resulted in demonstrable improvement in our key access, quality and performance indicators and we have achieved the 18 week referral to treatment standards and the accident and emergency target requiring 95%+ of patients to spend a total time of 4 hours or less in Accident and Emergency.

We have continued to implement Advancing Quality initiatives and our Quality Account outlines this in more detail and is available online at <http://www.elht.nhs.uk/corporate-publications.htm> or as a hard copy by contacting the Company Secretary, Trust Headquarters, Royal Blackburn Hospital, Haslingden Road, Blackburn BB2 3HH

Patient Experience

The improvement in performance and the redesign of services along with the focus on high quality harm free care has been reflected in the year on year improvement in our national patient surveys which are published by the Care Quality Commission (CQC) annually for in patients and every two years for outpatients.

The 2012 national patient survey benchmarking reports published by the CQC show a significant improvement in our patient responses across the range of indicators both for inpatients and outpatients.

The requirement for annual improvement in Patient Experience is and has been both a national and local indicator for the Trust, which was achieved in 2012/13

Our Patient Experience Monitoring systems enable real time patient feedback and provide more regular and dynamic information about what people think of the quality of our services.

The Care Quality Commission has registered the Trust to provide services without conditions



Patient Activity

This has been a very busy year with an ongoing increase in Emergency and Urgent Care attendances and a reduction in the number of patients staying in hospital compared to those undertaking treatment on a day case basis as can be seen from the table below:

Activity Type	2008-09	2009-10	2010-11	2011-12	2012-13
A&E	145,046	145,054	151,121	152,660	177,901
Day Cases	42,626	46,115	45,873	45,886	45,153
Inpatients	15,148	14,465	12,322	10,661	9,771
Non-Elective	57,321	59,591	60,528	61,841	64,759
Outpatient Atts (New)	147,818	161,000	134,338	131,395	140,970
Outpatient Atts (Review)	309,036	367,441	354,179	271,448	328,479
Outpatient Procedures	5,825	17,497	60,288	75,398	72,191

Principal risks and uncertainties

We have identified, assessed and put in place mitigation strategies in relation to all risk areas associated with the organisation. All risks are mapped to the Assurance Framework and Corporate Risk Register. Principal risks to strategic objectives are regularly reviewed by the Board, via the Assurance Framework, to ensure that as far as possible they are fully mitigated. The Assurance Framework is compliant with the model set out in the Department

of Health Governance guidance, and the Framework has been given a status of 'Full Assurance' by our Internal Auditors.

All risks have been assessed for likelihood and consequence and in relation to our key financial risks, a full sensitivity analysis has been undertaken. Our risk profile includes financial, clinical, workforce and infrastructure risks. The Assurance Framework is presented on a quarterly basis to our Trust Board and is available at <http://www.elht.nhs.uk/trust-board-papers.htm>

directors' report



Directors' Report

In accordance with our Establishment Order our Board comprises the Chairman, six Non Executive Directors and five Executive Directors as detailed in the Board profile below. On becoming an integrated healthcare provider as a result of the completion of the Transforming Community Services programme, we addressed the need to expand the number of non executive directors on the Board to reflect the size and complexity of the organisation and the services we provide. This has allowed us the opportunity to recruit a non

executive director with a background in law and the public sector to meet identified gaps in our skills base.

The Director of Human Resources and Organisational Development, the Director of Service Development and the Company Secretary also attend the Trust Board to give advice to the Board within their professional remit.

The Board functions as a corporate decision-making body. Executive and non executive members are full and equal members.

Chair – Mrs Hazel Harding (appointed August 2009)

	Experience	Qualifications
	<p>Hazel Harding (CBE) is well known across Lancashire, having previously served as Leader of Lancashire County Council for eight years and as a County Councillor representing the Rossendale North Constituency for more than 20 years. She also served as a Non-Executive Director for four years with the former Burnley Healthcare NHS Trust.</p> <p>She lives in Rossendale and is passionate about developing high quality health services that meet the many different health needs of the people of East Lancashire.</p> <p>Hazel is Trustee of the Burnley Pendle and Rossendale Council for Voluntary Service, Chair and Trustee of REAL – a charity and social enterprise working in partnership with public, private and third sector for the benefit of people in the Rossendale Valley and Chair and Trustee of Crawshawbooth Community Association which runs a Community Centre and activities within in it.</p> <p>Hazel is also a Deputy Lieutenant of Lancashire having been appointed in October 2009 and received her CBE for services to local government in 2006. She was born in Heysham and educated in Lancaster before training as a journalist. She is Chair of the Remuneration Committee, a member of the Strategy Forum and the Business Forum.</p>	<p>National Council for Training of Journalists Certificate</p>

Chief Executive – Mr Mark Brearley (appointed May 2011)

	Experience	Qualifications
	<p>Originally from Oldham, Mark joined the NHS in 1981. He worked in his hometown, and at the former North West Regional Health Authority, taking up his first finance director post in Leicester in 1989.</p> <p>He has been Director of Finance at Leicester General Hospital NHS Trust, Royal Hull Hospitals and at Hull and East Yorkshire Hospitals Trust, where he held a dual role as Deputy Chief Executive, and led financial aspects of the establishment of the Hull/York Medical School.</p> <p>Joining Calderdale and Huddersfield NHS Trust in 2005, he worked with the Chief Executive to lead the Trust's transition to Foundation Status in 2006. Mark chairs the Executive Management Board, is a member of the FT Programme Board, the Strategy Forum and the Business Forum</p>	<p>Post Graduate Diploma in Business Administration, Fellow of the Chartered Institute of Management Accountants</p>

Deputy Chief Executive/ Director of Clinical Care and Governance (Executive Nurse) – Mrs Lynn Wissett



Experience

Lynn started in her current post in January 2006 and became Deputy Chief Executive in September 2008. She is a Registered Nurse and a Registered Midwife. She holds a BSc (Hons) and Post Graduate Diploma in Health Service Management and is an accredited Mediator.

During her time in the Health Service Lynn has obtained extensive clinical, management and practical experience. She has previously held the position of the Link Supervisor of midwives on the North West Local Supervising Authority. Lynn is a member of the Executive Management Board, the Governance Committee, the Business Forum, the Strategy Forum, the FT Programme Board and attends the Audit Committee.

Qualifications

Post Graduate Diploma in Health and Social Service Management, University of Central Lancashire, BSc (Hons) Professional Studies, University of Central Lancashire, Certificate in mediation skills (accredited by Oxford, Cambridge Examinations), Certificate in managing conflict constructively and mediating difficult conflicts (accredited by Oxford, Cambridge Examinations), Registered General Nurse, Registered Midwife, ENB Higher Award

Director of Finance Mr Jonathan Wood (appointed September 2009)



Experience


Jonathan has worked in the NHS since 1992 and qualified as an accountant in 1996 as a member of the graduate financial management-training scheme. He brings with him the skills and experience vital in managing the Trust's financial future and developing sound business strategies. In the early part of his career Jonathan worked for a number of years at Salford Royal Hospitals prior to moving to the Greater Manchester Strategic Health Authority. From there he joined the North West Strategic Health Authority before joining North Cumbria University Hospitals.

Jonathan sits on the Executive Management Board, the Charitable Funds Committee, the FT Programme Board, the Governance Committee, the Strategy Forum, the Business Forum and attends the Audit Committee.


Qualifications

BA (Hons) Phil, Member of the Chartered Institute of Public Finance and Accountancy

Director of Operations – Mrs Valerie Bertenshaw (appointed September 2008)

	Experience	Qualifications
	<p>Val commenced in her role of Director of Operations in September 2008. She has extensive operational management experience having been the Director of Operations at Burnley Healthcare prior to the Trust merger. She led the health economy wide consultation on Meeting Patients Needs and subsequently led the operational delivery of the MPN changes. She holds an MA in Health Service Management in addition to a Diploma in Management Studies and a postgraduate certificate in Health Informatics. She is a former General Management trainee and holds full membership of the Institute of Health Management.</p> <p>Val sits on the Executive Management Board, the Governance Committee, the Charitable Funds Committee, the Business Forum, the Strategy Forum and the FT Programme Board</p>	<p>Institute of Health Service Management (parts I, II and III), DMS, Post graduate Diploma in Health Information, MA in Health Service Management</p>

Medical Director – Mrs Rineke Schram (appointed January 2006)


	Experience	Qualifications
	<p>Rineke started her post as Medical Director in January 2006. She has been a consultant in Obstetrics and Gynaecology since 1996. After completing undergraduate training in the Netherlands, she moved to England in 1985 where she completed her postgraduate training.</p> <p>Her clinical and research interests are in maternal medicine, labour ward management and promoting normality in childbirth whilst ensuring the highest standards of obstetric care for those at risk of complications, but also in promoting collaboration between health care practitioners. Rineke is currently an Honorary Senior Clinical Lecturer with UCLAN, and an AQUA associate, as well as the Trust's Caldicott Guardian and Responsible Officer. Her previous managerial experience includes the posts of Deputy Medical Director and Director of Medical Education for the Trust. Her background and focus on governance and education enables her to advise the Board on clinical quality and standards and provide assurance and advice on clinical issues.</p> <p>Rineke is a member of the Executive Management Board, the Strategy Forum, the Business Forum, the Governance Committee and the FT Programme Board.</p>	<p>FRCOG, Certificate of Specialist, Accreditation, MRCOG, Artsexamen, (Dutch equivalent MBBS)</p>





Mr Ian Brandwood Director of HR and Organisational Development (appointed May 2009)		
	Experience	Qualifications
	<p>Ian was previously employed as Director of HR at West Yorkshire Probation Board. He brings a wealth of experience from his previous roles and at the Probation Board, where he was responsible for the delivery of an organisation-wide human resource and organisational development strategy, and leading on diversity and equality, recruitment and selection, pay and benefits, occupational health and safety, learning, training and development, and employee and industrial relations. Prior to joining the Probation Board, Ian worked for a number of local authorities.</p> <p>Ian leads our human resources and organisational development strategy, which encompasses diversity and equality, recruitment and selection, pay and benefits, occupational health and safety, learning, training and development, and employee and industrial relations. Ian is a member of the Executive Management Board, the Business Forum, the Strategy Forum and the FT Programme Board.</p>	<p>MBA, DMS, Fellow of the Chartered Institute of Personnel and Development</p>
Mr Martin Hodgson Director of Service Development (appointed November 2009)		
	Experience	Qualifications
	<p>Martin joined the Trust as Director of Service Development in November 2009 on secondment from Central Manchester University Hospitals NHS Foundation Trust (CMHFT) where he was Executive Director of Children's Services and was part of the Board that achieved Foundation Trust status. He held this post for 5 years where he oversaw the move of two offsite specialist children's hospitals into a new state of the art facility. Prior to this Martin held a number of senior operational management roles across a range of frontline clinical services and is a former General Management Trainee. Martin leads on service improvement, external relations and business development for the Trust.</p> <p>Martin is a member of the Executive Management Board, the Business Forum, the Strategy Forum and the FT Programme Board.</p>	<p>Postgraduate Diploma in Personnel Management, BA (Hons) in Human Geography</p>


Non-Executive Team Members

Mr Martin Hill (appointed January 2007)

	Experience	Qualifications
	<p>Martin has a background in the private sector chemical industry, being a Senior Manufacturing Manager for ICI. His employment in the private sector has given him experience of efficiency and productivity initiatives, budget and cost controls, capital project definition and management, personnel management and safety, health and environment management.</p> <p>He holds and has held a wide range of Non-Executive posts including voluntary positions as Chairman of East Lancashire Careers Service Ltd (1995-2002), Chairman of the Ribble Valley Enterprise Agency (1991-present), Vice Chair and Chair of Finance and General Purposes Committee of Accrington and Rossendale FE College (1990-2002), East Lancashire Training and Enterprise Council (1996-1998), Business Link East Lancashire (1996-1998) and has been Trustee for Brathay Hall Trust since September 2006; a 60 year old Charity based in the Lake District to provide experiential learning and development to young people. He has also been a Non-Executive director for the Marsden Building Society.</p> <p>Martin was previously Chairman of Ribble Valley Primary Care Group (1998-2001) and Chairman of Hyndburn and Ribble Valley PCT (2001 to 2006). Martin's experience as Chairman of the former Primary Care Trusts means that he has a detailed awareness of corporate governance issues and his continued external interests enables him to represent the interests of a wide range of stakeholder communities.</p> <p>He was also awarded an MBE (Member of the Order of the British Empire) in 1994 for services to the community in the fields of enterprise and education</p> <p>Martin is Vice Chairman, Chairman of the FT Programme Board, Vice Chairman of the Remuneration Committee and is a member of the Business Forum and the Strategy Forum.</p>	<p>Degree in Chemical Engineering</p>

Mr Paul Fletcher (appointed November 2006)		
	Experience	Qualifications
	<p>Paul was formerly a Non Executive Director with the Lancashire Ambulance Service where he served for nine years, until it was amalgamated into the Northwest Ambulance Service in the summer of 2006. Paul was appointed to our Board in November 2006. He has held senior management roles in a number of "Blue Chip" companies across the northwest of England throughout a long career, with significant focus on Procurement, Logistics, Contracts, Governance, Audit, Risk Management and Fraud.</p> <p>Paul's background in both the Public and Private sector means that he is able to contribute effectively to all the Committee's of which he is a member. He is Chair of the Governance Committee and a member of the Audit Committee, the Remuneration Committee, the Strategy Forum and the Business Forum. Paul is a Magistrate on the East Lancashire Bench and an Independent Member of the Blackburn with Darwen Council Standards Committee. In addition having been resident in East Lancashire virtually all his life, and currently working in a voluntary capacity in different sports within our local communities, he has extensive local knowledge which is of significant benefit to the Trust.</p> <p>Paul's appointment will expire in 2014 unless renewed..</p>	<p>HND Business Studies (Distinction)</p>
Mrs Elizabeth Sedgley (appointed January 2009)		
	Experience	Qualifications
	<p>Elizabeth was appointed in January 2009 and is a self-employed accountant with 16 years experience of industry and general practice. Her client-base has included companies and unincorporated businesses across a wide range of industries such as the construction trade, chemical sales and web-based retailers. Elizabeth is Chair of the Audit Committee and is a member of the Business Forum and the Strategy Forum.</p>	<p>Fellow of the Association of Chartered Certified Accountants</p>

Mr George Boyer (appointed December 2006)

	Experience	Qualifications
	<p>George is a partner in a management and learning consultancy specialising in leadership, management and diversity. He has worked at a strategic level within the public sector that has developed his wider thinking in relation to the delivery of quality services and performance improvement.</p> <p>George previously worked for the Inland Revenue and was a key player in rolling out its change programme to staff and managers at all levels. His work in this area has given him additional insights into human behaviour and reaction to change and change management. As the HR Development Project Manager with the Inland Revenue he gained the skills and experience to implement and design projects across a department of approximately 5,000 managers and 70,000 staff.</p> <p>George provides computer support for the admin team of local British Legion flats and for individual residents. He has also worked with local churches and charities to develop their vision and strategies and delivered change management and leadership development events through a mixture of paid and voluntary posts.</p> <p>On a voluntary basis he worked on a joint project, between a local school and a church, to deliver computer training within the community. He is Chair of the Premises Team and Technical director for a local church that involves making recommendations and presentations to Trustees and Membership Meetings and managing substantial building projects.</p> <p>Also on a voluntary basis George supports a charity in Sri Lanka, which helps people start up their own business, the role expanded after the Tsunami to help rebuild homes and communities. He has visited the country twice to meet the people being supported, see the poverty first hand, visit various projects and meet members of the project team. He has made presentations in this country to promote the charity and encourage support.</p> <p>George is older people's Champion for the Trust and has attended Older People's Forums and Age Concern presentations to keep up to date with current issues and strategies and takes a keen interest in the Diversity and Equality Strategy.</p> <p>George has the ability to ensure the interests of staff are well represented at the committees on which he serves including Chair of the Charitable Funds Committee and as a member of the Remuneration Committee, the Strategy Forum and the Business Forum.</p>	<p>ONC in Business Studies, Diploma in Training and Development, Member of Institute of Leadership and Management (ILM), Approved by CMI to facilitate Level 3 Award, Certificate and Diploma in First Line Management, Level 5 Award in Management and Leadership and Level 3 Award in Coaching and Mentoring, Approved by the Institute of Leadership and Management (ILM) to facilitate and assess their accredited Level 3 Award, Certificate, Diploma in Leadership and Management and Level 3 Award Certificate in Workplace Coaching.</p>

Mr Mohammed Sarwar



Experience

Shazad brings a wealth of experience to the Trust Board. He has a law degree and runs his own consultancy, Versor Research, specialising in policy analysis and development; evaluation and feasibility studies; re-designing public services and undertaking consultation. Versor have undertaken work for the third sector project managing a Regional Improvement and Efficiency Partnership funded programme called the BME Leadership Advisors Programme, led on the merger of two Crossroad Care Schemes and worked with Yorkshire and Humber BME Regional Panel Ltd to develop the sustainability and capacity of the regions BME voluntary and community services, Versor was also commissioned by Burnley, Pendle and Rossendale Community and Voluntary Services to undertake a major consultation at grassroots level within local communities eligible for Fair Share Trust (FST) funding.

Shazad is Chief Executive of the Whitefield Youth Association, a registered charity delivering services to young people across East Lancashire.

He is also a former member of the North West Children in Need committee for BBC Children in Need and currently an independent member of The Lancashire Police Authority, where he leads on performance and citizen focus.

Shazad is a member of the Strategy Forum, Charitable Funds Committee, Governance Committee and the Business Forum.

Qualifications

Bar Vocational Course, BTEC HND Business and Finance, Law LL.B (Hon), Corporate Risk Management Training – Lancashire Police Authority, Advanced Performance Management – Lancashire Police Authority, Future Leaders Programme – National Policing Improvement Agency, Leading Powerful Partnerships – National Policing Improvement Agency.

The Trust Board is responsible for providing strategic leadership to the Trust and ensuring that the Trust exercises its functions effectively, efficiently and economically. The Board monitors the arrangements that are in place to maintain the quality and safety of the Trust's services, including ensuring processes are in place for managing risks.

Non-Executive Directors have a particular role in scrutinising the performance of the Trust's management in meeting agreed objectives, and ensuring that robust systems of financial control and risk management are in place. The Non Executive Directors of the Trust are appointed by the Secretary of State for Health and are each appointed for a four year term which may be renewed subject to satisfactory performance. Non-Executive Directors are not employees of the Trust and do not have responsibility for the day to day management of the Trust: this is the role of the Chief Executive and Executive Directors but as a 'unitary Board', Executive and Non-Executive Directors share equal responsibility for the Board's decisions, and both share responsibility for the direction and control of the organisation.

The Trust Board meets monthly and meetings are open to the public except when confidential information is being discussed. Details of public Board meetings are available, including minutes and papers from previous meetings, on the Trust Board section of our website. The Trust Board delegates its authority to take decisions about the Trust and its services in accordance with a Scheme of Delegation which is available on our website within the publication section in our Standing Orders and Standing Financial Instructions.

The Executive Directors are appointed by a Committee comprising the Chief Executive and Non Executive Directors following a competitive interview process. There have been no new Executive Director appointments during the course of the year.

Performance Evaluation Arrangements

Each non executive director is appraised by the Chairman formally on an annual basis with informal reviews being undertaken quarterly. The Chairman has been appraised by the Chair of the Strategic Health Authority although this role will be taken over by the NHS Trust Development Authority.

In a similar way the executive directors and members of the wider executive team are appraised by the Chief Executive on a formal basis annually with ongoing one to one meetings taking place on at least a monthly basis for updates to be provided on progress against objectives. The performance of the Chief Executive in leading the organisation and being an effective member of the Trust Board are assessed by the Chairman.

