Annual Report

2013 | 14

Safe | Personal | Effective

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Chair and Chief Executive's Report

Welcome to our Annual Report and Accounts for 2013/14, a year which has been both eventful and difficult.

In July 2013 we were placed in "Special Measures" following the Keogh review which led to a total focus on quality, safety and improvement across the whole of the organisation and resulted in our staff uniting behind our vision to be widely recognised for providing safe, personal and effective care. Through the dedication and hard work of our staff and the support we received from across the community and stakeholder groups we have now been removed from special measures and are committed to taking the lessons learned this year and integrating them into the way we provide care on a daily basis.

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 filled with examples of the innovations and improvements staff have developed and implemented and their outstanding dedication to the care of our local people.

We hope you find it informative and useful and, as always, would appreciate your feedback.

Professor Eileen Fairhurst

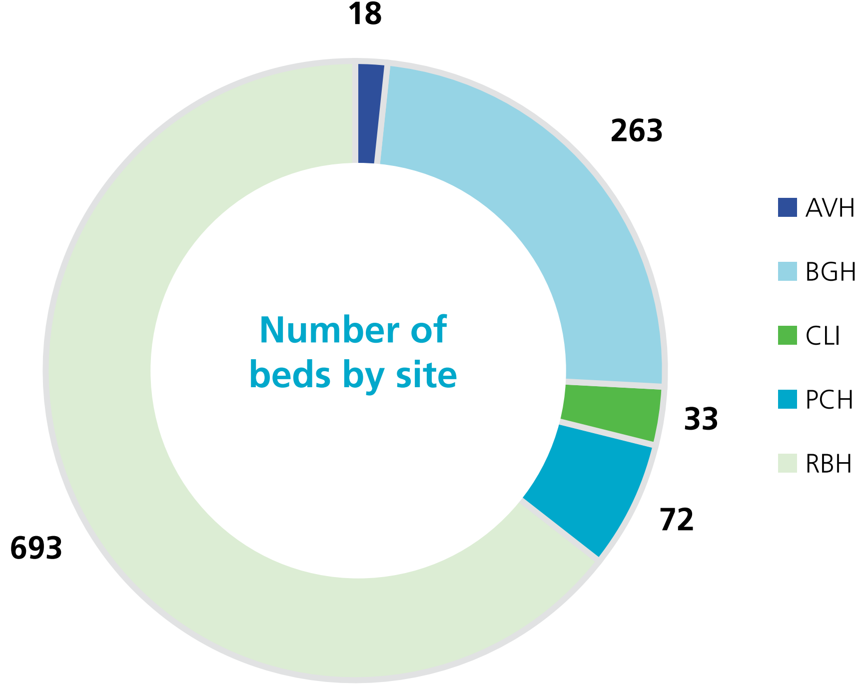
Mr James Birrell

Strategic report

Introduction and Background

East Lancashire Hospitals NHS Trust was established in 2003 (Statutory Instrument 2002 No 2073) and is a large integrated health care organisation providing acute secondary healthcare for the people of East Lancashire and Blackburn with Darwen and community healthcare services for the population of East Lancashire. Our population includes some of the most socially deprived areas of England. We aim to deliver high quality, high value care and contribute to a health gain for our community. 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 we have a combined population in the region of approximately 530,000.

We have a total of 1,079 beds, 25 theatres, 2 cardiac catheterisation labs, 7 endoscopy rooms and five hospital sites at the Royal Blackburn Hospital (RBH), Burnley General Hospital (BGH), Pendle Community Hospital (PCH), Clitheroe Hospital (CLI) and the Accrington Victoria Hospital (AVH).



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). 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.

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 our Commissioners and local authorities to redesign pathways for care and work across organisational boundaries to deliver the best possible care in the most appropriate locations for the people of East Lancashire.
We are a specialist centre for hepatobiliary (liver), head and neck and urological cancer services, in addition to providing specialist cardiology services and a network provider of Level 3 Neonatal Intensive Care. We are committed 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.

In July 2013 the Trust was placed in special measures following the Keogh review. The Keogh Review highlighted six areas of concern:

1. ***Governance & Leadership -*** governance processes

2. ***Local Capacity -*** use of capacity and external relationships

3. ***Clinical and operational effectiveness –*** understanding flow and quality issues

4. ***Patient Experience -*** complaints process and community engagement generally

5. ***Workforce & Safety -*** staffing levels

6. ***Nursing -*** nurse leadership

The Trust has subsequently worked hard to address issues raised. This report sets out the steps the Trust has taken to address the concerns raised and provides an overview of progress to date.