Each member of the Board has in place a personal development plan to meet their own learning and development needs and to ensure the continuous development of the Board as a whole.

The Non Executive Directors and the Chief Executive are appraised by the Chairman and the Chief Executive appraises the Executive Directors. Executive Directors objectives mirror the strategic objectives of the Trust with an Executive Lead being assigned both to the attainment of strategic objectives and the management of risks to their achievement.

The Trust Board is further supported by the wider Executive team and the Associate Medical Directors and Divisional Directors for each of the Divisions.

The sub committees of the Trust Board undertake an annual review of their effectiveness and the way in which they have met the objectives set by the Trust Board. An annual report is provided to the Trust Board from each of its formal sub committees.

Did you know?

The Trust maintained NHSLA (National Health Service Litigation Authority) level 3 accreditation this year, the highest level available to an acute Trust. The NHSLA works with NHS trusts to improve their clinical and non-clinical risk management practices, which will improve the safety of NHS patients and staff. It assesses on five standards: clinical care, safe environment, workforce, learning from experience and governance.

Trust Board Meetings and Attendance

There have been 11 meetings of the Board during the course of the year and the attendance of members is shown below:

Hazel Harding	Chairman	91%
Martin Hill	Vice Chairman	100%
Paul Fletcher	Non Executive Director	82%
George Boyer	Non Executive Director	91%
Roger Duckworth (retired January 2013)	Non Executive Director	78%
Liz Sedgley	Non Executive Director	73%
Mohammed Sarwar	Non Executive Director	60%
Mark Brearley	Chief Executive	100%
Lynn Wissett	Deputy Chief Executive/ Director Clinical Care and Governance	91%
Jonathan Wood	Director of Finance	100%
Val Bertenshaw	Director of Operations	73%
Rineke Schram	Medical Director	100%

Over the course of the last few years the Board has continually refined supporting structures in light of updated and new best practice such as the Integrated Governance Handbook, the Combined Code of Governance, The Intelligent Board series, The Healthy NHS Board and Monitor's Code of Governance. We have reviewed and taken into consideration the findings of internal and external reviews and inspections in relation to our own and other NHS and Foundation Trusts to ensure we continue to operate to the highest possible governance standards and continually improve our effectiveness and focus as a Board.

The Board now has four formally constituted committees;

- Audit Committee
- Remuneration Committee
- Charitable Funds Committee
- Executive Management Board

These are the groups which focus on the strategic direction of the Trust and are supported by additional operational groups. Collectively these ensure a focus on clinical and corporate governance.

Each sub committee of the Board has agreed terms of reference defining the scope of the activities to be undertaken on behalf of the Board and, with the exception of the Executive Management Board, have representation from both the

executive and non executive directors. The Board maintains an overview of the activities of these groups by receiving a summary of the minutes of the committees at Board meetings in addition to an annual report from the committees setting out the work they have undertaken during the course of the year and the way in which they have met the objectives laid down by the Trust Board. The reporting by way of summary decisions of committees enables the Chair of each committee to provide additional verbal updates to the Board as required.

A Board development programme has been put in place to build upon the strengths of the individual Board members and the group and to develop greater confidence and skill in areas of weakness. We hold regular Board development days which focus on key elements of our strategy, business planning and the governance framework.

We have also continued to work with an organisational development consultant, who has supported delivery of development work with the clinical body, and the Board through facilitated workshops.



directors' statements

and declarations



So far as each Director is aware, there is no relevant audit information of which the Trust's auditor is unaware and each Director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

After making enquiries, the directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

The accounting policies for pensions and other retirement benefits are set out in the notes to the accounts and details of senior employees' remuneration can be found in the remuneration report.

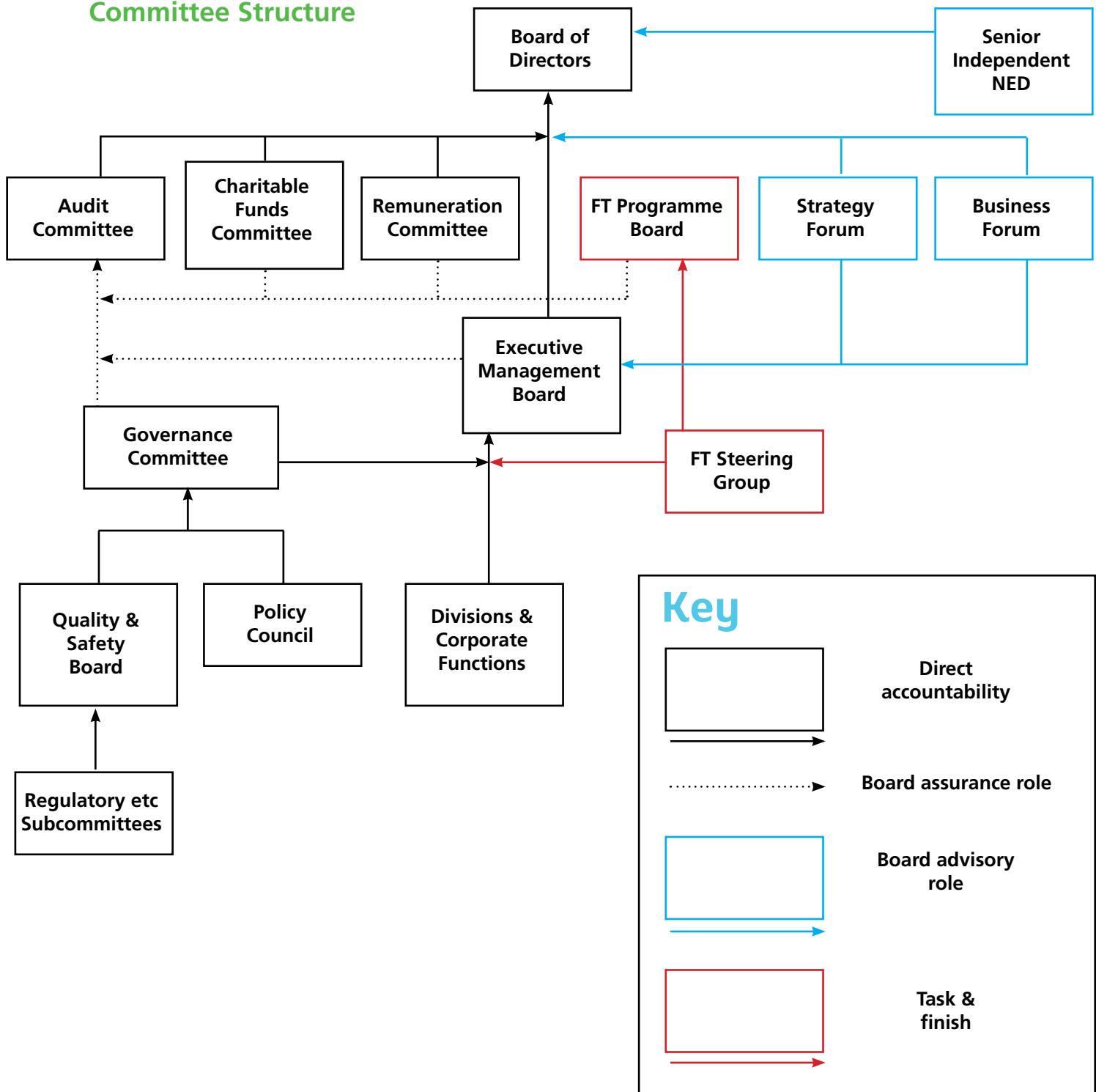
There are no company directorships or other significant interests held by directors which may conflict with their management responsibilities in relation to the Trust other than those disclosed opposite:

Directors' Register of Interests

Name	Post	Declared Position or Interest	Organisation	Tenure
Mrs Hazel Harding	Chairman	Trustee & Chair	Rosendale Enterprise Anchor Limited	Ongoing
		Chair	Inspired Spaces Limited Rochdale	Ongoing
		Trustee	Burnley, Pendle & Rosendale CVS	Ongoing
		Chair	Crawshawbooth Community Association	Ongoing
Mr Paul Fletcher	Non Executive Director	Independent Member	Blackburn with Darwen Council Standards Committee	Ongoing
Mr George Boyer	Non Executive Director	Proprietor	VMG Associates (Lancashire)	Ongoing
Mr Martin Hill	Non Executive Director	Director	Ribble Valley Enterprise Agency	Ongoing
		Trustee	Brathay Hall Trust	
Mrs Elizabeth Sedgley	Non Executive Director	Company Secretary	Various local firms	Ongoing
Mr M Sarwar	Non-Executive Director	Chief Executive	Whitlefield Youth Association	Ongoing
		Associate Consultant	HMIC	Ongoing
		Chair	Walverden Action Group	Ongoing
Mr M Brearley	Chief Executive	No declared interests		
Mrs L Wissett	Deputy Chief Executive/ Director of Clinical Care and Governance	Trustee	East Blackburn Learning Community Trust	From March 2010
Mr J Wood	Director of Finance	No Declared Interests		
Mrs V Bertenshaw	Director of Operations	No Declared Interests		
Mrs R Schram	Medical Director	No Declared Interests		

trust structure

Trust Corporate Committee Structure





Audit Committee

Constitution

The Audit Committee is established as a non executive Committee of the Trust Board to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives. The members of the committee during 2012/13 were Liz Sedgley (Chair), Paul Fletcher (Governance Committee Chair) and Roger Duckworth. Roger Duckworth and Liz have relevant financial experience being fully qualified accountants. The Committee is supported by the Director of Finance and the Deputy Chief Executive.

The Committee receives the reports of the internal and external auditors and the Counter Fraud Service. Relevant Executive Directors are normally in attendance to enable discussion and questioning on any areas of the Trust being reported upon. Throughout the year the Chairman of the Trust has been invited to attend appropriate meetings to ensure fully that communication flows are facilitated between the Trust Board and the Committee.

Throughout the year the Committee has continued to work to ensure closer integration of what is traditionally seen as the separate audit and governance agendas within the NHS to provide assurance to the Trust Board and ultimately to our patients, staff, the public and other stakeholders that the Trust manages its risks appropriately and continues to improve the quality of clinical services and maintain financial probity.

Delegated Duties

The Committee provides assurance to the Trust Board on the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities to support the achievement of the organisation's objectives. Specifically the Committee is charged with reviewing the adequacy of all risk and control related disclosure statements supported by the Head of Internal Audit Statement, external audit opinion and other appropriate independent assurances, which enable the Chief Executive and the Trust Board to complete the Annual Governance Statement and declarations to regulatory bodies.

2012/13... a year of achievement

The Trust has a dedicated workforce committed to providing the best service possible to patients, their families and local communities. A number of our staff have received accolades during the year:-



Erin Bolton, Macmillan End of Life Lead

Erin received one of only four awards for innovation excellence at the prestigious 2012 Macmillan Excellence Awards. With her colleague, Catherine Hargreaves, Erin developed an educational tool in the form of a play which demonstrated the importance of holding discussions with loved ones before death. Macmillan supported the production of this play on DVD which is now being used nationally as a teaching aid for end of life care facilitators.



In accordance with its Terms of Reference over the course of the year the Committee has received assurance on and examined the processes and policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and the policies and procedures for all work related to fraud and corruption as set out in the Secretary of State's Directions and required by the Counter Fraud and Security Management Services. The Reports received by the Committee have enabled it to fulfil this function throughout the year.

Reporting Arrangements

The Committee reports to the Trust Board. Each Trust Board receives a summary of the decisions and actions arising out of each Committee meeting and Trust Board members receive a copy of the minutes and actions arising from the meeting. The Chair of the Committee will bring to the attention of the Trust Board any issues of concern arising out of the meetings when the summary report is presented in public session.

During the course of the year the Committee has not authorised any working groups to assist in delivering the work plan of the Committee.

Work Plan Set by the Board

The Committee has regard to the Audit Committee Handbook and the Standing Orders and Standing Financial Instructions of the Trust. The Committee has an annual cycle of business which is included in the Trust's Committee Handbook and is approved by the Trust Board on an annual basis. The Company Secretary, the Director of Finance and the Deputy Chief Executive/ Director of Clinical Care and Governance assist the Chair of the Committee in ensuring that agendas are appropriately structured to cover the Committee's work plan and are received in a timely manner and are of an appropriate standard to enable the Committee members to undertake their responsibilities.

The Committee has completed the work required within the year and has had sufficient meetings to enable the plan to be completed. Internal and external auditors and the Counter Fraud Service have completed the work plans agreed by Committee members at the commencement of the year and plans for the new financial year have been submitted to the Committee by internal and external auditors and the local counter fraud specialist for consideration and approval.



Meetings and Attendance

There have been 6 meetings during the course of the year. Additional meetings can be arranged at short notice and are limited to consideration of specific issues.

The Non Executive Director members of the Committee meet with the representatives of the Internal and External Auditors and the Counter Fraud Service on a regular basis prior to the commencement of the formal meeting. This enables those providing independent assurance to the Committee to raise any issues of concern in the absence of the Executive team.

The attendance of the members is detailed below:

Liz Sedgley	Chair	100%
Paul Fletcher	Non-Executive Member	100%
Roger Duckworth	Non-Executive Member	60%

External Audit

External audit services during the initial part of the year under review were provided by the Audit Commission. Since November 2012 Messrs Grant Thornton have provided the service and have audited the financial statements and provided an opinion on and formed an assessment of the Trust's use of resources,

value for money and systems of internal control. They have also provided a report on their audit of the Quality Accounts.

Internal Audit

The Internal Audit service was provided by Audit North West. The service provided an independent and objective opinion to the Accountable Officer, the Board and the Committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives and an independent and objective consultancy service to help line management improve the organisation's risk management, control and governance arrangements. The Committee considered and approved the contents of the Internal Audit Plan which was structured to enable the Head of Internal Audit Opinion to be provided for the year.

Counter Fraud

The Counter Fraud Service was provided by Audit North West through a Local Counter Fraud Specialist. An annual plan for the service was approved and in place for the beginning of the financial year under review and regular progress reports have been received against the plan. The work plan undertaken in the year was based on a risk assessment to highlight areas at higher risk of potential fraud.

Did you know?

The Trust delivers and manages over 135 different in house courses to ensure our staff are able to access appropriate and effective learning and development at all stages of their working lives.

management commentary

Management Commentary including Operating and Financial Review

There is a strong emphasis on delivery against all performance metrics and as such, quality improvement plans and performance reporting are key features of senior management and board discussions. In terms of performance in 2012/13, we achieved against all indicators in the Monitor Compliance Framework.

We achieved our 2012/13 targets for reducing healthcare acquired infections with 3 post-48 hour cases of MRSA against a trajectory of 3 and 36 post-3 day Clostridium Difficile cases against a trajectory of 43.

Performance against the A&E Quality Indicators has proved a challenge since they were introduced by the Department of Health during 2011/12. The A&E 4 hour standard was met with 95.37% of all patients seen within the four hour limit.

Likewise the unplanned re-attendance rate for the year was 5.5% against the threshold of $\leq 5\%$ which was an improvement on the performance in the previous year at 6.23% reflecting the continuing focus on this area across the health economy.

Focused work is still being undertaken to improve the patient experience and quality in our Emergency Department including the redesign of our Emergency Department at Royal Blackburn Hospital and planned changes to the Urgent Care Centre at Burnley General Hospital which will improve the patient experience and

help us to continue to provide high quality care in a suitable environment.

A culture of strong financial management is embedded across the organisation. All statutory financial duties have been achieved since 2006/07. We have demonstrated good financial performance, delivering sustainable levels of savings and continuing to achieve our statutory financial duties.

We are reporting a pre-audit surplus of 1.6% in 2012/13. At the end of the financial year we are in an extremely strong position both in terms of performance and of finance to meet the challenges of continuing financial constraint and increasing demand for our services.

Main trends and factors likely to affect future development and Social and community issues

Like all providers of health care in the NHS we face some significant challenges in delivering our services over the next three years. Policy reforms introduced by the Health and Social Care Act 2012 have changed the structure of the local health economy placing greater decision-making in the hands of the GPs through Clinical Commissioning Groups. Whilst there are good, and improving, collaborative relationships, particularly amongst senior clinical leaders exemplified by the health economy wide Clinical Transformation Board and recent clinical summit, future commissioning intentions do potentially pose some financial risk and a requirement for us to change the way that we do things. Equally competition between providers is being encouraged, for example

Did you know?

The Trust has been awarded MOST centre of excellence status for enabling over 100 staff to achieve Microsoft Office qualifications.



through the extension of Any Qualified Provider contracts and we must address this challenge, particularly through developing our commercial acumen.

Our plans have been developed at a time when health services must meet the three priorities of delivering high quality, improved access within a shrinking cost base at a time of increasing demand. In 2012/13 we experienced significantly increased demand for emergency/urgent care (8.3% increase in Emergency Department attendances when comparing the six month period; October to March to the previous year) at a time when the quality of our services is under increased scrutiny following the publication of the second Francis report into Mid-Staffordshire Hospitals Foundation Trust. The Board has comprehensively considered the organisation's response to all of the Francis recommendations and we will continue to develop and deliver against the associated action plan.

Population projections for the ten years

from 2012 show an increase of 3.5% across East Lancashire and Blackburn with Darwen. Population projections (2012-2021) for the North West of England show a 3.9% increase. Whilst the population overall is projected to grow at a slower rate than across the North West, the over 65 age range is projected to grow by 17.5% between 2012 and 2021, this is marginally ahead of the North West average of 16.3%.

This suggests that demand for services will be greatest in an age range that will benefit most significantly from the integration of care pathways and the long term benefits that integrated care will bring. The over 65 age group tend to place greater demand on health services than the under 65 age group. People are living longer with chronic long-term conditions e.g. diabetes, respiratory and heart diseases. This trend will significantly influence the structure of future provision of clinical services, particularly through delivering services closer to the patient's home and is embedded

in our intended future model for the provision of intermediate care. Locally, there is a diverse ethnic mix, which makes it essential that we understand how healthcare needs may differ including an appreciation of the different patterns of disease and lifestyles and differential access to services that exist between these diverse ethnic communities.

Whilst the financial settlement for the NHS in 2013/14 continues to be favourable when compared to the rest of the public sector, it does not necessarily follow that these resources will flow into secondary care. Inflationary costs are well in excess of the additional funding afforded to the NHS and, as a result, to remain sustainable we must continue to change the way that we do things; increasing our productivity whilst continuing to improve outcomes for our patients. The total investment in NHS services for 2012/13 in England is £95.6 billion. Within this overall funding, the NHS England has allocated £63.4 billion to Clinical Commissioning Groups (CCGs). This represents 2.3% growth compared to the equivalent 2012/13 baselines. The financial challenge facing the NHS means that it must deliver high quality sustainable services within the resources available and achieve efficiency savings of up to £20 billion over the period 2010/11 to 2014/15

Contractual arrangements essential to the business of the Trust

We receive 94% of clinical income from NHS East Lancashire and NHS Blackburn with Darwen Clinical Commissioning Groups. NHS East Lancashire acts as lead commissioner working closely with NHS Blackburn with Darwen.

The 2013/14 contract has been agreed and outlines forecast activity and costs for the lead commissioner and all associates. The standard integrated NHS contract format has been used and the contract will become a legally binding contract once the Trust is authorised as a Foundation Trust.

In 2003, the Trust entered into a Concession Agreement under the Private Finance Initiative to construct a 170 bed* acute development on the Burnley General Hospital Site with our PFI partner Catalyst.

The unit opened on time and on budget in May 2006. A second Concession Agreement under the Private Finance Initiative (PFI) was entered into in 2003 with Consort to construct a 668 bed* acute development on the Royal Blackburn Hospital Site. The hospital opened in July 2006, also on time and on budget.

The Concession Agreements include the delivery of estates and facilities services to the hospital. The PFI schemes have brought considerable change in the management of estates and facilities services and management duties which are allocated between the Trust and the service providers.

Duties of the service providers include:

- Operational management of estates maintenance, car parking and security to the main hospital sites.
- Operational management and provision of hard facilities management services including reactive and planned maintenance to the PFI buildings and buildings with a service lease.
- Car parking and security is also managed by the service providers at the Royal Blackburn Hospital site.

Our financial transactional processing services are provided by East Lancashire Financial Services (ELFS). ELFS are part of Calderstones NHS Foundation Trust, and are funded wholly by its client organisations.

The governance of ELFS is through a Partnership Board which consists of all original client organisations. They are audited internally by North West Internal Audit services and externally via the external auditors of Calderstones. All audit findings are shared with the client organisations. The contract is negotiated annually based on forecast outturn activity and known service changes. It is managed by the finance department through monthly operational meetings and quarterly contract and performance meetings.

ELFS produce monthly performance statistics for all clients. Services provided include payroll, creditors, asset register management, e-procurement, e-expenses etc. We have retained control of debtors and cash systems.



Analysis of performance using key performance indicators						
Overview of Operational Performance						
Target	Threshold	2009-10	2010-11	2011-12	2012-13	RAG status
HEALTHCARE ACQUIRED INFECTIONS						
Clostridium Difficile – meeting the clostridium difficile objective	46	181	65	45	36	G
MRSA – meeting the MRSA objective	6	18	8	6	3	G
CANCER TARGETS						
%age of patients seen <2 weeks of an urgent GP referral for suspected cancer	93%	95%	96%	95%	95%	G
%age of patients seen <2 weeks of an urgent referral for breast symptoms where cancer is not initially suspected	93%	57%	96%	96%	95%	G
%age of patients receiving first definitive treatment within 31 days of a decision to treat	96%	98%	98%	98%	98%	G
%age of patients receiving subsequent treatment for cancer within 31-days where that treatment is Surgery	94%	97%	98%	97%	97%	G
%age of patients receiving subsequent treatment for cancer within 31-days where treatment is an Anti-Cancer Drug Regime	98%	99%	100%	100%	100%	G
%age of patients receiving first definitive treatment for cancer within 62-days of an urgent GP referral for suspected cancer	85%	85%	89%	87%	87%	G
%age of patients receiving first definitive treatment for cancer within 62-days of referral from and NHS Cancer Screening Service	90%	99%	99%	93%	98%	G

Analysis of performance using key performance indicators						
Overview of Operational Performance						
Target	Threshold	2009-10	2010-11	2011-12	2012-13	RAG status
REFERRAL TO TREATMENT METRICS						
%age of patients treated within 18 weeks on an admitted pathway	90%	94%	92%	92%	93%	G
%age of patients treated within 18 weeks on a non-admitted pathway	95%	99%	99%	99%	99%	G
%age of patients on an on-going pathway under 18 weeks	92%	96%	96%	95%	96%	G
Referral to treatment waits for admitted patients - 95th centile	23 weeks	n/a	20.5	21.0	20.3	G
Referral to treatment waits for non-admitted patients - 95th centile	18.3 weeks	n/a	13.0	12.8	13.56	G
Referral to treatment waits for on-going patients - 95th centile	28 weeks	n/a	17.0	16.8	16.37	G
%age of patients waiting longer than 6 weeks for a diagnostic test	<1%	0.02%	0.05%	0.12%	0.02%	G
	Accident and Emergency					
%age of patients waiting < 4 hours	95%	95.0%	97.8%	96.4%	95.37%	G
STROKE						
%age of stroke patients spending > 90% of their stay on a stroke unit	80%	41.0%	75.3%	87.4%	81.87%	G
%age of patients with TIA at higher risk of stroke seen and treated within 24 hours	60%	N/A	32.2%	72.6%	81.66%	G

thefuture



Progress with Our Key Service Developments

Our business plan sets out our plans for the future of our services grouped around our key strategies:-

- To enhance our provision of community services
- To continue to be a provider of high quality hospital services
- To consolidate and develop a limited number of complex services.

Our strategic development plan for our clinical and corporate Divisions is monitored on a quarterly basis by the Trust Board but Divisions review and lead progress on an on-going basis using their management, reporting and communication processes.

We are committed to improving patient experience by focusing on the quality of our services and we want to bring care closer to where our patients live improving access to community and specialist services. Where appropriate we are working to move some aspects of care from a hospital to a community setting and to provide specialist services on our sites so our local patients do not need to travel out of the area to receive continuing care and treatment.

Orthopaedic Services

There is an increasing demand for Orthopaedic services in our local communities, some of which is currently undertaken in the private independent sector. Our objective is to increase our ability to do this work on our hospital and community sites. Over the course of 2012/13 we have appointed an additional consultant specializing in upper limb cases and undertaken significant work on our theatre complexes to upgrade the service we are able to provide. Over the course of the coming year we will be working with supporting services such as pharmacy and radiology to ensure we continue to meet demand, increase our ability to see patients as soon as possible and continue to develop pathways of treatment for patients that deliver the best outcomes for them.

Urgent Care Services

The Trust experiences some of the highest demand for urgent and emergency care across the North West region. We have continued the development of our urgent care model this year and, working in partnership with local GPs, we have introduced new ways of working to ensure families can be seen by the most appropriate person when they have an illness or minor accident. Over the course of this year, we have introduced and monitored feedback on a pilot to triage patients and enable them to see a GP on site or make a GP appointment where appropriate at the Royal Blackburn site. In the coming months this will be rolled out to the Burnley General Hospital Urgent Care Centre and will be the usual way of working when our integrated Urgent Care Centre development is complete later in 2014.

Re-design of Rehabilitation and Re-ablement Services

We continue to work with the local commissioning groups to review the provision of our rehabilitation services to ensure we continue to meet the health and social care needs of the local population and deliver care in the most appropriate setting. We are committed to working with commissioning colleagues to, where possible, provide rehabilitation services in a community setting. The implementation of our 'virtual ward' service is a tangible example of a clinical service delivering this philosophy for the benefit of patients. A programme manager is working across the health economy to support the implementation of a range of on-going intermediate care projects.

2012/13... a year of achievement

The Trust has a dedicated workforce committed to providing the best service possible to patients, their families and local communities. A number of our staff have received accolades during the year:-



Liz Maddran, Specialist Drug and Alcohol Liaison Midwife

Liz scooped the runner up prize in the Initiatives In Public Health and Reducing Inequalities category at the Royal College of Midwives national award ceremony. She runs an innovative and vital service to ensure that women who are pregnant and are in contact with drug and alcohol services in Burnley, Pendle and Hyndburn have a healthy pregnancy and birth and a better outcome than might have been if they did not have a little extra support.



Medical Oncology

Many local people have to travel out of the area to Manchester, Preston or even further afield to receive cancer treatment. Our aim is to enhance and develop our services to, as much as is clinically possible, keep treatment local for our patients and their families. The first stage of our development plan has been completed in year with the recruitment of a second Macmillan acute oncology nurse specialist in January 2013 and the recruitment process for three medical oncology consultants is underway.

Vascular Services

We have successfully bid to become a vascular centre to provide specialist vascular services for our local population and further afield. The aim of specialist centres is to reduce deaths and the worsening of conditions through earlier specialist care. In 2013/14 we will be rolling out the abdominal aortic aneurysm screening programme to enhance the provision of care and earlier detection of this condition. Work is on-going on a collaborative basis across the North West region to identify and provide the expansion of services required and the Trust has successfully completed a quality assurance process to assess our levels of preparedness.

Obstetric Services

With our excellent facilities at the Lancashire Women and Newborn Centre on the Burnley General Hospital Site and our comfortable birth centres across the locality, we aspire to be the provider of choice for obstetrics not only for the local population but to achieve national recognition as a centre of excellence. We have recruited additional midwives and support staff to enhance our provision of neonatal intensive care and ensured we have appropriate processes in place to evaluate our provision of service using both qualitative and quantitative indicators.

Pathology Service Reconfiguration

We are working collaboratively with Pennine Acute Hospitals Trust and Calderdale and Huddersfield NHS Foundation Trust to build a pathology service which will continue to provide the highest levels of service far into the future. We have worked to understand the implications of this development across the partners to the project culminating in the development of an outline business case. Over the course of the next year we will continue to explore a variety of options for provision of an effective and economic service on a wider footprint to ensure we are able to continue to meet local needs.



Impending consultations, consultation with overview and scrutiny committees, other patient and public involvement activities

We launched a formal consultation with the public and our staff on 8th May 2012 on our application to become a Foundation Trust. We received an overwhelmingly positive response and have been progressing our application through the former Strategic Health Authority and the NHS Trust Development Authority. We have been recommended to progress to the final stage of the Foundation Trust process and anticipate achieving Foundation Trust status in 2013/14. We see both the application process and achieving FT status as our opportunity to continue the conversation with our stakeholders and communities about the delivery of healthcare services in our local area.

Public Membership

This is open to members of the public who live in the Burnley, Pendle, Ribbles Valley, Rossendale, Hyndburn and Blackburn with Darwen local constituencies with provision also being made for those people who live elsewhere in England and have a special interest in the Trust. We have over 10,000 public members and have held elections for members of the public to represent their interests. Further details of our Shadow Council of Governors can be found on the membership pages of our website.

Staff Membership

We recognise that continually improving our services is dependent upon the commitment and enthusiasm of our staff. We automatically make all current and future staff part of the membership after being employed for 12 months unless they indicate they do not wish to be a member of the organisation. We have also extended membership to all volunteers who have worked with the Trust for over 12 months. We currently have over 7,000 staff members which fluctuates on a monthly basis with staff turnover and elections for the staff representatives have also been held. Our staff governors' details are available on the membership pages of our website.

Did you know?

The Trust has piloted a new clinical procedure for prostate obstruction this year. Holmium laser enucleation of the prostate is the only laser procedure for the surgical treatment of prostatic obstruction approved by NICE (National Institute for Clinical Excellence)



our quality your account



Quality Report

The Trust has published its third annual Quality Report which is available on our website or in hard copy from The Company Secretary, East Lancashire Hospitals NHS Trust, Royal Blackburn Hospital, Haslingden Road, Blackburn BB2 3HH. This report tells you what standard of care you can expect from us, how we measure quality of care, and how we aim to keep improving our services over the next year and beyond. The Trust's registration without conditions with the Care Quality Commission reflects the emphasis we place on patient safety in an environment of continuous improvement and learning.

We remain committed to supporting clinical teams in delivering effective, evidence based care which improves outcomes for patients. We have robust approaches in place to ensure our existing practices are reviewed against national guidance as it is published, and that plans are put in place to implement change where required. Feedback from our patients is crucial in order that we focus on what matters to the patient and it assists us to continue to focus on delivering high quality, supportive, patient centred care in which patients, carers and their families have confidence.

Throughout the past year, using a range of feedback tools, we have asked and listened to patients, carers, visitors, local commissioners and other partners to establish what we should focus on when improving quality. This input and feedback has informed the development of our priorities outlined below. Further detailed information on our performance can be found in our Quality Accounts.

During 2012/13 the East Lancashire Hospitals NHS Trust provided and/ or sub-contracted 8 NHS services. (*defined using the Care Quality Commission's regulated activities)

The services provided were

- Treatment of disease, disorder or injury
- Diagnostic and screening procedures
- Family planning services
- Maternity and midwifery services
- Nursing care
- Surgical procedures
- Termination of pregnancies
- Management of supply of blood and blood-derived products

The East Lancashire Hospitals NHS Trust systematically and continuously reviews data related to the Quality of its services. The Trust uses its integrated Quality, Safety and Performance scorecard to demonstrate this. Reports to the Trust Board, the Trust Governance Committee, Executive Management Board, Quality and Safety Board and the Performance Management Framework all include data and information relating to our quality of services. The Trust has reviewed all the data available on the quality of care in all of these XNHS services.

Participation in Clinical Audits

Clinical Audit involves improving the quality of Patient Care by looking at current practice and modifying it where necessary. We take part in regional and National Clinical Audits, and we carry out local audits. Sometimes there are also National Confidential Enquiries which investigate an area of health care and recommend ways of improving it. We take part in these Confidential Enquiries.

During 2012/13, 43 National Clinical Audits and 6 National Confidential Enquiries covered NHS services that East Lancashire Hospitals NHS Trust provides.

During that period East Lancashire Hospitals NHS Trust participated in 100% of National Clinical Audits (compared to 100% in 2011/12) and 100% of National Confidential Enquiries which it was eligible to participate in.

The National Clinical Audits and National Confidential Enquiries that East Lancashire Hospitals NHS Trust participated in, and for which data collection was completed during 2012/13 are listed below with the percentage sample submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

National Clinical Audits				
Audit Title	Audit Coordinator	Frequency	ELHT Participation	Required Sample Submission
Adult community acquired pneumonia	BTS	Intermittent	Yes	100%
Adult critical care (Case Mix Programme – ICNARC CMP)	ICNARC	Continuous	Yes	100%
Emergency use of oxygen	BTS	Intermittent	Yes	100%
National Joint Registry (NJR)	Northgate Solutions	Continuous	Yes	100%
Non-invasive ventilation - adults	BTS	Intermittent	Yes	100%
Renal colic	CEM	Intermittent	Yes	100%
Severe trauma	TARN	Continuous	Yes	100%
National Comparative Audit of blood sampling and labelling	NHSBT	Intermittent	Yes	100%
Potential donor audit	NHSBT	Continuous	Yes	100%
Bowel cancer (NBOCAP)	NHS IC	Continuous	Yes	100%
Head and neck oncology (DAHNO)	NHS IC	Continuous	Yes	100%
Lung cancer (NLCA)	NHS IC	Continuous	Yes	100%
Oesophago-gastric cancer (NAOGC)	RCS	Continuous	Yes	100%
Acute coronary syndrome or Acute myocardial infarction	MINAP	Continuous	Yes	100%
Cardiac arrhythmia	HRM	Continuous	Yes	100%
Coronary angioplasty	NICOR	Continuous	Yes	100%
Heart failure (HF)	BSH/NCASP	Continuous	Yes	100%
National Cardiac Arrest Audit (NCAA)	ICNARC	Continuous	Yes	100%
Peripheral Vascular Surgery	Vascular Society	Continuous	Yes	100%
VSGBI Vascular Surgery Database (VSD)	Vascular Society	Continuous	Yes	100%
Adult asthma	BTS	Intermittent	Yes	100%
Bronchiectasis	BTS	Intermittent	Yes	100%
Diabetes (Adult) ND (A)	NHS IC	Continuous	Yes	100%
National Diabetes Inpatient Audit (NADIA)	NDAT	Intermittent	Yes	100%
Diabetes (Paediatric) (NPDA)	RCCHP	Continuous	Yes	100%
Inflammatory bowel disease (IBD)	RCP	Intermittent	Yes	100%
Inflammatory bowel disease (IBD) Biologics Audit	RCP	Intermittent	Yes	100%
Pain database	Dr Foster Research LTD	Continuous	Yes	100%

Carotid interventions audit (CIA)	RCP	Continuous	Yes	100%
Fractured neck of femur	CEM	Intermittent	Yes	100%
Hip fracture database (NHFD)	BOA	Continuous	Yes	100%
National audit of dementia (NAD)	RCPsych	Intermittent	Yes	100%
Parkinson's disease (National Parkinson's Audit)	Parkinson's UK	Intermittent	Yes	100%
Sentinel Stroke National Audit Programme (SSNAP)	SSNAP	Continuous	Yes	100%
Epilepsy 12 audit (Childhood Epilepsy)	RCCHP	Intermittent	Yes	100%
Neonatal intensive and special care (NNAP)	RCCHP	Continuous	Yes	100%
Paediatric asthma	BTS	Intermittent	Yes	100%
Paediatric fever	CEM	Intermittent	Yes	100%
Paediatric pneumonia	BTS	Intermittent	Yes	100%
National Audit of Seizure Management in Hospitals	University of Liverpool	Intermittent	Yes	100%
National Audit of Intermediate Care	NHS Benchmarking	Intermittent	Yes	100%
Consultant Sign Off Audit	CEM	Intermittent	Yes	100%
National COPD Discharge Audit	RCP	Intermittent	Yes	100%

Key to Audit Coordinator abbreviations	
BOA	British Orthopaedic association
BPS	British Pain Society
BTS	British Thoracic Society
CEM	College of Emergency Medicine
COPD	Chronic Obstructive Pulmonary Disorder
NHSBT	NHS Blood & Transport
NICOR	National Institute for Cardiovascular Outcomes Research
ICNARC	Intensive Care Audit & Research Centre
RCP	Royal College of Physicians
RCPCCH	Royal College of Paediatrics and Child Health
RCPsych	Royal College of Psychiatry
TARN	Trauma Audit & Research Network
VSGBI	Vascular Society of Great Britain and Ireland
HRM	Heart Rhythm Management
MINAP	Myocardial Infarction National Audit Project
NDAT	National Diabetes Audit Team
NHS IC	NHS Information Centre
RCS	Royal College of Surgeons
SSNAP	Sentinel Stroke National Audit project
NJR	National Joint Registry
NBOCAP	National Bowel Cancer Audit Project
DAHNO	Data for Head and Neck Oncology
NLCA	National Lung Cancer Audit

Key to Audit Coordinator abbreviations	
NAOGC	National Audit of Oesophago-gastric Cancer
HF	Heart Failure
NCAA	National Cardiac Arrest Audit
ND(A)	National Diabetes Audit (Adult)
NADIA	National Diabetes Inpatient Audit
NPDA	National Paediatric Diabetes Audit
IBD	Inflammatory bowel disease
CIA	Carotid interventions audit
NHFD	National Hip Fracture Database
NAD	National audit of dementia
SSNAP	Sentinel Stroke National Audit Programme
NNAP	Neonatal intensive and special care
CIA	Carotid interventions audit
NHFD	National Hip Fracture Database
NAD	National audit of dementia
SSNAP	Sentinel Stroke National Audit Programme
NNAP	Neonatal intensive and special care

Key to Audit Enquiry Coordinator abbreviations	
NCEPOD	National Confidential Enquiry into Patient Outcome and Death
RCP	Royal College of Physicians
PROMS	Patient Recorded Outcome Measures
MBRRACE-UK	Mothers and Babies - Reducing Risk through Audits - Untied Kingdom

Audit Title	Audit Coordinator	Frequency	ELHT Participation	Required Sample Submission
Alcohol Related Liver Disease	NCEPOD	Once	Yes	100%
Subarachnoid Haemorrhage	NCEPOD	Once	Yes	100%
Tracheostomy Care Study	NCEPOD	Once	Yes	100%
National Review of Asthma Deaths (NRAD)	RCP	Once	Yes	100%
Elective surgery (National PROMs Programme)	Quality Health	Continuous	Yes	100%
Maternal, infant and newborn programme	MBRRACE-UK)	Continuous	Yes	100%



In 2012/13, 25 National Clinical Audits have been reviewed by the Trust with 4 scheduled for presentation, 7 reports awaiting publishing and 7 audits on-going. East Lancashire Hospitals Trust's Clinical Audit programme requires all audit activity to be presented at specialty/multi-specialty audit meetings. It is at these meetings that recommendations and action plans are decided so that practice and care can be improved. These action plans form part of the Clinical Audit Annual Report which is presented to Quality and Safety Board for assurance and monitoring.

We have worked collaboratively with NHS East Lancashire and associated commissioners to use audits to ensure that key Patient Safety and Quality aims aligned to the CQUIN were reviewed and reported in order to set revised aims for 2013/14.