Our survey said...

Recent patient comments

" I have had the best of care I think I could get and have no complaints in any matters regarding my treatment. My level of care has been excellent "

Vision and Values

Our vision is to be widely recognised for providing safe, personal and effective care. We will do this by achieving our objectives to:

- Put safety and quality at the heart of everything we do
- Invest in and develop our workforce
- Work with key stakeholders to develop effective partnerships
- Encourage innovation and pathway reform and deliver best practice
- Become a successful Foundation Trust.

Our objectives are underpinned by our values. We have committed in all our activities and interactions to put patients first, respect the individual, act with integrity, serve the community and promote positive change. In achieving the objectives our staff will observe our operating principles:

- Quality is our organising principle, we strive to improve quality and increase value
- Clinical leadership influences all our thinking
- Everything is delivered by and through our clinical divisions
- Support departments support patient care
- We deliver what we say we will deliver
- Compliance with standards and targets is a must. This helps secure our independence and influence
- We understand the world we live in, deal with its difficulties and celebrate our successes.

Our staff have committed to delivering against these challenges to continually improve the quality of the services we deliver to meet the needs of our local population.

Our 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 centre for Cardiology services and a network provider of level 3 Neonatal Intensive Care. The Care Quality Commission (CQC) has continued to register the Trust to provide services without conditions.

There is a strong focus on performance management within the Trust. Performance reporting and improvement plans are a key feature of Trust Board and senior management discussions.

Staff

The Trust is a major local employer. The whole time equivalent (WTE) workforce is 7,273. We recognise that our ongoing success is due to the hard work, dedication and commitment of all our staff and volunteers.

During the course of the year the Trust has worked hard to recruit and retain staff, particularly front line nursing and medical staff. There are 118 more qualified nurses and 152 Health Care Assistants in post than in April 2013 with a further 101 nurses in the recruitment process at the end of March 2014.

Over the course of the year the Trust has sought to reduce its reliance on agency nurse staffing at times of peak demand with the development of the internal bank arrangements whereby nurses employed by the Trust are offered additional working hours at their convenience. This ensures that our wards are staffed to ensure continuity of care standards.

Finance

We have delivered consecutive financial surpluses for the years 2007/8 to 2013/14 whilst experiencing activity growth, increases in complex case mix and general cost pressures throughout the period; and we achieved an underlying surplus of £6.6m in 2013/14.

The Trust has continued to make major investments in its healthcare facilities, predominantly focusing on its continued commitment to the Burnley General Hospital site with the development of the integrated Urgent Care Centre and the concentration of the estate towards the centre of the site and the closure of older facilities.

Principal Activities of the Trust

The Trust's function is to provide goods and services, namely hospital accommodation and services and community health services. The Trust does not make charges for its services except for the production of copies of medical records where the fees required by legislation are charged. Private patient charges are available on application to the Company Secretary.

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 Care Quality Commission and Monitor compliance and regulatory requirements on an ongoing basis. The Assurance Framework changes as a result of implementation of risk mitigation plans.

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 2013/14:

- 6,804 members undertook an e-learning course
- 776 staff attended library courses
- 361 staff undertook externally certified courses
- 82 Healthcare Cadets have undertaken training at the Trust
- 102 existing members of staff have enrolled or completed apprenticeships
- 12 trainee Assistant Practitioners have undertaken their studies to obtain qualification
- 26 trainee Advanced Practitioners have undertaken studies to obtain their qualification
- 230 Undergraduate Medical Students were placed in the Trust
- 264 student nurse placements were taken up
- 38 student midwife placements were undertaken
- 361 of our qualified health professionals accessed Continuing Professional Development via university modules
- 230 Doctors in training were working across the Trust
- 264 externally certified courses were undertaken
- A total of 879 professional healthcare students have undertaken a course of study

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. There have been no serious untoward incidents involving data loss or breach of confidentiality during the course of the year.

Our risk profile includes financial, clinical, workforce and infrastructure risks. The Assurance Framework is presented on a bi-monthly basis to the Trust Board and can be found in our Trust Board papers at http://www.elht.nhs.uk/trust-board-papers.htm

During the course of the year the Framework has been reviewed on an ongoing basis by the Executive Director lead for each of the key risks. The Assurance Framework has been in continuous use throughout the year and is a living document with risks to the achievement of the strategic objectives being assessed, mitigated and identified on a continuous basis.