At the time of writing the results of 304 local clinical audits were reviewed by the Trust in 2012/13 and East Lancashire Hospitals NHS Trust intends to continue to take the following actions to improve the quality of healthcare provided:

- All audits are presented and discussed at Specialty/multi-specialty audit meetings and action plans agreed
- Action Matrices are reviewed at subsequent audit meetings to ensure that actions are implemented to agreed timescales
- Audit meeting minutes and action matrices are reviewed at Clinical Audit

Committee to ensure specialties are following Trust policy on audit activity & reporting, and these minutes are monitored at the Trust's Quality and Safety Board

- An Annual report of all Clinical Audit Activity is collated as a record of all activity and actions undertaken as a result of audit to improve patient care. This report is received at the Trusts Quality & Safety Board

The following Quality initiatives have been progressed over the course of the year:-

- We have maintained visible leadership – Board and Clinical leaders have participated in Board to Ward walk rounds and reviews of services.
- We have continued participation in the Advancing Quality Initiative: we have used PROMS (Patient Reported Outcome Measures) PEMS (Patient Experience Measures) and have undertaken initiatives as part of the Quality, Innovation, Productivity and Prevention initiative (QIPP).
- We have an active programme for reducing mortality and continue to participate in the Mortality Reduction Initiatives.
- The Trust participated in the National Safety Express Initiative as a host organisation and the feedback informs our improvement work.
- The Trust has implemented the Safety Thermometer and we have built on the National recognition received for our measuring for improvement approaches

Did you know?

The Trust achieved approved provider status under the Any Qualified Provider Programme for the provision of Age Related Adult Hearing Services.



2012/13... a year of achievement

The Trust has a dedicated workforce committed to providing the best service possible to patients, their families and local communities. A number of our staff have received accolades during the year:-



FAST Physiotherapy Team







The team were crowned “Physiotherapy Team of the Year” and picked up an award for reducing health and social care costs at the Chartered Society of Physiotherapy’s Annual Awards dinner in December 2012. The FAST physiotherapy service was only established in 2010 and provides advice and support for the Trust’s staff.

- The Trust is participating in the North West Nurse Transparency Audit
- The Trust has participated in enter and view visits by the Local Involvement network (LiNKs)
- We have further progressed Clinical Care Bundles in use in key clinical pathways across the organisation.
- We have redesigned consultant job plans to allow them more time to be on the wards reviewing patients every day.
- We have maintained the standards required to achieve the highest level (3) NHSLA (National Health Service Litigation Risk Management) in our Trust Wide Acute Services in November 2012.
- We have maintained the standards to achieve CNST (Clinical Negligence Scheme for Trusts) level 2 for Maternity Services against Risk Management standards.
- Visible Nursing leadership has been maintained with our Matrons and identified Leaders monitoring our standards and nursing indicators.
- We have increased the volume of Patient Experience monitoring undertaken and the systems used across the Trust to provide real time patient feedback to clinical areas.
- We have commenced the use of the Friends and Family test
- Continued involvement in the clinical networks across the wider health economy to ensure that best practice is being used and achieved in relation to Stroke, Trauma, Neonatal, Cardiac and Cancer work streams.
- We have further strengthened the Complaints/PALS process to ensure more effective management of concerns raised linked with Quality and Safety and we have ensured an increase in face to face complaints handling to resolve concerns directly.
- The Patient Safety Thermometer has been implemented across all In-patient areas of the organisation.
- Internal Governance Reviews and Responsive reviews have been systematically implemented and we introduced internal responsive reviews and we are monitoring areas of concern aligned to Practice. This has led to the development of Directorate Quality and Risk Profiles across the Trust mirroring those used by the Care Quality Commission.
- The Human Resources and Organisational Development functions in the organisation have supported delivery of our quality initiatives.
- We have progressed our Investors in People accreditation
- We have developed further with the Trust Medical Education Board to oversee and develop Medical Education within the Trust.
- Our Improving patient experience work plan and monitoring arrangements with a specific focus on privacy and dignity and nutrition and hydration has enabled us to respond to patient feedback and concerns whilst improving the quality of care we deliver.

pledges and performance

Achieving our aim/goals	
Making Good Progress and on target to achieve our Aims.	
Have not met our goals and did not achieve our in year aim	

Infection Prevention and Control – C difficile	We aimed to achieve a year on year reduction in the number of C Difficile cases	
Infection Prevention and Control – MRSA	We aimed to continue to achieve a year on year reduction in the numbers of hospital and community acquired (post 48 hours) MRSA cases.	
Improving Hospital Mortality	We aimed to continue to improve our adjusted mortality compared to the 2008/09 baseline.	
Patient Harm (Adverse event /Incident reporting)	We said that we would aim to report on all eligible patient related incidents to the National Reporting and Learning Service (NRLS). We aimed to have a lower percentage incidence of Death, Severe and Moderate Harm than the national reported level for large acute trusts such as ours. Achievement of this is demonstrated in the national benchmarking report.	
Patient Safety Leadership Walk Rounds	Our aim and commitment for 2012/13 was that we would continue to undertake Patient Safety Leadership walk rounds throughout the year to ensure that the Patient Safety and Quality Agenda had a high profile within the Trust.	
Complaints	Our aim for 2012/13 was to further reduce the level of complaints to below 0.4 complaints per 1000 patient contacts.	
Nurse sensitive outcome indicators for NHS provided care	We aimed to continue to implement and monitor Nurse Sensitive Outcome Indicators.	

<p>Privacy and Dignity</p>	<p>We aimed to ensure the Privacy and Dignity of our patients.</p> <p>We aim to be within the best performing trusts using the Privacy and Dignity responses of the National Inpatient Survey and to consistently achieve above 85% positive results when using the Patient Experience surveys locally across our Trust services.</p>	
<p>Nutrition and Hydration</p>	<p>Our Aim/Commitment for 2012/13 was to prevent inappropriate weight loss and dehydration of our service users and aim to be within the top 20% of Trusts with regard to rating hospital food & choices using the responses of the National Patient Survey</p>	
<p>Eliminating Mixed Sex Accommodation (EMSA)</p>	<p>Our Aim/Commitment for 2012/13 was to maintain full compliance with the National requirements for the Elimination of Mixed Sex Accommodation to our patients and aim to be within the best performing Trusts using the responses of the National patient survey.</p>	
<p>Stroke</p>	<p>We aimed for 2012/13 to further improve our performance in respect of Stroke and TIA (Transient Ischemic Attack) and to achieve the clinical targets and requirements set in the National Operating framework</p>	
<p>Advancing Quality</p>	<p>We aimed in 2012/13 to ensure continuous implementation of the Advancing Quality initiatives and the patient experience measures agreed within the quality contract and for us to meet the quality thresholds expected of the Trust</p>	
<p>Staff Experience and Feedback</p>	<p>Our aim for 2012/13 was to aim to achieve National staff survey results comparable with the very best, and as a minimum improve on the areas of poor performance in the 2011 survey.</p>	

Priorities for improvement

Our priorities for improvement for 2013/14 are to achieve the following:-

Safe Care

- Reduce further our hospital Standardised mortality
- Increase the number of patients who are harm free
- Reduce readmissions

Effective Care

- Increase the number of patients achieving NICE Quality standards
- Improving performance in National Clinical Audits
- Improve compliance with Care Bundles

Personalised Care

- Improve on the National and Local Patient Experience survey question responses
- Maintaining dignity through implementing our approach to Eliminating Mixed Sex accommodation

How we will monitor our priorities

Our reporting system for monitoring and reporting on quality will tell all staff from the wards to the Board, how we are doing and where we can improve further.

We use a number of tools to measure our progress on improving quality and these tools inform the reports we present to the Trust Board and its sub-committees. Our Board performance report includes the quality indicators and this is reported to the public and published on the Trust website.

our staff your care



Staff Survey

Employee Engagement is about creating opportunities for employees to connect with their colleagues, managers and wider organisation. It is also about creating an environment where employees are motivated to want to connect with their work and really care about doing a good job.

Through our Organisational Development initiatives, we work to develop and maintain a positive attitude by our employees towards the organisation and its values. An engaged employee is aware of the business context, and works with colleagues to improve performance within the job for the benefit of the organisation.

We see employee engagement as a workplace approach designed to ensure that employees are committed to our goals and values, motivated to contribute to organisational success, and are able at the same time to enhance their own sense of well-being. To enable this to happen, work is on going in a number of areas which we believe will help us develop and maintain that engaged workforce. Those strands are:

LEADERSHIP which provides a strong strategic narrative which has widespread ownership and commitment from managers and employees at all levels. Our senior leaders, both clinical and non clinical undertake 360 degree appraisal and a development programme with the aims to ensure that they:

- Understand what makes a successful leader
- Understand how their style is perceived by others and as a result, identify strengths and establish areas for improvement
- Establish a vision for themselves and their team, understanding how to inspire people
- Develop a personal action plan

ENGAGING MANAGERS is at the heart of the development of our organisational culture– they facilitate and empower rather than control or restrict their staff; they treat their staff with appreciation and respect and show commitment to developing, increasing and rewarding the capabilities of those they manage. We have in place development programmes for our middle managers to support this approach.

COMMUNICATION An effective and empowered employee voice – employees' views are sought out; they are listened to and see that their opinions count and make a difference. They speak out and challenge when appropriate. A strong sense of listening and of responsiveness permeates the organisation, enabled by effective communication. A number of opportunities are offered to staff to express their views about the services that we provide and issues that affect them directly. Existing mechanisms include:

- Open forums
- 'Team Brief' (Trust wide communications process)
- 'Conversations with Mark Brearley', our open forum quarterly meetings with the Chief Executive
- Service/ Team development workshops
- National staff opinion survey, the results are shared with staff and Trust wide and divisional action plans are developed to address specific issues.
- Celebrating success
 - Long service awards
 - Staff Achievement awards (achievement of qualifications)
 - Staff Recognition awards (STAR Awards)

We support this further by showcasing best practice at national events and awards.

We recognise all major NHS trade unions and support local representatives with appropriate time off facilities.

2012/13... a year of achievement

STAR (Staff Thank You and Recognition) Awards

Dedicated staff at East Lancashire Hospitals NHS Trust were honoured in a special awards ceremony. The Star Awards are the Trust's staff recognition award scheme which saw 10 winners from departments across all services in East Lancashire rewarded for their hard work and dedication. With over 120 nominations from patients and staff, the short list was decided by external judges from suppliers, consultancy, training and patient organisations.

The winners and awards were:

- Clinical Worker of the Year - Shirley Aspin, Respiratory Nurse, Royal Blackburn Hospital
- Non-Clinical Worker of the Year - Julie Parker, Domestic, Children's Day Unit, Burnley General Hospital
- Rising Star - Jade Whalley, Infant Feeding Support Worker, Postnatal Ward, Burnley General Hospital
- Learner of the Year - Janet Oliver & Julie Charnock, Advanced Nurse Practitioners, Emergency Department, Royal Blackburn Hospital
- Innovation & Quality Improvement Award - The Surgical Triage Team
- Outstanding Achievement Award - Georgina Robertson, Consultant, Emergency Department
- Leadership Award - Sheran Perera, Clinical Director, Community & Neurodevelopmental Paediatrics
- Team of the Year - Burnley General Hospital Portering Team
- Unsung Hero Award - Doris Iveson, Volunteer, Pendle Community Hospital
- Chair's Choice Award - Lorraine Phillips, Housekeeper, Medical Assessment Unit, Royal Blackburn Hospital



STAR: Chair's Choice Award - Lorraine Phillips, Housekeeper, Medical Assessment Unit, Royal Blackburn Hospital



STAR: Clinical Worker of the Year - Shirley Aspin, Respiratory Nurse, Royal Blackburn Hospital

Formal negotiations are undertaken through the Joint Negotiating Committee and the Joint Local Negotiating Committee. In addition, a number of sub groups exist to ensure full consultation and integration of staff side representatives in the decision making and policy formulation of the Trust.

These groups include:

- Health & Wellbeing Group
- Policy, Terms & Conditions Group
- Health & Safety Committee

Other groups are convened as and when required and appropriate.

In addition to the formal consultation arrangements, the Trust has successfully worked in partnership with Staff side to implement its service reconfiguration plans across the Blackburn and Burnley sites. This partnership approach ensured the successful implementation of the changes necessary and helped to ensure the perception of fairness and equity for staff at a time of significant change.

Invitations to complete the National Staff Survey were sent to 850 staff. A total of 850 staff received a questionnaire, with 388 returning a completed questionnaire giving a response rate of 45% a disappointing downturn on 2011's 61%. The average national response rate for the survey is 50%.

The questions in the survey were structured around the 4 pledges to staff contained in the NHS constitution and 1 additional theme:

- Staff Pledge 1: to provide all staff with clear roles and responsibilities and rewarding jobs for teams and individuals that make a difference to patients, their families and carers and communities
- Staff Pledge 2: to provide all staff with personal development, access to appropriate training for their jobs and the Line Management support to succeed
- Staff Pledge 3: to provide support and opportunities for staff to maintain their health, wellbeing and safety
- Staff Pledge 4: to engage staff in the decisions that affect them and the services they provide individually, through representative organisations and through local partnership working arrangements. All staff will be empowered to put forward ways to deliver better and safer services for patients and their families
- Additional theme: Equality and Diversity

Did you know?

The Macular Team, part of our Ophthalmology Service received an award for excellence in the clinical services category by the Macular Disease Society for 2012



STARS: Innovation & Quality Improvement Award -
The Surgical Triage Team



STARS: Janet Oliver & Julie Charnock, Advanced
Nurse Practitioners, Emergency Department, Royal
Blackburn Hospital

Overall responses were grouped into 38 key findings and these key findings are used to compare the performance of the Trust against other Acute Trusts.

The 2012 survey results compared to the 2011 results show 12 key findings have deteriorated whilst 16 have improved.

The top 5 ranking scores for which East Lancashire Hospitals NHS Trust compares most favourably with other Acute Trusts in England are:

- KF5 – the percentage of staff working extra hours (top 2011)
- KF6 – the percentage of staff receiving job relevant training, learning or development in the last 12 months
- KF7 – the percentage of staff appraised in the last 12 months
- KF25 – staff motivation at work
- KF8 – the percentage of staff having well structured appraisals in last 12 months

The 5 key findings for which East Lancashire Hospitals NHS Trust compares least favourably with other Acute Trusts in England are:

- KF20 – the percentage of staff feeling pressure in the last 3 months to attend work when feeling unwell
- KF17 – the percentage of staff experiencing physical violence from staff in the last 12 months
- KF14 – Percentage of staff reporting errors, near misses or incidents witnessed in the last month
- KF2 – the percentage of staff agreeing their role makes a difference to patients
- KF27 – percentage of staff believing the Trust provides equal opportunities for career progression or development.

The areas where we have seen the most improvement in staff experience since the 2011 survey are:

- KF22 – the percentage of staff able to contribute to improvements at work
- KF23 – the percentage of staff experiencing job satisfaction
- KF7 – the percentage of staff appraised in the last 12 months
- KF15 – Fairness and effectiveness in incident reporting
- KF 24 – Staff recommendation of the Trust as a place to work or receive treatment

The areas where staff experience has deteriorated compared to 2011 are:

- KF14 – the percentage of staff reporting errors, near misses or incidents in the last month
- KF16 – the percentage of staff suffering work related stress in the last 12 months

The overall staff engagement figure (based upon KF 22,24 & 25) is above average when compared to other Acute trusts, and we have improved upon our 2011 score by 13 points from 3.59 to 3.72 (national average 3.69)

marginally lower than the target which is based on local population data. We will continue to monitor equality indicators and take positive action to ensure we employ a workforce that represents the population we serve.

Equality & Diversity

We currently employ 14% of staff from ethnic minority backgrounds. This is

Minority ethnic representation in the workforce is shown below.

Ethnic Group	Staff Numbers	%age
Minority Ethnic	998	14.05%
White	5,970	84.06%
Unknown	134	1.89%
Grand Total	7,102	100.00%

The workforce indicators are also shared routinely with staff side representatives through the Joint Negotiating Consultative Committee (JNCC) and the Joint Local Negotiating Committee (JLNC) as well as with all staff through the e-brief.

We are committed to ensuring that our services and employment practices are fair, accessible and appropriate for all patients, visitors and carers in the communities we serve, as well as the talented and diverse workforce we employ. We recognise that different people have different needs and we have set equality objectives to ensure we meet those needs and in doing so comply with the Public Sector Equality Duty:

Equality objectives set for 2012 - 2016

- Establish an equalities and diversity committee responsible and accountable for delivering the following high level objectives;
- Equality impact assessment/analysis of policies, strategies, projects and functions;
- Implementation of the Equality Delivery System (EDS):
 - better health outcomes for all
 - improved patient access and experience
 - empowered, engaged and included staff
 - inclusive leadership at all levels
 - Progress the recommended actions arising from the Recruitment Equality Monitoring Report;
 - Eliminate discrimination/ harassment - Develop the bullying & harassment support advisors service;
 - Improve patient data gaps;
 - Enhance the use made of data to understand patient equality issues;
 - Disaggregate health inequalities by protected groups;
 - Patient satisfaction by protected groups

The equality and diversity committee ensures compliance with the legislative framework, the Equality Delivery System and relevant Care Quality Commission outcome standards. Equality monitoring information is published on the Trust’s website.

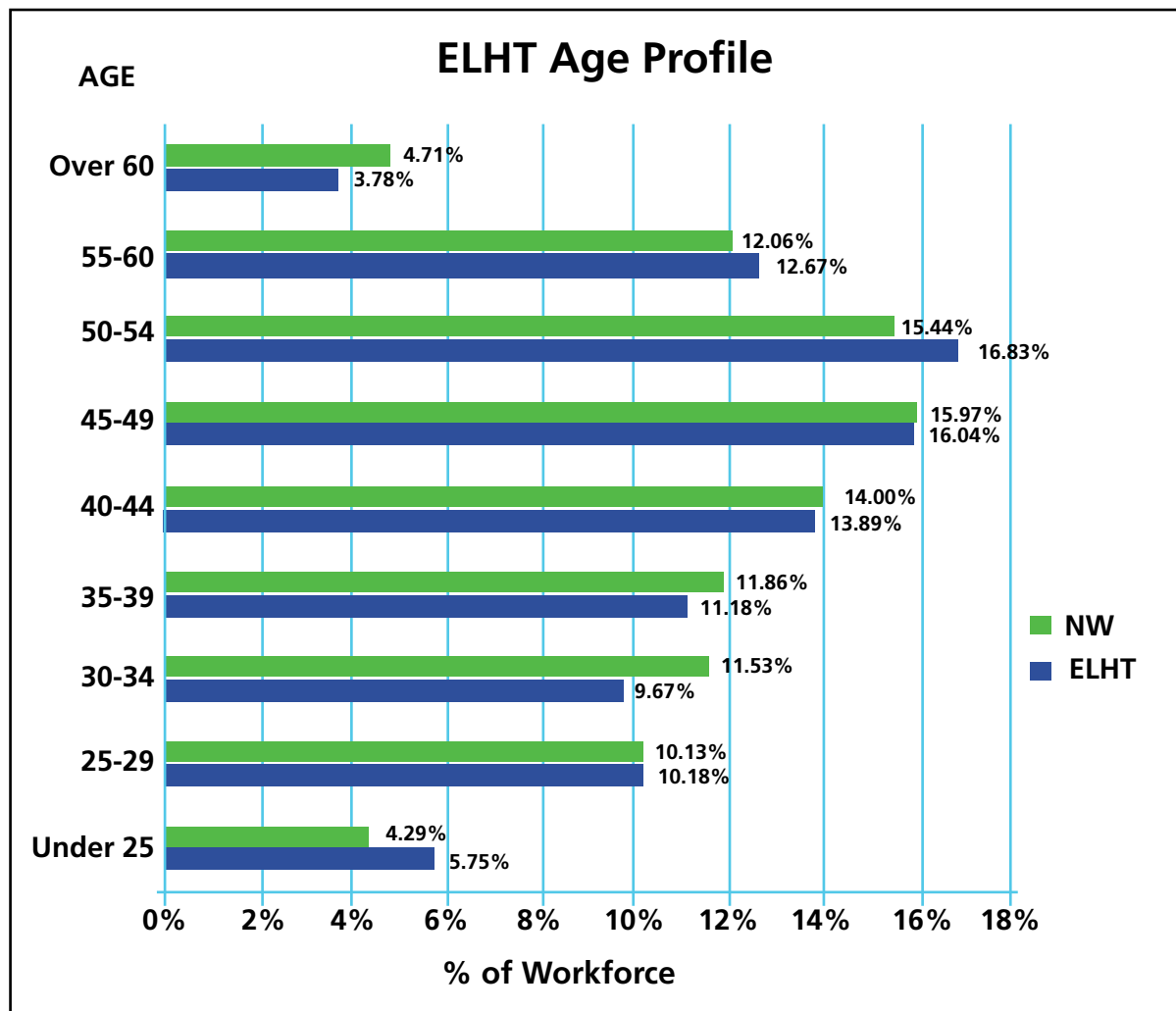


STAR: Unsung Hero Award - Doris Iveson, Volunteer, Pendle Community Hospital

Age Profile

The major demographic shift towards an ageing population in the UK requires us to plan solutions for potential staff shortages and

flexibility in employment to ensure the recruitment and retention of talented workers. We actively monitor our age profile. Our age profile can be seen below.