Our survey said...

Recent patient comments

" I would like to thank all staff in the Coronary ward for the care and understanding given to me on my stay in hospital. Also the doctors and nurses in the theatre for their expertise and kindness."

We have reviewed the format and supporting processes for the Assurance Framework going forward and have identified the following key risks for 2014/15:

STRATEGIC RISK	EXECUTIVE DIRECTOR	ASSURANCE TO
Failure to retain or attract required resources from commissioners to deliver safe and sustainable services	Director of Operations	Patient Safety & Governance Committee
Failure to maintain business continuity and emergency preparedness throughout the year	Director of Operations	Executive Management Board
Failure to achieve performance requirements of the (Monitor) TDA compliance and risk assessment framework and regulatory standards	Director of Operations	Executive Management Board and Trust Board
Failure to maintain staffing levels and competencies to deliver high quality services	Director of Human Resources and Organisational Development	Medical Education Board, Executive Management Board and Trust Board
Failure to achieve the reputation of provider of choice	Chief Nurse	Patient Safety & Governance Committee and Trust Board
Failure to deliver high quality clinical services	Chief Nurse	Audit Committee and Patient Safety and Governance Committee
Failure to be financially sustainable	Director of Finance	Audit Committee, Executive Management Board and Trust Board
Failure to engage with stakeholders including members, public, staff and partner organisations	Chief Executive	Executive Management Board and Trust Board
Failure to provide Board and Clinical Leadership	Chief Executive	Patient Safety and Governance Committee and Trust Board
Failure to develop and achieve a clear strategic direction	Director of Service Development	Executive Management Board and Trust Board

Performance against key targets

All health care providers across the country are set a range of quality and performance targets by the Government, commissioners and regulators. We believe we can achieve these targets by efficiently providing safe, personal and effective care. Our key challenges in year have been in relation to a number of key performance targets.

Accident and Emergency

The national target is that 95% of all patients are seen and treated or discharged within 4 hours of their arrival on the emergency or urgent care pathway. Factors affecting performance include discharges from wards, high number of attendances (particularly of acutely ill patients), increasing numbers of frail elderly patients, very sick patients requiring intensive support and people not using other services in the community appropriately such as GP services and pharmacies. During the course of the year the Trust experienced significant difficulties in meeting the required target due to a combination of these factors. However, with focussed action and close monitoring we believe we will continue to see sustained improvement against this target although it was not achieved at the year end.

As part of its review of the way in which we deliver safe, personal and effective care to all patients at all times, the Trust has had a particular focus on ensuring patient flow throughout the whole of our hospital setting to improve the services delivered in our urgent care centres and emergency department. We have increased GP input into the urgent care centres, changed the way ambulance patients are received, reinforced our consultant led triage processes and opened our purpose built Emergency Department to improve patient experience and environment and the conditions in which our staff work. From the beginning of April 2014, a process change has been implemented which moves the medical review and diagnostic test requests to the start of the patient pathway. We have been successful in recruiting both medical and nursing staff to deliver urgent and emergency care but recognise that this will continue to be an area of focus for us in the new financial year.

A medical ambulatory care unit has been opened which provides consultant delivered care from 10:00 to 17:00 5 days per week so that patients who may not need admission can be seen in a clinic type environment and a transfer lounge has been opened for patients undertaking discharge arrangements.

	2009/10	2010/11	2011/12	2012/13	2013/14
% Patients treated <4 hours	95	97.8	96.4	95.37	93.52
Number of patients (non elective)	59591	60528	61884	64759	63966

Length of Stay

An extended length of stay can expose patients to increased risks of infection, reduced mobility and reduction in their ability to cope outside the hospital environment. These issues make rehabilitation into the community more difficult while reducing our capacity to provide more intensive support beds to newly admitted patients. We have continued to benchmark our performance on length of stay and work with local authorities, commissioners and families to discharge people as soon as they are medically fit. We have introduced new processes to ensure better prediction of discharge dates and times to ensure we are able to transfer or discharge our patients earlier in the day providing them with greater opportunity to settle back into their home environment, recognising that this is particularly important for patients with dementia.