Our age profile is not untypical of other organisations across the North West economy.

We recognise we must strike a balance between reducing the staff we employ to meet the financial challenges with the retention of the workforce to address potential skill shortages caused by the retirement of older workers. We operate a flexible retirement policy to provide a strategic and effective response to demographic change,

aimed at retaining experienced staff with valuable skills. This policy allows workers approaching retirement to:

- retire and return to work after retirement
- reduce working hours – ‘wind down’
- reduce responsibilities or change role – ‘step down’

Our recruitment initiatives are ensuring the continuous supply of new workers to counteract the ‘outflow’ of employees through retirement.



STARS: Team of the Year – Burnley General Hospital Portering Team

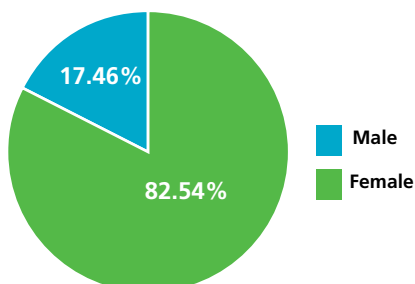


STAR: Rising Star - Jade Whalley, Infant Feeding Support Worker, Postnatal Ward, Burnley General Hospital

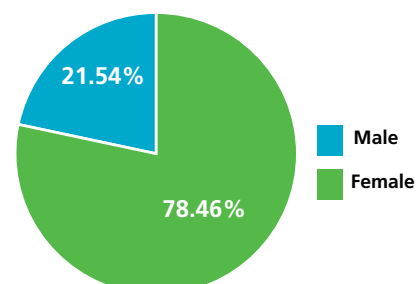
Gender Profile

We monitor our gender profile. The current profile is typical of profiles of other NHS organisations in the North West as illustrated in Figure 8.3.

ELHT Gender Profile



North West Gender Profile



Sickness absence data

The Trust has steadily improved its sickness absence rates and improved year on year for the last five years. Historic performance and future targets are highlighted in the table.

Year	%
2008/9	5.00%
2009/10	4.96%
2010/11	4.41%
2011/12	4.20%
2012/13	4.16%
Year	% Target
2013/14	3.50%
2014/15	3.00%
2015/16	3.00%

The improvement since 2009 represents a saving of approximately 20,000 working days. The Trust's figure for 2012/3 of 4.16% is significantly lower than the average of other Trusts in the North West Region which is 4.68%.



STAR: Outstanding Achievement Award - Georgina Robertson, Consultant, Emergency Department



STAR: Non-Clinical Worker of the Year – Julie Parker, Domestic, Children’s Day Unit, Burnley General Hospital

Actions taken in year to consult staff representatives on a regular basis

The strategic management of key workforce metrics is important to ensure that we continually improve our workforce productivity and efficiency and the impact that can have on our business. We have developed a workforce scorecard that reports monthly on a number of key indicators including the following areas:

- Staff Numbers
- Sickness Absence
- Staff Turnover
- Temporary Staffing Expenditure

Performance against these indicators is monitored by the Executive Management Board and the Trust Board.

Performance against these indicators shown in the table below:

	2011/12		2012/13	
	Target	Actual	Target	Actual
Sickness Absence (%)	4.00	4.19	3.75	4.20
Staff in Post (WTE)	6,210.0	6,100	5,935	6,233
Annual Staff Turnover (%)	9.00	8.67	9.00	8.76
Temporary Staff Spend (£000,s)		780	800	11,095

Divisional scorecards are also published monthly and presented to Divisional Management Boards to enable them to identify trends or hotspot areas and to take action to maintain performance. These workforce metrics are also used as part of the divisional performance meetings between divisional managers and the Executive Team.

We recognise the significant costs associated with high levels of employee absence and the negative impact it can have on patient care. We have successfully implemented a number of initiatives that have contributed to reducing sickness absence levels:

- Revision of Trust Sickness Absence Policy
- Introduction of Employee Assistance Program
- Introduction of ‘Fast Physio’ service for staff
- New Occupational Health services including new pathways to support staff suffering from musculoskeletal and mental health conditions
- Launch of Trust Health & Wellbeing Strategy

The health and wellbeing of staff is a key aspect of the Human Resource Strategy and we will continue to work to provide a safer and healthier workforce and to reduce sickness absence.

Did you know?

The Diabetic Retinal screening service received a commendation in the national awards for Quality In Care Diabetes 2012 under the category “Best Early Detection and Prevention Initiative”

governance statement



Scope of responsibility

The Board is accountable for internal control. As Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's Strategies, policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

The governance framework of the organisation

I have in place a management structure with established accountability arrangements through a scheme of delegation covering both corporate and clinical divisions and directorates.

All members of the Board have signed up to the Trust Risk Management and Governance plans which identify the Board's responsibilities and accountability arrangements. The Board delegates authority on its behalf to the following sub-committees:

- The Audit and Governance Committees
- The Trust and Charitable Funds Committee
- The Remuneration Committee

There is an Executive Management Board with a membership of senior executives, doctors, nurses and other professionals in support of the Chief Executive in the operational delivery of all services across the Trust.

Scrutiny by the Non Executive Directors and Auditors provides assurance of internal control including probity in the application of public funds and in the conduct of the organisation's responsibilities.

The Board has in place established risk management groups and supporting governance structures, which together are responsible for identifying, assessing, managing and reporting the risks associated with clinical, corporate, financial and information governance. The Trust Executive Directors report directly to me, through regular one to one meetings and through the Executive Management Board.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve strategies, policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the organisation's strategies, policies, aims and objectives,
- evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

I can confirm that I have arrangements in place for the discharge of statutory functions and that these have been checked for irregularities and they are legally compliant.

The system of internal control including corporate governance is compliant with the Corporate Governance Code and has been in place in East Lancashire Hospitals NHS Trust continuously for the year ended 31 March 2013 and will be in place throughout 2013/14 as an iterative process.

Risk assessment

The Trust Board has overall responsibility for setting the strategic direction of the Trust and managing the risks to delivering that strategy. All committees with risk management responsibilities have reporting lines to the Board.

A Trust Executive Director has lead responsibility for the development and implementation of the Risk Management Strategy and Plan which is designed to cover the organisation's risk profile. The Trust Board has approved these arrangements and associated documents. A lead Executive Director has been identified for each principal risk defined within the Assurance Framework and these are mapped to the Care Quality Commission's Essential Standards of Quality & Safety, the Compliance Framework and Operating Framework

2012/13... a year of achievement

The Trust has a dedicated workforce committed to providing the best service possible to patients, their families and local communities. A number of our staff have received accolades during the year:-



Samantha Carter and Rebecca Jolly, Nursing Cadets

Samantha and Rebecca were awarded the "Cadet Merit Award for Excellence" at the North West Cadet of the Year Awards in June 2012. Both cadets completed their BTEC level 3 Extended Diploma in Health and Social Care with all their placements being undertaken at one of the Trust's Hospitals.



requirements with the Framework being subject to ongoing, iterative review by the Executive Directors and Trust Board. Newly identified risks are reported through to Board via Governance Committee and the Trust Board has in place a schedule for reviewing the Assurance Framework in the public part of Trust Board. Trust Board papers summarise the risks and mitigation.

The risk management process involves layers of risk identification and analysis for all management units e.g. divisions and directorates, significant projects and for the organisation as a whole. Analysis of the severity and likelihood of the risk occurring determines the overall risk rating of the risk identified. This provides the organisation with a common currency and methodology in the assessment of risk. The Risk Management Strategy and Plan clearly sets out the individual and corporate responsibilities for the management of risk within the organisation. Implementation of this ensures the Board is informed about the extreme residual risks and is then able to communicate those effectively to external stakeholders.

The overarching performance management system within the Organisation ensures that controls are in place to identify and manage any risks to the delivery of key performance targets. National priorities in the

NHS Operating framework have been systematically reported to Trust Board and are monitored through the Assurance Framework

Data security and Information Governance risks are explicitly considered and assessed. No lapses of data security requiring reporting to the Information Commissioner have occurred during 2012/13

The risk and control framework

A risk management process, based on the requirement of AS/NZS360; 1999 covering all risks is in place across the organisation. This covers the management of both manifest and potential risks. The whole system of risk management is continuously monitored and reviewed by management and the Board in order to learn and make improvements to the system.

The Trust's Risk Management Strategy and Plan is reviewed annually and provides the Trust with a process of risk identification, evaluation, treatment planning and monitoring that has formed an assurance framework.

The Trust's Assurance Framework identifies the following areas:

- The Trust's principal objectives
- The principal risks associated with achieving those objectives
- Controls and deterrents to minimise or avoid the principal risks



- The positive assurances available to the Trust in the form of reports/assessments – from both internal & external sources
- The gaps in controls and assurances that need to be put in place to give the Board assurance that the organisation has effective control over its risks and that systems are in place to achieve its objectives

Equality impact assessments are integrated into the Trust processes.

There are clear processes identified in the assessment, management and escalation of risks within the Trust, which includes a cost benefit analysis, particularly for all the high level risks. Careful consideration is then given as to whether the Trust assumes, shares or transfer the cost attached to those identified risks. Divisions consider the issue of funding risk control initiatives from within their devolved budgets in the first instance and/or consider the need to make appropriate provision within their business plans. Where control measures are identified as having potentially significant resource implications, any such issue/risk is raised at the appropriate risk management group and subsequently to the Divisional Board and if necessary escalated to Executive Management Board for thorough consideration/prioritisation.

The Trust's Plans directly take account of the high priority risks in the funding allocations for the forthcoming year(s).

The Governance Framework requires the Trust to involve patients and public stakeholders in the Governance agenda. This has been achieved through engagement with the Trust membership, Local Involvement Networks, PCTs (and their successor bodies) and the Local Authority Overview and scrutiny committees.

Within the Assurance Framework identified gaps in control and gaps in assurance are monitored and reported. During 2012/13 these related to embedding further Trust systems and processes, as well as addressing emergent issues relating to mortality measures, regulatory reviews and issues arising from continuous monitoring clinical standards we continued to focus on realising the benefits of the Transforming Community Services Transaction, achieving the requirements of the Foundation Trust Trajectory and addressing the impacts of Commissioning strategies where the Trust is reliant on third party action.

Did you know?

The Birthing Centre model for the delivery of infants continues to be a huge success with one third of births in the local area taking place in a Birth Centre. Notable visitors to our birthing centres this year have included Dr Dan Poulter, Health Minister, Jack Straw MP, Jake Berry MP and Cathy Warwick, Chief Executive of the Royal College of Midwives.



The Trust manages gaps in assurance via the following actions:

- Upon identification of a gap in Assurance at Trust Board, independent Assurance can be requested from either the Audit Committee (who will feed these gaps into the internal audit programme)
- Or from internal departments such as the Governance Unit- Clinical Effectiveness/Clinical Audit/ , Divisional Teams and Directorates reporting to Executive Management Board and/ or Board Sub Committees

A range of actions designed to address identified gaps in controls and assurances have been identified and implemented, throughout the year including:

- Continued work with our partners on transformation – realising the benefits of the Transforming Community Services transaction
- Further development of Contracts and SLA's in line with the Trust's Business Plans
- Continued work with the Deanery in response to the Deanery Action plan following Deanery visits and the feedback from the visits and our junior medical staff
- Continued focus and action towards reducing mortality
- Continued focus and action towards improving patient experience and outcomes

The Board has approved a range of action plans to address these and other controls/assurance gaps. Performance and progress against our Plan is reviewed and monitored through the Integrated Performance Report at Executive Management Board and Trust Board. Regular review and performance reports outlining progress against these plans and a comprehensive range of projects/ programmes are undertaken.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with.

As an employer with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations

The Trust has undertaken a climate change risk assessment and developed an Adaptation Plan, to support its emergency preparedness and civil contingency requirements, as based on UK Climate Projections 2009 (UKCP09)



to ensure that this organisation's obligations under the Climate Change Act are met.

The Trust is compliant with CQC Essential Standards of Quality & Safety and has responded to inspection findings and information requests from regulators. Details are provided in the Quality Account.

Review of the effectiveness of risk management and internal control and significant issues

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

The overall level of the Head of Internal Audit Opinion is:

“Significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and inconsistent application of controls, put the achievement of particular objectives at risk.”

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

My review is also informed by: Internal and external information as outlined below

- Detailed reports from the Trust's internal auditors and the Audit Commission
- Performance and financial reports to the Trust Board
- Third party assurance audits and reports as part of the FT Pipeline requirements
- Strategic Health Authority performance management reports
- Commissioning PCT performance management reports
- Governance reports to the Audit & Governance Committees and Trust Board
- Compliance action plans as part of the Governance programme
- Patient Environment Action Teams (PEAT) inspection
- Care Quality Commission Inspections and Visits
- National Health Service Litigation Authority Accreditation process
- Royal College / Deanery inspections/ accreditations

2012/13... a year of achievement

The Trust has a dedicated workforce committed to providing the best service possible to patients, their families and local communities. A number of our staff have received accolades during the year:-



Billy Hefferon, Skin Cancer Clinical Nurse Specialist

Billy was highly commended in the NHS Innovation Challenge Prize for his 'beautiful' approach to detecting skin cancer earlier campaign as part of his work for the Lancashire and South Cumbria Cancer Network. The project, now supported nationally through the Melanoma Taskforce, is also developing a training module to go forward to a national qualification. As a result of the training programme, several clients at local beauty salons have already been referred to clinicians and treated for skin cancer.



- Information Governance risk assessments against the Information Governance Toolkit
- External assessments/assurances covering a range of operational areas including the following:
 - Audit Commission
 - Care Quality Commission/Picker – Patient & Staff Surveys
- During 2012/13 the recommendations from the Deanery review were implemented and the work of the Trust Mortality Steering Group review was progressed.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board and the Audit and Governance Committees. A plan to address weaknesses and to ensure continuous improvement of the system is in place. Where reports identified limitations in assurance these have been acted upon and in relation to auditors reports have been reported through Audit committee.

The Board and the Audit and Governance Committees have been actively engaged in the ongoing development and monitoring of the Assurance Framework. These bodies will continue to shape the iterative development of the Assurance Framework for 2013/14 and undertake regular reviews of the Assurance Framework and the action plans in place to address gaps in controls and/or levels of assurance.

The Board regularly review the Trust's performance in relation to principal risks to achievement and controls in place to assist in the delivery of its key objectives and targets.

The Board proactively seeks support in commissioning reviews, support and external assessments in order to improve its overall performance.

The Audit and Governance Committees review the Trust's systems of internal control, including the governance arrangements as part of the audit programme, assisting the Board with its responsibilities to strengthen and improve the effectiveness of the Assurance Framework.

There is an annual comprehensive programme of quality improvement for the care of patients, reporting on a regular basis to the Trust Board on the full range of its activities through the Quality Account. There are clear lines of governance and accountability within the Trust for the overall quality of clinical care. These provide assurance of the accuracy of the Quality Account

The Executive Management Board provides the over-riding strategic direction to facilitate the development and implementation of risk management initiatives Trust-wide. There is comprehensive management of the Trust's risks and reviews of the risk registers. The scope and



membership of the supporting governance and risk management committee structure is subject to regular review

My review of the effectiveness of the systems of internal control has taken account of the work the Executive Management Team within the organisation, who have responsibility for the development and maintenance of the internal control framework within their portfolios.

In line with the guidance on the definition of the significant control issues, I have no significant control issues to declare within this year's statement.

My review confirms that East Lancashire Hospitals NHS Trust has a generally sound system of governance and stewardship that supports the achievement of its policies, aims and objectives.

Accountable Officer: Mr Mark Brearley
Organisation: East Lancashire Hospitals NHS Trust

Date 7th June 2013

Regulatory Ratings

The management of risk is an integral component of our corporate and clinical governance agendas. Risk is inherent in all aspects of our activities including the treatment and care we provide to our patients, the determining of our service priorities, the projects and developments that we manage, the equipment we purchase, the decisions we take on our future strategies, or indeed deciding when no action is to be taken.

The risk management strategy and plan is our framework for the systematic identification, assessment, treatment and monitoring of risks, whether the risks are clinical, organisational, business, financial or environmental. Its purpose is to minimise risks to patients, staff, visitors and the organisation as a whole by ensuring that effective risk management systems and processes are implemented in all areas of service provision, and that these are regularly reviewed.

The Trust Board ensure that risk is managed systematically, so that all risks are considered through the planning, decision-making and daily management of the organisation.

Did you know?

We have appointed a specialist Epilepsy nurse to support care of children with Epilepsy as part of our multi professional clinical team



We are committed to providing an environment which minimises risk and promotes the health, safety and wellbeing of all those who enter or use our premises within a culture of innovation in which risks are proactively managed, safeguarding the continuity of service, assets and our reputation. Clear structures and processes for risk management exist at all levels of the organisation with clear reporting lines to the Board.

We achieve this;

- through a structured and systematic approach to the management of risk so that it becomes an integral part of all clinical, managerial, business and financial processes.
- through the integration of effective reporting structures from within divisions through to the Audit and Governance Committees and Trust Board.
- through the continuing use of an Integrated Board Assurance Framework and Risk Register which supports the recording and monitoring of identified risks and resulting action plans, and which provides the Trust Board with a Trust wide risk profile and an outline of the mitigations that are in place for identified risk.
- by clearly defining at every level within the organisation, individual objectives, responsibilities and

accountabilities for all aspects of risk management by including them in job descriptions.

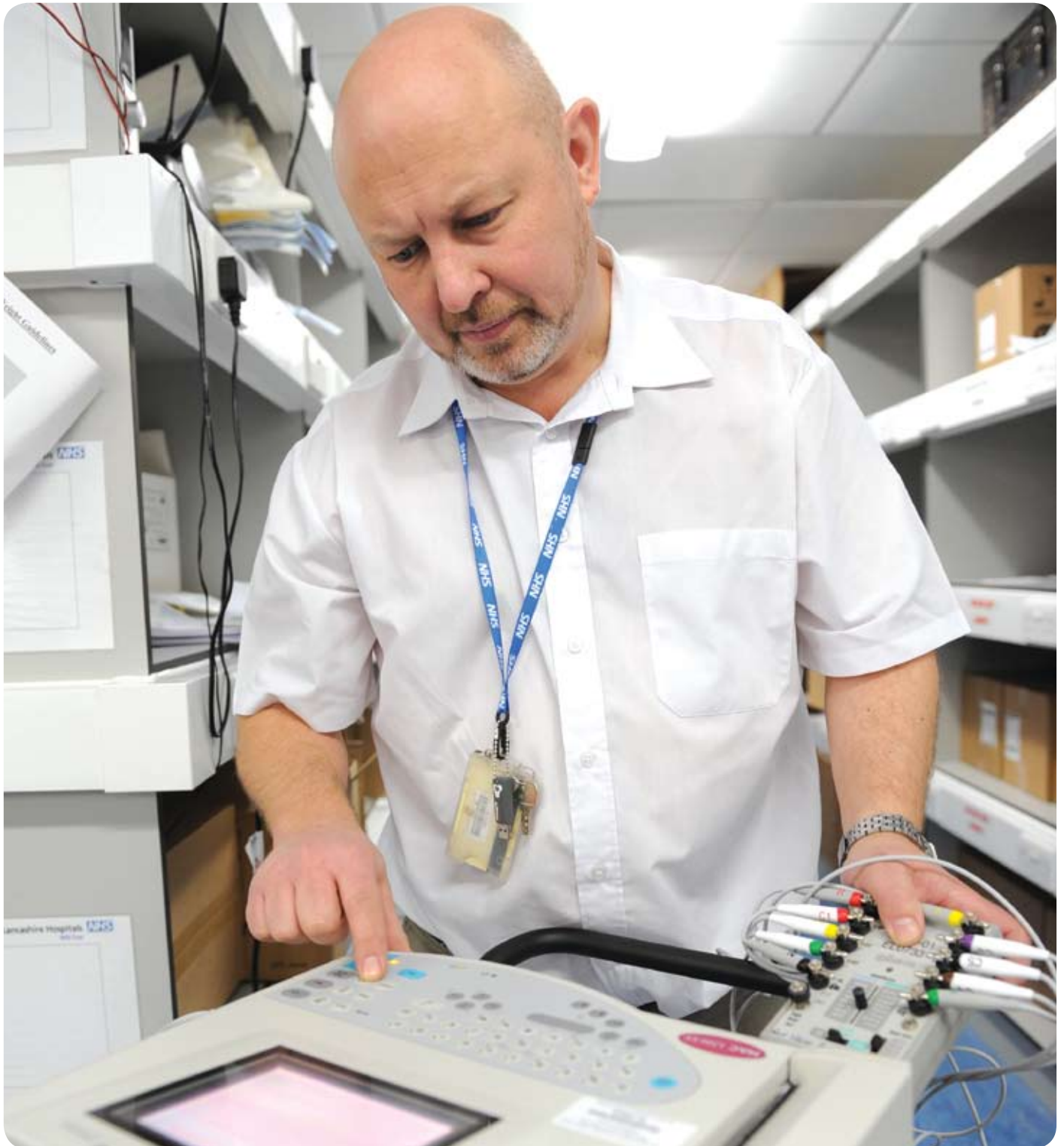
- by empowering all staff to report risks and register concerns about quality and safety through an open and fair culture supported by effective Human Resources and risk management policies and procedures.
- by providing risk management training at all levels within the organisation and as an integral element of training and development plans.
- Summary of regulatory performance in year

The Integrated Board Assurance Framework is mapped to the strategic objectives and the Strategic plan. The Assurance Framework provides a valuable and essential vehicle for engaging the Trust Board in structured discussions about the management of risks that are internal and external to the organisation. It also demonstrates evidence of effective systems of internal control and complies with the model set out in the Department of Health Governance guidance. The Assurance Framework has been given a status of 'High Assurance' by the Internal Auditors

The Trust remains registered with the Care Quality Commission without conditions.



sustainability report



“The Trust aims to limit the impact of its activities on the environment by complying with all relevant legislation and regulatory requirements. This includes the UK Government’s target within the Climate Change Act to cut greenhouse gas emissions by at least 80% by 2050 from the 1990 baseline, with a minimum reduction of 26% by 2020. It also includes the target within the NHS Carbon Reduction Strategy to achieve a 10% reduction on the 2007 NHS Carbon footprint by 2015.”

The above is an extract from the approved Sustainable Management Development Plan (SDMP) which links to the following strategic documents:

- Estates Strategy
- Facilities Strategy (under development)
- Procurement Strategy
- Workforce Strategy

The SDMP adopts the ten thematic areas from the NHS Carbon Reduction Strategy against which we will continue to report.

1. Energy and Carbon Management

	Target 2011/12	Actual 2011/12	Target 2012/13	Actual 2012/13
Total energy consumption (GJ/100m3)	68.5	74.7	64.0	73.3

The Trust’s total energy consumption figure for 2012/13 is predicted to rise when compared to 2011/12. The year began poorly with significant heating being required for the period from April to June 2012. Throughout the year the winter escalation wards remained open and since October we have opened further areas for patient occupation. This would only partly explain the increase per unit volume as we should be able to operate the additional occupied areas at similar levels of energy consumption to other areas. The difference is that the additional areas are occupied during the coldest part of the year and therefore require higher levels of heating which adversely affect the yearly average. There is clearly more work to be done on the reporting and target setting aspects of this thematic area particularly with the addition of Accrington Victoria Hospital in April 2013 and the new Clitheroe Community Hospital upon completion.

Up-date on existing initiatives

- Replacement entrance door at RBH - complete
- New boiler works serving Wilson Hey building at BGH - complete
- Works to install heat recovery system to RBH steam raising plant due for completion April 2013
- The Trust continues to ensure compliance for those applicable buildings falling under the Energy Performance of Buildings Directive and Display Energy Certificates are on public display
- Intelligent lighting installation to corridor areas continues at BGH
- Replacement Building Management System (BMS) at RBH – phase 1 complete

Proposals

- Continue to replace inefficient lighting at all sites
- Installation of energy efficient pumps to heating systems at RBH, BGH, AVH and PCH
- Pursue energy initiative bids from DoH relating to Wilson Hey roofing and cladding, Burnley boilers, Accrington boilers
- Work with IM&T to implement auto-shutdown of PC’s where it is safe to introduce

2. Procurement and food

The Trust continues to follow guidance in 'P4CR: Procuring for Carbon Reduction' and has recently sourced milk and bread supplies locally, and chilled meals from Wrightington Wigan and Leigh NHS Trust.

The Procurement department ensures (through the Trust PEAT Standardisation Group) that only approved "A" rated appliances are procured as the Trust standard.

3. Low carbon travel, transport and access

The Trust has prepared a draft car parking strategy which will shortly begin the approval process and is intended to reduce reliance on single occupier car journeys.

We are working with Blackburn with Darwen Council and Lancashire County Council to revitalise our Green Travel Plan which will be linked to the car parking strategy and cover initiatives such as car sharing and cycling to work.

We already have a car lease scheme in place which encourages members of staff to run newer and more efficient vehicles.

4. Water

We are proceeding with the provision of a water extraction borehole at RBH to serve the laundry and steam-raising plant. This will reduce our consumption of mains water whilst retaining the resilience of supply. It is anticipated that this scheme will be operational from April 2013.

5. Waste

	Target 2011/12	Actual 2011/12	Target 2012/13	Actual 2012/13
Clinical waste (@ £402/T)	740 T	701 T	703 T	745 T
Domestic waste to landfill (@ £208/T)	632 T	722 T	601 T	725 T

Last year's success in reducing clinical waste was achieved at the expense of an increase in domestic waste. The high level of activity maintained during the summer months of 2012, as evidenced by the fact that winter pressure wards have remained open, means that there is an inevitable increase in both clinical and domestic waste.

These targets will need to be revised in the light of the activity changes and will be part of a review of the Estates Strategy.

Funding has been secured to complete the replacement of waste receptacles across all Trust sites. This is intended to provide better waste segregation which should further reduce clinical waste.

6. Designing the built environment

The design of the Integrated Urgent care Centre at BGH is set to achieve the highest environmental standard possible namely a BREEAM rating of "excellent". All our schemes are compliant with building regulation requirements whose standards continue to be improved with each new issue.

As we proceed to remove older, less efficient buildings from the estate we improve the overall performance of the remaining building stock.

We are planning for future investment in the Wilson Hey building at BGH which will begin with improvements to the external elevations and roof to ensure compliance with modern standards. The proposals will also bring the building up to the aesthetic standard of the surrounding buildings presenting a modern efficient elevation to the hospital.

Did you know?

We have developed a centre of excellence for paediatric care and specialist outreach services to families across East Lancashire in a number of conditions including diabetes and respiratory care.



7. Organisational and workforce development

The Trust continues to deliver staff appraisals using the PDR system. Each division is up-dating their workforce plan to ensure they have the right people in the right post at all times.

Within the Estates and Facilities Directorate we have embarked on the latest round of apprenticeship appointments. In the past these have led to permanent appointments and career progression which helps the directorate to succession plan effectively.

8. Role of partnerships and networks

The benefits to the Trust of engaging fully in partnership working are well understood.

We continue to work with our PFI partners on both sites in delivering schemes to improve the quality of our estate and maintaining its condition.

Our partnership with the nursery provider has led to their proposed investment in a new facility at BGH and the planned provision of a service at RBH.

The new Integrated Urgent Care Centre at BGH has been procured through the NHS ProCure21+ initiative based around the NEC3 partnering

form of contract.

We are actively seeking a partner to help us invest and develop at both BGH and RBH.

9. Governance

The reporting of sustainability issues is as outlined in the Sustainable Development Management Plan. Quarterly up-dates of Estates performance are received by the Executive Management Board and a review of the Estates Strategy has been presented and accepted at the April 2013 meeting.

10. Finance

Estate rationalisation is beginning to deliver financial benefits and is a major contributor to cost improvement plans for the future. Our operational savings through procurement and our partnership working are helping to reduce the cost of delivering the Estates and Facilities services.

Summary

We are still at a relatively early point on our sustainability journey with much still to do. The Sustainable Development Management Plan is beginning to focus previously disparate initiatives into a co-ordinated sustainability action plan for the benefit of our patients, visitors, members of staff and the wider local community.

2012/13... a year of achievement

The Trust has a dedicated workforce committed to providing the best service possible to patients, their families and local communities. A number of our staff have received accolades during the year:-



Flu Fighter Team

The Trust was nominated in the 'Most Improved Flu Fighting Trust' category in the National Flu Fighter of the Year Awards after giving jobs to more than half of its frontline staff.



Research and development

East Lancashire Hospitals NHS Trust is a member Trust for the Cumbria and Lancashire Comprehensive Local Research Network (CLRN) and has supported the continued development of the network. This network is responsible for provision of infrastructure funding to support research activity on the NIHR portfolio of studies that the Trust has been encouraged to participate in. Dr Anton Krige, (Associate Medical Director for Research and Development) sits as a member of the Board for the Cumbria and Lancashire CLRN.

Research activity for East Lancashire Hospitals NHS Trust during the period 1 April 2011 – 31 March 2012 is detailed below:

- 210 studies were on-going throughout 2011/12 of which:
- 71 studies were processed and granted R&D approval
- 1 study reached completion
- 99 studies were adopted on the NIHR portfolio
- 26 studies were commercial studies

Cancer Research Network

The Cancer Research Network has been established since 2001. Further developments at East Lancashire Hospitals NHS Trust are being supported by new research nurse and data management appointments due

to the repatriation of chemotherapy patients back to East Lancashire Hospitals NHS Trust during 2011. This will ensure patients from East Lancashire are able to receive chemotherapy nearer to home and also have access to a wider range of research studies closer to home.

Medicines for Children Research Network

The Medicines for Children Research network is a national network with smaller networks in certain parts of the country and the Trust is involved with the Greater Manchester, Lancashire and South Cumbria network (GMLC). The Research Network activity has grown during 2011/12 and additional research nurse capacity is being developed due to this expansion with a view of commencing in 2012/13 some significant new studies with this research network.

North West Dementias and Neurodegenerative Disease Research Network

Staff from the North West Dementias and Neurodegenerative Disease Research Network (DeNDRoN) have been working closely with East Lancashire Hospitals on a number of their trials. DeNDRoN started work at the Trust in September 2007 recruiting patients with Dementia, Parkinson's Disease and now Multiple Sclerosis studies.



There is close collaboration with Lancashire Care Trust with East Lancashire Hospitals providing support services input for many studies running out of the Hill View premises at the Royal Blackburn Hospitals, including some mental health studies to be commenced in 2012/13.

North West Stroke Research Network

The Trust originally was not a formal partner Trust for the North West Stroke Research Network, but with the establishment of the CLRN additional funding has enabled the Stroke Network to provide research nurse support over recent years. Clinical stroke services altered at the Trust which has helped study recruitment as most stroke patients are admitted directly to the stroke unit. The clinical teams at Pendle rehabilitation unit also supported stroke research activity in 2011-12.

North West Diabetes Research Network

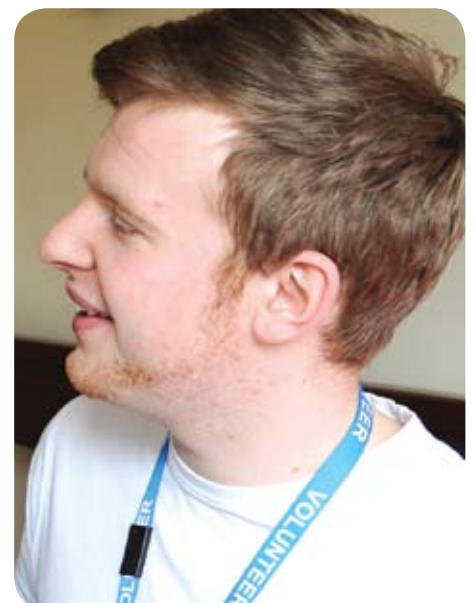
The Trust is not a formal partner Trust for the North West Diabetes Network but the CLRN and the North West Diabetes Networks have provided infrastructure funding to allow staff to be employed to support diabetes network portfolio studies. Members of the Diabetes Unit staff provide specialist support such as nursing knowledge and dietetic advice for a number of studies.

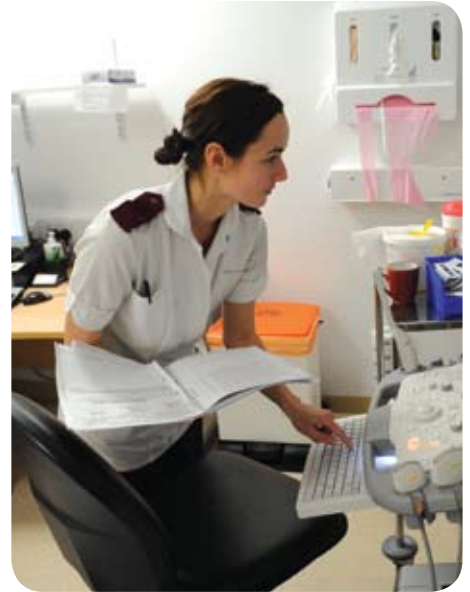
CLRN Speciality Groups
The CLRN established a number of speciality groups to focus research activity into themes based on the NIHR portfolio of studies. The following groups are active with East Lancashire Hospitals NHS Trust.

Women's Health and Reproductive Speciality Group Activity

The Women's Health Department has gone from strength to strength. The department have implemented their own research strategy over the past few years which has enabled research activity within the Department of Women's Health to flourish. The Department is also actively engaging with the National Institute of Health Research's local Comprehensive Research Network, and leading the Reproduction Theme for Cumbria and Lancashire through Cathie Melvin (Midwifery Research Co-ordinator) having a role as Coconvenor for the Reproductive Speciality Group.

Additional staff have been put in post to support portfolio activity with now a number of research midwives, nurses and research support officers supporting the whole portfolio of maternity and gynaecology research ensuring that the clinical teams can offer women the chance to participate in high quality research studies.





The Trust has excellent links with the University of Central Lancashire. This is a truly excellent partnership. Through the SHIP trial further academic connections have been made with other universities, Lancaster, Liverpool, Manchester, Nottingham and York.

This department has also continued to ensure public involvement in its activities. The department realise the full benefit of ensuring lay involvement at different stages of the research process. The department has also utilised Trust volunteers in a novel approach to patient recruitment, offering volunteers training and development opportunities and experience of health care research.

Critical Care

The Critical Care Department's research activity is led by Dr Anton Krige (Consultant in Critical Care and Anaesthesia) as well as acting as the Co-convenor for the CLRN Speciality Group. This clinical group are also exploring to develop their own research portfolio that would be eligible for the NIHR portfolio.

Other topic areas that have been supported within the Trust are:

- Cardiology
- Dermatology
- Gastroenterology
- Rheumatology
- Orthopaedics
- Ophthalmology

Research governance

The Research Governance Framework for Health and Social Care (2nd edition, 2005) aims to bring together general principles of good practice and is of direct relevance to all those who host, conduct, participate in, fund and manage health and social care research. The framework aims to forestall poor performance, adverse incidents, research misconduct and fraud, and to ensure that lessons are learned and shared when poor practice is identified.

The Trust operates within a streamlined research governance system across Trusts in Cumbria and Lancashire as well as partners in the National Central Permissions System for approving studies on the NIHR Portfolio. These systems include:

- A single checklist for document submissions for Trust R & D approvals, so that this is standardised across all Trusts in the area.
- A governance review system for new research projects
- A governance review system for amendments to current projects

Details of regular training events for Good Clinical Practice (GCP) are made available to Trust research active and interested staff. All Research active staff must be GCP trained and updated every two years. This training is provided free of charge to all those involved in NIHR portfolio research studies.



Research Education and Training

Research support is provided by the Trust R & D Department to also develop and take forward research ideas.

Informal advice and training can be provided on a number of subjects such as:

- Research Question Development
- Research Design and Methods
- Ethics
- Research Conduct, Trials, Qualitative Research
- Publication and Dissemination
- Public Involvement
- Applications for funding

The department has also promoted the NIHR Research Design Service, North West that provides free of charge high quality research design advice for trust staff to develop applications for open competition peer reviewed funding streams. The Trust Research and Development Lead has been seconded part-time to the role of Deputy Director of the NIHR Research Design Service for the North West hosted by Lancaster University but in partnership with seven other universities to provide the service.

Public and Service User Involvement

The Trust to comply with the Research Governance Framework for Health and Social Care (2nd Edition) has committed to ensure that there is involvement of the public and service users in the development and execution of research projects, where appropriate, and systems to

inform service users and members of the public about research being undertaken in the organisation.

Good Good examples have been the support of volunteers from the Family Care Division in numerous projects both as advisors and lay researchers. The experience and expertise gained by the Trust is now recognised by other Trusts and held in high esteem. This is thanks to the leadership of Cathie Melvin (Midwifery Research Co-ordinator). This work continues to grow in strength bringing benefits to the research conduct as well as supporting developments within the service itself.





Intellectual property

Intellectual property can be defined as products of intellectual or creative activity in the form of novel ideas, innovation or research and development which can be given legal recognition of ownership through Intellectual Property Rights such as patents, copyright, design rights, trademarks or know-how.

People working in the NHS continuously generate intellectual property (IP). It arises from both within and outside research and development activities. The IP that Trust employees generate aids in the improvement of health care services provided by the NHS. In some cases it is necessary to protect the IP, to ensure it continues to benefit the health of our patients and the wealth of the nation.

The Trust contracts the services of TrusTECH Intellectual Property Management Hub for intellectual property management advice. They can provide advice and support to Trust staff who have potentially valuable IP that requires protection.

Emergency Preparedness

East Lancashire Hospitals NHS Trust is required under the Civil Contingencies Act 2004 to respond effectively to an internal or external incident.

The planning for such an eventuality is managed by the Trust Emergency Preparedness Group (EPG), chaired by the Director of Operations. The Trust has an Emergency Planning Officer who manages the 'day to day' operational requirements.

One of the major changes to the management of emergency planning has been the introduction of the Health and Social Care Act and the subsequent changes following its launch.