We have also opened additional "step down" beds for patients requiring less intensive care and are working closely with colleagues in commissioning and the local authorities to simplify and streamline transfers to and from hospital to ensure that we continue to have the more intensively supported beds required for admissions into hospital from our emergency and urgent care services.

Referral to treatment (18 weeks)

95% of all patients referred to a consultant led service should be seen and treated within 18 weeks. If we cannot meet this target patients have the right to go elsewhere for their treatment. Overall the Trust meets this target but continues to experience issues in some directorates in ensuring that this is the case for every patient. We have faced challenges in relation to clinical demand, staff workload and recruitment and patients choosing to delay treatment or failing to attend appointments. We have actively sought to engage with patients at the beginning of their elective care pathway to ensure that they are aware both of their rights to treatment and their responsibility to take an active part in their care and hope that this focussed interaction will contribute to an improvement in those specialties experiencing difficulties

	Target	2009/10	2010/11	2011/12	2012/13	2013/14
%age of patients treated within 18 weeks on an admitted pathway	90%	94%	92%	92%	93%	91.8%
%age of patients treated within 18 weeks on a non-admitted pathway	95%	99%	99%	99%	99%	98.86%
%age of patients on an ongoing pathway under 18 weeks	92%	96%	96%	95%	96%	96.26%

Cancer

There are a number of targets that relate to people who are either suspected as having cancer or having cancer and requiring treatment. Referrals for suspected cancer must be seen within 14 days and patients who are undergoing investigation and subsequent treatment following a diagnosis of cancer should receive their treatment within 62 days of their referral. At times such as summer holidays or Christmas, patients may choose to delay their appointments which can pose a challenge so we are working to ensure that we offer people appointments as early as possible following referral so we can reappoint them within the time period should they wish to delay. We are working to ensure that the organisation of tests, outpatient appointments and multi-disciplinary team meetings to discuss the care plan for our patients with cancer are as efficient as possible to ensure there are no undue delays in their care. We have a good history of achievement against our cancer targets but continue to experience challenges particularly on the urology, head and neck, lung and haematology care pathways.

The national cancer data in relation to our surgeons have indicated that there are no issues relating to their performance when compared with the rest of the country. Our performance in the national cancer survey indicated that there were areas of care we could improve upon and we have developed and deployed action plans to ensure we can continue to improve the quality and timeliness of the care we provide.

	Target	2009/10	2010/11	2011/12	2012/13	2013/14
%age of patients seen <2 weeks of an urgent GP referral for suspected cancer	93%	95%	96%	95%	95%	96%
%age of patients seen <2 weeks of an urgent referral for breast symptoms where cancer is not initially suspected	93%	57%	96%	96%	95%	96%
%age of patients receiving first definitive treatment within 31 days of a decision to treat	96%	98%	98%	98%	98%	97.3%
%age of patients receiving subsequent treatment for cancer within 31-days where that treatment is Surgery	94%	97%	98%	97%	97%	98.5%
%age of patients receiving subsequent treatment for cancer within 31-days where treatment is an Anti-Cancer Drug Regime	98%	99%	99%	99%	99%	99.5%
%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%	85.57%
%age of patients receiving first definitive treatment for cancer within 62-days of referral from an NHS Cancer Screening Service	90%	99%	99%	93%	98%	96.76%

Stroke Care

Stroke is a growing issue across the UK – in the North West alone there are 14,600 strokes a year and 150,000 people living with stroke. It is a preventable and treatable disease and is no longer perceived simply as a consequence of ageing that inevitably results in death or severe disability. More than 14,000 patients have been treated in our stroke unit since 2007.

The National Institute for Health and Care Excellence (NICE) stroke quality standard provides a description of

what a high quality stroke service should look like. We undertook an internal review of our performance against these standards this year, with support from our local commissioners and the local stroke and cardiac network, and implemented an action plan to improve the service and care we provide. The key standard against which improvement was required was that patients should be admitted from the Emergency Department to the Stroke Unit within four hours. Between April 2013 and December 2013 our performance averaged 46% against the required standard of 56%.

Actions that have been taken to improve our service to date include the ring fencing of 15 beds in the stroke unit for acute stroke patients from February 2014, the introduction of a number of measures to improve early liaison between clinical staff in the Emergency Department and the Stroke Unit to provide appropriate care for stroke patients and the secondment of a specialist Stroke Nurse. Going forward into 2014/15 we plan to recruit to this post permanently and the post holder will have a key role in the education of colleagues, patients and carers. Additionally we are working with North West Ambulance Service to develop a protocol for direct admission to the stroke unit and are moving to increase further specialist nursing and medical recruitment. We also plan to increase representation by patients and carers on the stroke unit's steering group to ensure our services are shaped to meet their needs.