These transformational changes have affected the management of emergency preparedness resilience response (EPRR) at all levels. NHS England will be responsible for ensuring there is a comprehensive NHS EPRR system that operates at all levels, this includes providing assurance that the system is fit for purpose and managing mobilisation of the NHS during an emergency or incident. Running alongside this function Public Health England (PHE) will



be responsible for providing public health EPRR leadership, scientific and technical advice at all levels.

With the new structure in place initial meetings have been arranged that will oversee the continuity of the EPRR function. The Emergency Planning Officer will represent the organisation at all meetings, and the Director of Operations will represent the organisation at the Local Health Resilience Partnership group (LHRP).

The emergency planning officer continues to work closely with emergency planning partners and the arrangements and Memorandum of Understanding that were in place with partner agencies have not been affected and remain substantive.

Operationally the Trust continues to plan and strengthen its response to potential incidents. Over the past twelve months exercises and training has continued to provide the organisation with assurance that the Trust's plans and procedures are robust and practical.

The organisation has seen the Switchboard continue to test and review its business continuity plans, and has recently been involved in Exercise Notify which saw the switchboard department along with

neighbouring acute hospitals and North West Ambulance Service test its cascade protocol that would be used during the declare or stand by phase of an incident. The hospital laundry is currently planning to test its joint arrangements for providing laundry over a three day period. The exercise will see arrangements, responsibilities and response tested during a virtual breakdown in service. The emergency planning officer is also in the initial planning stages to hold a multi-agency large scale table top exercise. This would see all relevant departments and staff playing an active role in the event which is hosted and run by Public Health England's EMERGO Team.

Planning for the Flu Programme for 2013/14 is underway and will utilise 'lessons learnt' following a successful campaign in 2012/13. The organisation was nominated for an award at the National Flu Fighters Awards in the category of 'most improved Trust' after seeing the number of staff vaccinated increase year on year.

The Trust and key emergency functions will continue to work closely with local emergency planning groups and will use the EPG to provide assurance that the emergency planning schedule is being met and monitored.



The Trust's Risk Management Strategy and Plan identifies the robust processes the Trust has in place to manage, investigate and learn from Incidents, Complaints, PALS activity and Claims. Analysis of these areas takes place systematically throughout the year and the findings are reported and disseminated through the Trust Governance Structures and audits as required by the respective policies. The Trust's complaints handling procedures are compatible with the principles for remedy set out by the Parliamentary and Health Service Ombudsman in 2007.

To ensure comprehensive analysis the Trust undertakes:

- Quarterly Incident Analysis
- Quarterly Complaints and PALS Analysis
- Bi Annual Claims Analysis

The Trust Board requires the Governance Unit to produce an annual aggregated analysis of incidents, complaints, PALS contacts and claims to ensure that risks identified through each of the respective processes have been benchmarked with other organisations, identified, coordinated and communicated to relevant individuals or groups. It also requires the Governance Unit to provide the Board with Assurance that these risks are being managed and acted upon.

The Trust has reduced the percentage of reported patient accidents in 2011/12 and is now reporting a lower percentage than the national reporting and learning scheme cluster (NRLS) – Patient accidents represent 23.95% of all reported incidents to the NRLS from the Trust compared to 28.75% of incidents across the cluster in 2011/12 and 30.62% in 2010/11.

Significant work has been undertaken across the Trust to address the management of slips trips and falls in both patients and non patients.

Documentation

The Trust has a lower percentage of incidents than other organisations, 7.1% compared to the NRLS cluster at 8% in relation to documentation (including Health records).

Disruptive and aggressive behaviour

The Trust monitors disruptive and aggressive behaviour via the Security Working Group reporting to the Health and Safety Committee and Quality and Safety Board. Analysis of the reported incidents has shown that in approximately 70% of cases, the patient involved in the incident was reported to be either disorientated/ confused suffering from or in receipt of Mental Health care. The Trust Safeguarding group, which is responsible for monitoring vulnerable adult requirements, is currently

Did you know?

We have established a Level 1 Paediatric oncology service ensuring that local children do not need to travel further than their local hospital to receive specialist oncologist support.



2012/13... a year of achievement

The Trust has a dedicated workforce committed to providing the best service possible to patients, their families and local communities. A number of our staff have received accolades during the year:-



Community Lower Limb Vascular Service

The Team won the Cardiovascular Team of the Year at the General Practice Awards Ceremony in November 2012 for their outstanding care of patients with peripheral arterial disease (PAD). This nurse lead services delivers a consistent, accessible, high quality, safe and clinically effective service for patients with, or who are at risk of developing PAD.

progressing work around Mental Health, Learning Disability, Dementia and critical factors associated with the management of vulnerable adults and safeguarding.

Infection Control

Understanding the contributory causes of severe infection has enabled action or intervention to be targeted, resources focused and best practice shared across the organisation. This has been led by the Saving Lives group and a Trust Infection Control Assurance Framework is in place to manage the overarching risks in the Trust associated with infection.

Root Cause Analysis (RCA) for all MRSA bacteraemia cases commenced in the Trust in October 2006 with ownership within the Divisions, and a sharing of learning through the Cross Divisional Saving Live group. This continues to be utilised and progressed across the Trust in line with our strategies for risk reduction.

Policies and Procedures

The Patient Safety Group has undertaken targeted developments towards addressing the risk associated with Patient ID. Monitoring has established that the work programme has reduced risk exposure in key areas.

All policy developments now require an implementation and compliance process to be identified and Mandatory

training signposts all personnel to the Blue Book and intranet Policy section. The embedding in and use of local Divisional and Directorate Governance fora plays a key role in addressing this risk area. Systematic monitoring of Trust wide policy and procedural guidance has indicated risk reduction in the process for policy /procedural guidance development.

Medical Devices

The percentage of reported incidents has continued to decrease to 2.95% in 2011/12 from 3.88% in 2010/11 from 4% in 2009/10 and 4.9% in 2008/09, but and has now fallen below the cluster average of 3.3%.

The medical devices group analyse these incidents for specific trends/ themes and contributory factors are highlighted by Divisional teams to enable learning to occur.

Medicines Management:

The Trust continues to be committed to reducing the number of medication errors and the Patient Safety Group continues to support a number of initiatives to address these issues. The Top Ten Prescribing Tips and standards have been continually refined and subject to local audit and analysis to prevent medication associated incidents. Mandatory training programmes have been updated to reflect the priority the Trust places on this area.

The Pharmacy Governance lead monitors all medication errors that are reported and investigated, analysing incident data, identifying trends and producing reports, making recommendations for the prevention of medication errors and sharing lessons learned, raising awareness of best practice in medicines use across the Trust via the Patient Safety Group. Ward based pharmacists monitor requirements as cited in the Trust Policy.

Communication Problems affecting care

Continuous use and compliance monitoring of the WHO surgical checklist and participation in North West Patients Safety collaborative have continued to contribute to the mitigation of the risks identified.

Staffing

Issues related to staffing are identified in the top 10 issues within the Trust Incident reports. National comparison is not possible as this category has been removed from the NRLS report. However, a review of nurse staffing levels takes place systematically, and a concerted recruitment campaign to ensure minimal use of agency/ bank nursing requirements has been undertaken in year together with the establishment of the Trust's own internal bank of nursing and other staff. The implementation of an E Rostering system will ensure that Trust wide monitoring and surveillance of Nurse staffing levels in all areas is possible to ensure Quality and Safety is maintained and monitored.

In addition to undertaking the above activity in relation to the recording an analysis of complaints, claims, and LINKS contacts, the Trust maintains a record of the ratio of compliments to complaints on an ongoing basis. The average ratio for 2011/12 was 41:1. For every complaint the Trust received, the Trust also received 41 compliments. From the most recent available information the current ratio is 51:1.

Remuneration Report

The Trust's Remuneration Committee has overarching responsibility for the remuneration of, arrangements for the appointment of, and agreement of termination packages for, Executive Directors. The members of the Committee are the Non Executive Directors of the Trust appointed by the Secretary of State and it is chaired by the Trust Chairman. The interests and details of the Non Executive Directors are disclosed in the Directors' Register of Interests at page 25 of this Annual Report.

The Trust does not make awards based on performance criteria as performance in the role of Director is assessed separately by the Chief Executive in relation to an Executive Director's role in leading the organisation and achieving performance objectives and by the Chairman in relation to performance as a member of the Trust Board.

In assessing any awards during the course of the year the members of the committee have had regard both to the average salary of executive directors in peer organisations and to the fact that there has been a freeze in pay for agenda for change staff in force for the last two years. The executive directors have received changes in their remuneration only in relation to changes in their executive and operational duties and a general pay increase has not been awarded in this year.

There have been three meetings of the remuneration committee during the course of the year at which all members have been present save Mr Roger Duckworth who was not present at one of meetings.

your money our care



Financial review for the year ending 31 March 2013

Financial duties

The Trust ended 2012-13 with a surplus of £4.665 million, equating to 1.1% of turnover. The cash associated with this surplus will be used in the medium term to support the ongoing development of the Trust's estates strategy and equipping needs. In the short term these resources will help to strengthen the Trust's liquidity position.

The Trust delivered this position whilst continuing to support a major cost improvement programme (CIP) and whilst improving the way it's delivers services. In addition, the Trust achieved all its other financial duties as detailed below.

	2012-13	2011-12
Break even duty	✓	✓
In year – the Trust must achieve an in year revenue break even position (before technical items)	✓	✓
Cumulative – the Trust must deliver a cumulative break even position (before technical items)	✓	✓
Capital Resource Limit – the Trust must not exceed its resource limit	✓	✓
External Financing Limit – the Trust must not exceed its financing limit	✓	✓
Rate of return – the Trust must generate a rate of return equal to 3.5%	✓	✓

Summary financial position

In 2012-13 the Trust reported a year end revenue surplus of £4.665 million including technical adjustments. The reported revenue position excluding these technical gains was £8.011 million. The revenue break even position is reported as:

	2012-13 £000	2011-12 £000
Total loss / (surplus) for the year	(£4,665)	(£13,867)
Add back exceptional items:		
Statement of comprehensive income	(£3,191)	£10,899
Adjustments in respect of donated asset reserve	(£155)	(£57)
Underlying in year surplus	(£8,011)	(£3,025)

Impairment charges

During the year the Trust incurred impairments as a result of demolishing parts of its redundant estate and as a result of reductions in the market value of various buildings. Where a revaluation reserve balance existed for these assets, the impairment has been charged against its revaluation reserve. Where no such balance existed the impairment has been charged to expenses. The Trust also saw an increase in the market value of some of its buildings and in such cases the gain has been taken to expenses as a benefit to the statement of comprehensive income where the asset had been previously impaired and otherwise to the revaluation reserve. The net impact on the value of non-current assets is an overall reduction of £3.191 million.

External Financing Limit (EFL)

The EFL relates to the Department of Health's measure on how well the Trust manages its cash resources. Trusts are not permitted to overshoot their EFLs. In 2012-13 The Trust undershot its External Financing Limit (EFL) by approx £19.0 million and therefore stayed within the overall cash limit set by the Department of Health. The undershoot was as a result of an increase in capital payables at year end, the increase in operating surplus and improved working capital management. .

Capital Resource Limit (CRL)

The CRL relates to the Department of Health's measure on how well Trust's control their spending on capital schemes. Trust's are permitted to spend up to their CRL. In 2012-13 the CRL set by the Department of Health was £12.895 million. This represents the total value that the Trust could invest in capital in 2012-13. The Trust under spent against this target by £4.345 million, which represents the underspend on its capital programme and the net book value of disposals £2.105 million. The cash associated with this undershoot will be carried forward to 2013-14.

Better Payment Practice Code

Although it is not a financial duty, Trust's are requested to ensure that 95% of undisputed invoices are paid within 30 days of receipt of the goods or invoice, whichever is the latter.

Payments made to non NHS organisations (value)		
	2012-13 £000	2011-12 £000
Total invoices paid	£117,479	£89,804
Total invoices paid in target	£112,721	£87,896
Percentage achievement	96%	98%

The Trust continues to support the Department of Health's prompt payment code which is a payment initiative developed by HM Treasury and the Institute of Credit Management (ICM). Details of the code can be found at www.promptpaymentcode.org.uk

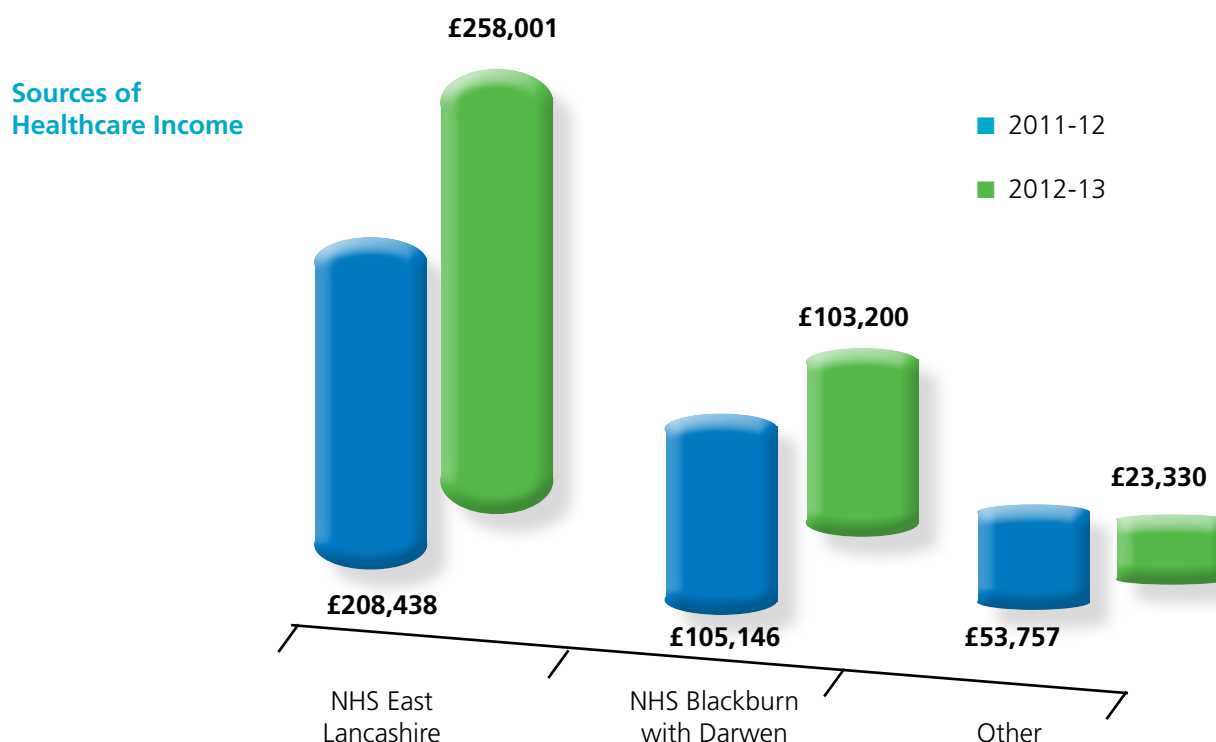
Investment Revenue

The Trust receives revenue from the interest earned on the management of its cash balances. Interest received in 2012-13 amounted to £121,000 compared with £132,000 earned in 2011-12. This still remains relatively low compared with historic years due to the low interest rates available to investors.

Where our money comes from

In 2012-13 the Trust received total income of £405 million compared with £390 million in the previous year. Most of the Trust's income comes from PCTs who purchase healthcare on behalf of their local populations. The Trust negotiates an annual contract with its PCTs for the payment of services. Much of this contract is driven by a nationally determined tariff.

For healthcare services provided to people living in East Lancashire and Blackburn with Darwen the Trust received £361 million in 2012-13, with a further £23 million received for services to people from elsewhere.

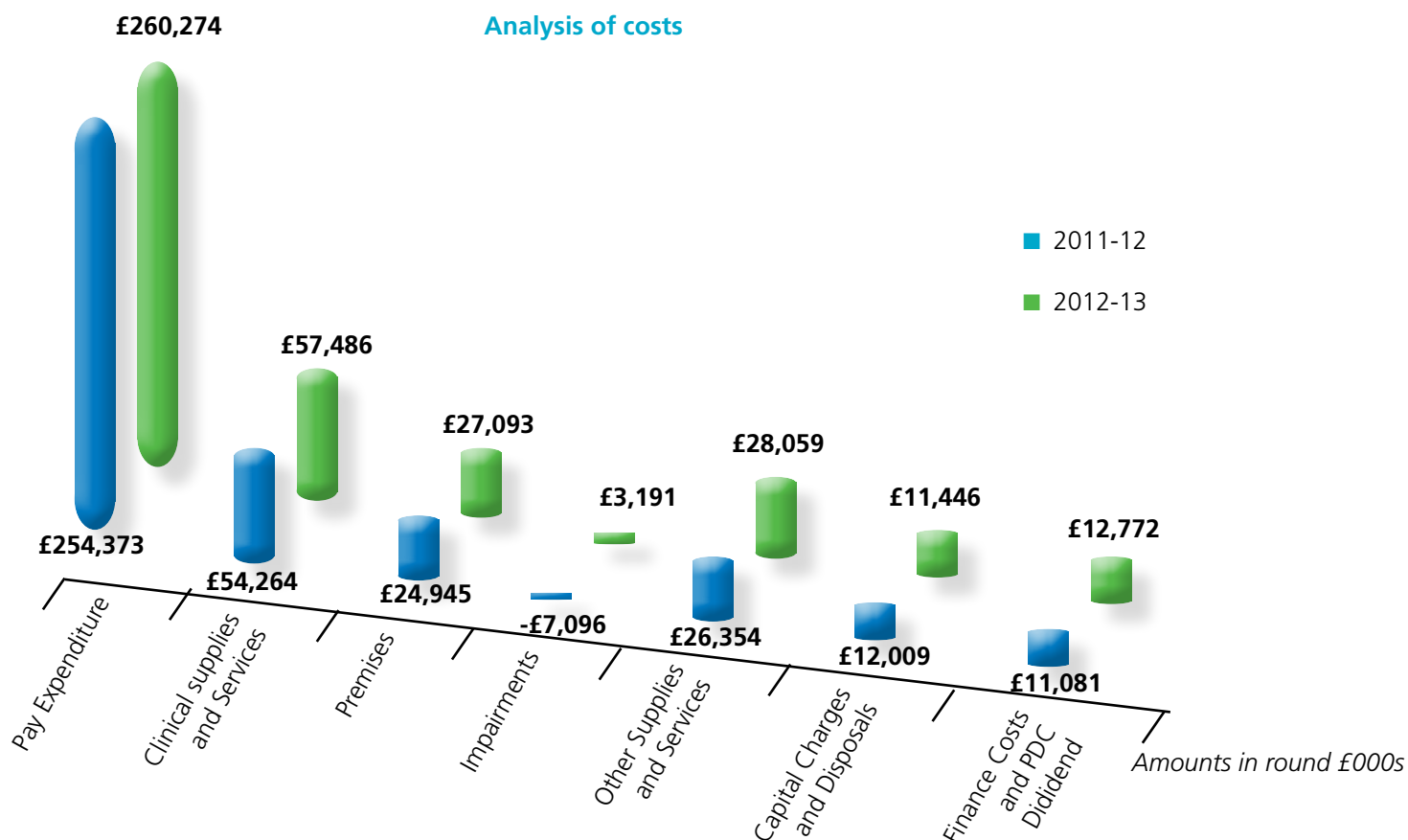


Amounts in round £000s

Where our money goes

From a total spend of £400 million in 2012-13, £260 million or 65% was spent on the cost of salaries and wages. Throughout the year the Trust employed an average of 6,608 staff including 701 doctors, 2,127 nurses, 1,000 healthcare assistants and 951 scientific and technical staff.

A further £57 million was spent on clinical supplies and services such as drugs and consumables used in providing care to patients. In addition to this the Trust spent £27 million on running and maintaining its premises.