Our survey said...
Recent patient comments

" Love the staff, eg nurses and district nurses. I find I can have a really good chat and sense of humour with them which is great. The staff are fab! "

	Target	2009/10	2010/11	2011/12	2012/13	2013/14
%age of stroke patients spending > 90% of their stay on a stroke unit	80%	41%	75.3%	87.4%	83.7%	84.17%
% stroke patients admitted to a stroke unit within 4 hours	90%				46.15%	50.46%
%age of patients with TIA at higher risk of stroke seen and treated within 24 hours	60%	n/a	32.2%	72.6%	93.14%	94.79%

Infection Prevention and Control

6.4% of patients admitted to UK hospitals will develop a healthcare associated infection of which 20% are avoidable. By reducing these infections we can save lives and reduce unnecessary pain and suffering. Everyone has a part to play in infection prevention and control and we have dedicated staff to support education and training of all staff to ensure we maintain the highest possible standards of cleanliness and reduce the incidence of infections. Last year we had 3 MRSA cases attributed to the Trust and 4 in 2013/14. There were 45 clostridium Difficile toxin positives in 2012/13 which has reduced to 24 in the current year. For 2014/15 we have a zero tolerance for MRSA bacteraemias and a tolerance of 23 Clostridium Difficile toxin positives.

Although nationally the focus is on MRSA and Clostridium Difficile there are more common infections such as urinary tract, respiratory tract and surgical site infections which require equal vigilance. We recognise that everyone has a part to play in infection prevention and control and robust infection practice is a priority reinforced through mandatory staff training and regular ongoing audits of infection prevention and control measures.

	2009/10	2010/11	2011/12	2012/13	2013/14
MRSA	18	8	6	3	4
Clostridium Difficile infections	181	65	45	36	24

Financial Performance

The Trust has continued to perform well against key financial targets and has again met its external financing and capital resourcing limits and the better payment practice code. The Trust has achieved the 1% surplus required and continues to prepare its accounts on a going concern basis taking into account the best estimates of future activity and cash flows. Income from the provision of goods and services for the purpose of the national health service was in excess of that generated from other sources. The impact that other income has had on the provision of goods and services has been negligible.

	2009/10	2010/11	2011/12	2012/13	2013/14
Capital Absorption Rate met	✔	✔	✔	✔	✔
External Financing Limit met	✔	✔	✔	✔	✔
Capital Resource Limit met	✔	✔	✔	✔	✔
Better Payment Practice Code met	✔	✔	✔	✘	✔

Staff indicators

Since the Keogh review a considerable amount of work has taken place to focus on staff engagement, listening and learning form staff experience and increasing the number of front line care staff to improve the safety of patients and their experience of our services. The Trust's performance against key staff indicator targets is set out below:

	2011/12		2012/13		2013/14	
	Target	Actual	Target	Actual	Target	Actual
Sickness absence %	4.00	4.19	3.75	4.20	3.75	3.98
Staff in post (WTE)	6,2100	6,100	5,935	6,233		6,825
Turnover (%)	9.00	8.67	9.00	8.76	12.00	8.14
Temporary and agency staff spend (£000)	No target	780	800	11,095	6,761	18,989

Environmental Indicators

The Trust aims to limit the impact of its activities on the environment by complying with all relevant legislation and regulatory requirements. Further information can be found in our sustainability report at page xxx

	2011/12		2012/13		2013/14	
	Target	Actual	Target	Actual	Target	Actual
Total energy consumption (GJ/100m3)	68.5	74.7	64.0	73.3	60.0	73.9
Clinical Waste (@£402/T)	740T	701T	703T	745T	668 T	728 T
Domestic waste to landfill (@£208/T)	632T	722T	601T	725T	571T	1,036 T

Main Trends and factors likely to affect the Trust's future development, performance and position