Capital Investment

The Trust has continued to invest in its healthcare facilities on all sites including the development of the Urgent Care Centres on the Burnley and Blackburn sites. The remainder of its estate investment focussed primarily on improving existing infrastructure and in continuing to rationalise the estate. In total the Trust invested £6.251 million in new building works, improvements and equipment across all its sites. This expenditure was financed largely from the Trust's internally generated resources (depreciation) although it did receive £1.115m from the Department of Health towards the Burnley Urgent Care Centre (£1m) and for improving the birthing environment (£0.115m). A summary is provided below:

	£m
Estate infrastructure and environmental improvements	6,251
Information Technology Equipment	1,810
Medical equipment	1,236
Other expenses including fees	1,423
Total	10,720

Counter Fraud

The Trust is committed to maintaining high standards of honesty, openness and integrity within the organisation. With this it supports the work of the National Fraud Initiative. The Trust has a designated accredited local counter fraud specialist.

External Audit

The Trust appointed Grant Thornton to carry out the external audit of the 2012-13 accounts. The audit services provided in 2012-13 included the audit of the Trust's financial statements. The cost of these audits was £131,000.

Financial Outlook for 2013-14

The financial outlook for the National Health Service and the Trust continues to be extremely challenging. The effect of the wider economic recession, combined with service pressures from increasing demand for services and public expectation means that trusts must continue to drive efficiency savings. For 2013-14 it is anticipated that the Trust will have to release about 4% of total resources.

Over the next twelve months the Trust will continue to increase its focus on the pathways of care that it provides to patients. Improved outcomes for patients will support the Trust in driving productivity and efficiency gains, helping us to make the best of the resources that we have available to us. Much of the focus of pathway re-design will be within Paediatric and Rehabilitation services where it is expected that patients will benefit from more streamlined and integrated care.

The Trust will continue to develop and improve its sites and facilities. A key part of this programme will be to develop the existing Urgent Care facilities on the Burnley hospital site by completing the new Urgent Care Centre so that the existing services can be provided out of a single building. In addition to this improvements to the Urgent Care facilities on the Blackburn site will also be completed. In 2013-14 The Trust will also receive a number of properties from East Lancashire PCT which are associated with the provision of community services.

The Trust continues to be on target to become a Foundation Trust in line with the NHS Trust Development Authority (NTDA) agenda and timescales. Integral to this process is the requirement for the Trust to submit its long term financial plan along with its overall strategic plan to the Department of Health and to Monitor (the economic regulator for Foundation Trusts) who will assess whether the Trust will be able to deliver against this plan, and will also assess whether its financial and activity assumptions are robust, realistic and deliverable. The Trust remains fully committed to the Foundation Trust objective as this is in the best interest of its patients, its staff and the wider economy.

Summary financial statements

These financial statements are summaries of the information contained within the annuals accounts of East Lancashire Hospitals NHS Trust for 2012-13. The Trust's auditors have issued an unqualified report on these accounts.

For a full understanding of the Trust's financial position and performance, copies of the full accounts are available on request and enquiries should be addressed to:

Frances Murphy

East Lancashire Hospitals NHS Trust

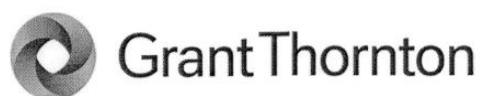
Royal Blackburn Hospital

Haslingen Road

Blackburn

Full accounts are also available on the Trust's website:

www.elht.nhs.uk



INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF EAST LANCASHIRE HOSPITALS NHS TRUST

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers' Equity, Statement of Cash Flows.

This report is made solely to the Board of Directors of East Lancashire Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust's directors and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008/03 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of the East Lancashire Hospitals NHS Trust for the year ended 31 March 2013. We have not considered the effects of any events between the date on which we signed our report on the statutory financial statements (7 June 2013) and the date of this statement.

Grant Thornton UK LLP

Grant Thornton UK LLP

4 Hardman Square

Spinningfields

Manchester

M3 3EB

12 September 2013

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31st MARCH 2103			
	2012-13		2011-12
	£000s		£000s
Gross employee benefits	(260,212)		(254,315)
Other costs	(126,898)		(110,270)
Revenue from patient care activities	384,531		367,341
Other Operating revenue	20,455		22,456
Operating surplus	17,876		25,212
Investment revenue	121		132
Other gains and (losses)	(439)		(264)
Finance costs	(9,281)		(7,454)
Surplus for the financial year	8,277		17,626
Public dividend capital dividends payable	(3,612)		(3,759)
Retained surplus for the year	4,665		13,867
Other Comprehensive Income	2012-13		2011-12
	£000s		£000s
Impairments and reversals	(3,912)		0
Net gain on revaluation of property	1,407		4,568
Total comprehensive income for the year	2,160		18,435
Financial performance for the year	2012-13		2011-12
	£000s		£000s
Retained surplus for the year	4,665		13,867
Adjustment for dual accounting under IFRIC12	0		(3,803)
IFRIC 12 impairments	1,145		0
Non IFRIC12 Impairments	2,046		(7,096)
Adjustments in respect of donated asset reserve elimination	155		57
Adjusted retained surplus	8,011		3,025
In reporting the Trust's financial position, the Trust overpaid its dividend to the Department of Health and has included a year end debtor in this respect as follows			
PDC dividend: balance receivable at 31 March	155		41

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2013		
	31 March 2013	31 March 2012
	£000s	£000s
Non-current assets:		
Property, plant and equipment	248,102	256,684
Intangible assets	922	431
Trade and other receivables	1,522	1,566
Total non-current assets	250,546	258,681
Current assets:		
Inventories	1,818	3,417
Trade and other receivables	13,104	* 13,616
Other financial assets	118	141
Other current assets	10	28
Cash and cash equivalents	31,656	7,397
Total current assets	46,706	24,599
Non-current assets held for sale	2,820	2,820
Total current assets	49,526	27,419
Total assets	300,072	286,100
Current liabilities		
Trade and other payables	(43,266)	(28,802)
Provisions	(1,029)	(703)
Borrowings	(2,774)	(2,697)
Capital loan from Department	(1,300)	(1,300)
Total current liabilities	(48,369)	(33,502)
Non-current assets plus/less net current assets/ liabilities	251,703	252,598
Non-current liabilities		
Provisions	(2,853)	(2,912)
Borrowings	(120,869)	(123,680)
Capital loan from Department	(1,950)	(3,250)
Total non-current liabilities	(125,672)	(129,842)
Total Assets Employed:	126,031	122,756
FINANCED BY:		
TAXPAYERS' EQUITY		
Public Dividend Capital	160,467	159,352
Retained earnings	(60,143)	* (65,400)
Revaluation reserve	25,707	28,804
Total Taxpayers' Equity:	126,031	122,756

The financial statements on pages 1 to 4 were approved by the Audit Committee on 7th June 2013 and were signed and authorised for issue on its behalf by :



.....(Chief Executive)

7th June 2013

* Trade and other receivables and Retained earnings brought forward at 1 April 2012 have been adjusted by £2k to correct for rounding differences and by £141,000 in respect of the reclassification of Other financial assets.

STATEMENT OF CHANGES IN TAXPAYER'S EQUITY FOR THE YEAR ENDED 31st MARCH 2013

	Public dividend capital	Retained earnings	Revaluation reserve	Total reserves
	£000	£000	£000	£000
Balance at 1 April 2012	159,352	(65,402)	28,804	122,754
Rounding adjustment*	0	2	0	2
Balance at 1 April 2012*	159,352	(65,400)	28,804	122,756
Changes in taxpayers' equity for 2012-13				
Retained surplus/(deficit) for the year	0	4,665	0	4,665
Net gain on revaluation of property	0	0	1,407	1,407
Impairments and reversals	0	0	(3,912)	(3,912)
Transfers between reserves	0	592	(592)	0
Reclassification Adjustments				
New PDC Received	1,115	0	0	1,115
Net recognised revenue/(expense) for the year	1,115	5,257	(3,097)	3,275
Balance at 31 March 2013	160,467	(60,143)	25,707	126,031
Balance at 1 April 2011	158,852	(79,436)	24,403	103,819
Changes in taxpayers' equity for the year ended 31 March 2012				
Retained surplus/(deficit) for the year	0	13,867	0	13,867
Net gain on revaluation of property	0	0	4,568	4,568
Transfers between reserves	0	167	(167)	0
Reclassification Adjustments				
New PDC Received	500	0	0	500
Net recognised revenue for the year	500	14,034	4,401	18,935
Balance at 31 March 2012	159,352	(65,402)	28,804	122,754

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2013		
	2012-13 £000	Restated 2011-12 £000
Cash Flows from Operating Activities		
Operating Surplus	17,876	25,212
Depreciation and Amortisation	11,007	11,745
Impairments and Reversals	3,191	(7,096)
Donated Assets received credited to revenue	(62)	(152)
Interest Paid	(9,052)	(7,454)
Dividend Paid	(3,726)	(3,832)
Decrease in Inventories	1,599	16
(Increase) in Trade and Other Receivables	837	(2,826)
Decrease / (Increase) in Other Current Assets	18	(28)
Increase in Trade and Other Payables	13,968	1,322
Provisions Utilised	(622)	(319)
Increase in Provisions	660	1,474
Net Cash Inflow from Operating Activities	35,694	18,062
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	121	137
Payments for Property, Plant and Equipment (PPE)	(9,524)	(5,916)
Payments for Intangible Assets	(637)	(202)
Proceeds of disposal of Property, Plant and Equipment	1,501	37
Proceeds from Other Financial Assets	23	252
Net Cash (Outflow) from Investing Activities	(8,516)	(5,692)
NET CASH INFLOW BEFORE FINANCING	27,178	12,370
CASH FLOWS FROM FINANCING ACTIVITIES		
Public Dividend Capital Received	1,115	500
Loans repaid to DH - Capital Investment Loans Repayment of Principal	(1,300)	(1,300)
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI	(2,734)	(5,233)
Capital Grants and Other Capital Receipts	0	152
Net Cash (Outflow) from Financing Activities	(2,919)	(5,881)
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,259	6,489
Cash and Cash Equivalents at Beginning of the Period	7,397	908
Cash and Cash Equivalents at End of the Period	31,656	7,397

Remuneration Report

Directors' pensions								
	Real Increase/ (Decrease) in pension at age 60	Real Increase/ (Decrease) in Lump sum at age 60	Total accrued pension at age 60 at 31 March 2013	Lump sum at age 60 related to accrued pension at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent transfer Value at 31 March 2012	Real Increase/ (Decrease) in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				(to nearest £100)
	£000	£000	£000	£000	£000	£000	£000	£00
Mr M Brearley Chief Executive	(2.5 - 0)	(2.5 - 0)	60 - 65	185 - 190	1,214	1,134	21	0
Mr J Wood Director of Finance	0 - 2.5	0 - 2.5	30 - 35	100 - 105	522	482	15	0
Mrs C M Schram Medical Director	disclosure withheld							
Mrs L J Wissett Director of Clinical Care and Governance	(2.5 - 0)	(5.0 - 2.5)	50 - 55	160 - 165	980	923	8	0
Mrs V Bertenshaw Director of Operations	(2.5 - 0)	(2.5 - 0)	40 - 45	130 - 135	825	778	6	0

The information contained in the Remuneration Report has been subject to audit. As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. Where a Board member has elected to withhold their disclosure, this is reflected in the table. For 2012-13, one current Director has withheld disclosure.

Cash Equivalent Transfer Values

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 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.

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, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Directors' remuneration								
	2012/13				2011/12			
	Salary	Other Remuneration	Bonus Payments	Benefits in kind	Salary	Other Remuneration	Bonus Payments	Benefits in kind
	(bands of £5,000)	(bands of £5,000)	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £5,000)	(to nearest £100)
	£000	£000	£000	£00	£000	£000	£000	£00
Non Executive Directors								
Mrs H Harding - Chair	20 - 25	0	0	0	20 - 25	0	0	0
Mr E P Fletcher - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mr G S Boyer - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mr M Hill - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mrs E Sedgley - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mr R Duckworth - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mr M S Sarwar - Non Executive (started 01/05/12)	5 - 10	0	0	0	0	0	0	0
Executive Directors								
Mr M Brearley Chief Executive (started 01/05/11)	160 - 165	0 - 5	0	50	150 - 155	0 - 5	0	0
Mrs D Whittingham (see note 1 below) Interim Chief Executive (left 30/04/11)					5 - 10	0	0	0
Mr J Wood Director of Finance	130 - 135	0	0	54	125 - 130	0	0	57
Mrs C M Schram Medical Director	120 - 125	disclosure withheld	0	0	60 - 65	disclosure withheld	0	0
Mr G R Jones Medical Director (until 31/12/11)					40 - 45	disclosure withheld	0	0
Mrs L J Wissett Director of Clinical Care and Governance	125 - 130	0 - 5	0	0	125 - 130	0 - 5	0	0
Mrs V Bertenshaw Director of Operations	110 - 115	0 - 5	0	0	100 - 105	0 - 5	0	0

East Lancashire Hospitals NHS Trust is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisation's workforce.

The Trust is required to report the value of the highest paid director in the organisation and to compare this with the median remuneration of all other staff. This comparison is expressed as a ratio. For 2012-13 the highest paid director earned in the banded range £170k - £175k, whilst the median (mid point) salary was £21,510. This gives a ratio of 8:1. Comparative information for 2011-12 indicated that the highest paid director was in the banded range £155k - £160k, with a median of £21,241 and a ratio of 7.4:1.

The median pay calculation does not include external agency staff costs. All agency is paid via invoices and includes commission charges to the agencies. Given the complexities in estimating an annualised median pay calculation for this cost element, the Trust has agreed with its auditors that this element can be excluded for this disclosure.

In 2012-13, 11 members of staff received remunerations in excess of the highest paid director. These were all senior medical staff, whilst in 2011-12, 21 members of staff were remunerated higher than the highest paid director, again these were all senior medical staff.

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



glossary of terms

Accruals basis

Under the accruals concept, expenses are recognised when incurred, not when the cash is actually paid out, and income is recognised when it is earned, not when the cash is actually received.

Amortisation

The term used for depreciation of intangible assets—an example is the annual charge in respect of some computer software.

Annual accounts

Documents prepared by the NHS Trust to show its financial position. Detailed requirements for the annual accounts are set out in the Manual For Accounts, published by the Department of Health.

Annual report

A document produced by the NHS Trust, which summarises the NHS Trust's performance during the year, which includes the annual accounts.

Asset

Something the NHS Trust owns—for example a building, some cash, or an amount of money owed to it.

Associate

An entity over which the NHS Trust has significant influence, for example, because they appoint some of its directors. If there is so much influence that the NHS Trust is able to control the other entity, then it is a subsidiary rather than an associate.

Audit Opinion

The auditor's opinion on whether the NHS Trust's accounts show a true and fair view of its financial affairs. If the auditors are satisfied with the accounts, they will issue an unqualified audit opinion.

Available for sale

Assets are classed as available for sale if they are held neither for trading, nor to maturity. An example of this would be an investment without a maturity date such as an ordinary share.

Statement of Financial Position

A year end statement prepared by all public and private sector organisations, which shows the net assets controlled by the organisation and how these have been funded.

Breakeven

An NHS Trust has achieved breakeven if its income is greater than or equal to its expenditure.

Capital Resource Limit

An expenditure limit set by the Department of Health for each NHS organisation, limiting the amount that may be spent on capital items.

Cash And Cash Equivalents

Cash includes cash in hand (petty cash) and cash at the bank. Cash equivalents are any other deposits that can be converted to cash straightaway.

Code Of Audit Practice

A document issued by the Audit Commission and approved by parliament, which sets out how audits for Primary Care Trusts, NHS trusts and Strategic Health Authority's must be conducted.

Contingent asset or liability

An asset or liability which is too uncertain to be included in the accounts.

Current Asset Or Current Liability

An asset or liability the NHS Trust expects to hold for less than one year.

Depreciation

An accounting charge to represent the use (or wearing out) of assets, as a result, the cost of an asset is spread over its useful life.

External Auditor

The independent professional auditor who reviews the accounts and issues an opinion on whether the accounts present a true and fair view.

External Financing Limit

A measure of the movement in cash an NHS Trust is allowed in the year, set by the government.

Finance Lease

An arrangement whereby the party leasing the asset has most or all of the use of an asset, and the lease payments are akin to repayments on a loan.

Financial Asset

The definition of a financial asset is very complex. Examples are investments.

Financial Statements

Another term for the annual accounts.

Going Concern

The accounts are prepared on a going concern basis, in other words, with the expectation that the NHS Trust will continue to operate for at least the next 12 months.

Impairment

A decrease in the value of an asset.

Intangible asset

An asset that is without substance, for example, computer software.

International Financial Reporting Standards

The accounting standards that the NHS has adopted from April 2009.

International Standards On Auditing (United Kingdom And Ireland).

The professional standards external auditors must comply with when carrying out audit.

Inventories

Stock, such as clinical supplies.

Joint-Venture

A contractual arrangement where there is an agreed sharing of control- for example, a pooled budget arrangement.

Manual For Accounts

An annual publication from the Department of Health, which sets out the detailed requirements for NHS Trust accounts.

Non Current Asset Or Liability

An asset or liability the NHS Trust expects to hold for more than one year.

Non-Executive Director

Non-executive directors are members of the NHS Trust Board but do not have any involvement in day-to-day management of the NHS Trust. They provide the board with independent challenge and scrutiny.

Operating Lease

An arrangement whereby the party releasing the asset is paying for the provision of a service (the use of the asset) rather than exclusive use of the asset.

Payables

Amounts the NHS Trust owes.

Primary Care Trust

The body responsible for commissioning all types of healthcare services across a specific locality.

Primary Statements

The four main statements that make up the accounts: Statement Of Comprehensive Income, Statement Of Financial Position, Statement Of Change In Taxpayers Equity and Statement Of Cash Flows.

Private Finance Initiative

A way of funding a major capital investment, without immediate recourse to the public purse. Private consortia, usually involving large construction firms, are contracted to design, build, and in some cases manage new projects. Contracts typically last for 30 years, during which time the building is leased by the NHS Trust.

Public Dividend Capital

Taxpayers equity, or the tax payers stake in the NHS Trust, arising from the government's original investment in NHS trusts, when they were first created.

Receivables

Amount owed to the NHS Trust.

Remuneration Report

The part of the annual report that discloses senior officers' salary and pensions information.

Reserves

Reserves represent the increase in overall value of the NHS Trust since it was first created.

Statement Of Cash Flows

This shows cash flows in and out of the NHS Trust during the period.

Statement Of Change In Taxpayers Equity

One of the primary statements-it shows the changes in reserves and public dividend capital in the period. Statement Of Comprehensive Income. The income and expenditure account, and the public sector equivalent of the profit and loss account. It shows what income has been earned in the year, what expenditure has been incurred and hence the surplus or deficit for the year.

Statement Of Financial Position

Year end statement prepared by all public and private sector organisations, which shows the net assets controlled by the organisation and how these have been funded. It is also known as the balance sheet.

Annual Governance Statement

A statement about the controls the NHS Trust has in place to manage risk.

Subsidiary

An entity over which the NHS Trust has control, for example, because they appoint more than half of directors.

Those Charged With Governance

Auditors terminology for those people who are responsible for the governance of the NHS Trust, usually the Audit Committee.

True And Fair

It is the aim of the accounts to show a true and fair view of the NHS Trust financial position. In other words, they should faithfully represent what has happened in practice.

Unrealised Gains And Losses

Gains and losses may be realised, or unrealised. Unrealised gains and losses are gains or losses that the NHS Trust has recognised in its accounts which are potential as they have not been realised. The gain is realised when the assets are sold or otherwise used.

East Lancashire Hospitals 
NHS Trust

This document is available in a variety of formats and languages.

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