POLITICAL		
Factor	**Impact**	**Actions and Initiatives**
Changes in NHS Structures	The impact of the changes in the structures of the NHS requires new relationships to be developed and expectations to be met	We are pro-actively engaging with the Trust Development Authority, Clinical Commissioning Groups, local GPs , Specialised Commissioning and other providers across Lancashire in order to understand, influence, shape and respond to changes in the commissioning and provider landscapes. Service plans are developed collaboratively using forums such as the Clinical Transformation Board and the Pennine Lancashire Executive Officers Group.
Delivery of high quality clinical services	The Trust Development Authority Accountability Framework drives the delivery of service quality, operational targets and financial sustainability	We have fundamentally reviewed our quality, governance and business systems. This has included a new performance management framework, with clear lines of accountability from the floor to board.
National Policy Drivers	The introduction of, for example, the Better Care Fund, 24/7 working, and extension of "Any Qualified Provider" all have significant ramifications for healthcare providers.	We have a 'shared narrative' with our local commissioners for the development of integrated care teams based in neighbourhoods which will deliver as much care as possible in a community setting for patients e.g the frail elderly , those with long term conditions. A jointly commissioned piece of modelling work across the health and care economy has estimated the resultant impact. We have established a baseline assessment of which of our services provide care beyond the traditional working week. We start from a strong position in addressing NHS England's 10 Clinical Standards. A cross Divisional Steering Group is in place. We have been successful in all the Any Qualified Provider tenders to date in that we have remained on the Choice menu e.g adult audiology services. However, we are mindful that by definition each tender has brought new players into the market. We constantly assess our market and target service developments and improvements to address areas such as improving our market share and reflecting and reacting to geographical factors etc.
Local Media Pressure	The media's tendency to focus on 'bad news' stories has an impact on the reputation and brand of the Trust.	On-going engagement with the local media and other stakeholders for example, through the Overview and Scrutiny Committees, Healthwatch and the Clinical Transformation Board. We have taken proactive steps to enhance our reputation through regular positive media stories, engaging with stakeholders and our communities e.g the Tell ELLIE campaign, and ensuring we learn across the organisation from situations where we have not delivered against our highest standards.

ECONOMIC		
Factor	**Impact**	**Actions and Initiatives**
National Economic Context	The NHS and Local Authorities are required to deliver significant savings while improving the quality and productivity of services. This financial challenge could result in other organisations in the health and social care system being unable to effectively deliver their part of the patient health and care pathway resulting in 'hospital' becoming the default position.	A detailed Cost Improvement Programme has been developed using a well developed governance process. This includes quality impact assessments of proposed schemes to improve efficiency/reduce cost. These assessments are reviewed by our Medical Director and Chief Nurse to ensure there are no unintended adverse impacts on the quality and safety of care we provide. We recognise that the Trust will need to continue to perform against its planned Cost Improvement Programme to continue to deliver a financially balanced organisation. 'Savings' are targeted where real efficiency improvements can be delivered, whilst at the same time looking at business opportunities which may deliver additional improved income contribution and productivity. Our strategy for delivering efficiency is focused on transformational change. The Trust is continually improving its processes to better understand the impact and management of the risks associated with change management. This is embedded within our risk management processes .
Payment by results	Any changes in the structure of the tariff can impact on clinical income levels for the Trust.	Our financial plan includes the assumption of a continued reduction to the PBR/Non-PBR tariff of between 1.5% and 1.8% in 2014-15. Our activity plans include the continuation and expansion of best practice tariffs. We are developing Service Line Management to aid the benchmarking of services and to develop a better understanding of our cost base.

SOCIAL		
Factor	**Impact**	**Actions and Initiatives**
Health and lifestyle choices of the local population	These play an important role in driving demand for our services – this is evidenced by comparatively high incidence of conditions relating to smoking and alcohol usage in East Lancashire.	We are working collaboratively with both Clinical Commissioning Groups to meet their objective of improving the health of the population. We also aim to work more closely with our local communities to bring care closer to home through the delivery of an increasing number of services in the community. This includes the development of integrated seamless pathways between community and secondary care for e.g patients with long term conditions such as diabetes. We also have close links with the Local Authorities, in particular the Directors' of Public Health.
The impact of the recession on health and lifestyle	The economic climate will have an impact on poverty levels across the boroughs to which we provide services .	We have further developed our already comprehensive 'Market Assessment' to better understand the health profile and therefore needs of the users of our services. We will continue to work closely with our local communities, commissioners and local authorities to address the health needs of the local population.

SOCIAL (continued)		
Factor	**Impact**	**Actions and Initiatives**
Changing demography	Future demand for services will be influenced by the ageing population profile of the local population.	We have also developed our Market Assessment to better understand the demography and ethnic composition of our local population and therefore service users. This will drive the type and structure of our intended service developments. For example the ageing profile of our population has influenced our proposal with local Commissioners to develop integrated community teams in 'neighbourhoods' which will deliver seamless pathways of care to help our frail elderly patients and those with long-term conditions. We will continue to work closely with commissioners to address the health needs of the population. In a similar way we need to tailor the provision of services to meet the health needs of the different ethnic groups within our local community. For example a significant proportion of the Blackburn with Darwen community are from a South Asian background. This presents particular disease profiles and health needs which we must do more to address.
Increased influence of our local community, particularly through our future Governors and members in how we deliver health care.	The Trust expects to continue to see an increase in the role individuals play in their own care as well as influencing how services will develop in the future through the Foundation Trust membership structure via Governors.	We are harnessing the views of our membership and through this develop a set of priorities we will work to address. Governors have been linked to each Clinical Divisions to promote a meaningful dialogue with our clinical services. We will provide further forums to engage with the local community and, in so doing, address their concerns. We are using the opportunities offered by staff membership to promote partnership working with staff and strengthen our approach to staff engagement and involvement.

TECHNOLOGICAL		
Factor	**Impact**	**Actions and Initiatives**
Developments in new drugs and medical technologies	Can improve outcomes and reduce clinical risk, but can increase financial pressure although efficiencies can also result.	Affordable new developments will be reflected in service plans through our comprehensive approach to business planning e.g the development of laparoscopic gynaecology surgery. Cost saving opportunities that may arise, for example through the automation of certain processes, will be reflected in our cost improvement programme.
Information Technology	IT will be an enabler to improve patient experience, the working lives of our staff and help to achieve the required efficiencies over the next 5 years.	Technological solutions within healthcare have been shown to bring improvements in the quality and safety of patient care, efficiencies within the patient pathway and improve the working lives of staff. We therefore wish to harness the benefits that technology can bring. There are five key elements to our five year IM&T Strategy: exploiting and improving our existing infrastructure, the provision of patient-centric systems, 'Paper-Lite' services, turning clinical data into intelligence and the implementation of an electronic patient record (EPR) to meet the clinical needs of the organisation and its partners.

LEGAL		
Factor	**Impact**	**Actions and Initiatives**
Corporate Manslaughter	Reputational, financial and regulatory risk.	Systematically considered and incorporated into our risk management and governance frameworks.
European Working Time Directive	Imposes restrictions on staff working hours, particularly junior doctors, and imposes significant financial sanctions for breaches.	As part of our IM&T strategy, we are rolling out an E Rostering solution. We are currently assessing the feasibility of applying this to medical staff. An alternative solution is also being piloted.
Litigious climate and local culture	Increased reputational and financial risk.	We systematically monitor incidents and claims and map to our risk management processes.
Employment Contracts/ flexibilities under Agenda for Change	The national contracts for medical and non-medical staff restrict flexibility and do not always reward appropriate levels of productivity and behaviours.	The Trust remains committed to the national contracts and seeks to vary these following consultation with appropriate staff to ensure we are able to continue to meet local health needs and priorities.
PFI contracts	Supplemental agreements make future development difficult.	Working with Private Finance Initiative partners to establish generic agreements for goods and services and continue to negotiate where they are applicable.

ENVIRONMENTAL		
Factor	**Impact**	**Actions and Initiatives**
Compliance with national and local demolition and building regulations and environmental impact assessment	Maintains quality of building assets.	Continued close co-operation with Building Regulations, all new developments target a BREEAM rating of excellent.
Demolition waste disposal/risk of pollution incidents	Potential penalties.	Working only with certified contractors.
Maintenance of all parts of the Estate to category B or better	Maintains quality of building assets but requires capital and revenue investment to do so.	Continued investment in buildings and engineering services in both retained estate and PFI buildings, together with site rationalisation to remove poor quality buildings from the estate.

Our Investment Strategy

The Trust has in recent years undertaken a significant level of capital investment to support the reconfiguration of services. Our on-going strategy reflects the need to consolidate some of the existing estate and infrastructure, to maximise the use of our existing assets and to reduce running costs. It further reflects our desire to work with the local economy to minimise spare capacity and in doing so, this will secure overall benefits to the local heath economy. Similarly we recognise the need to invest in our IM&T to enable significant organisational change.

The Trust is in a position where we have some parts of the estate which are modern, efficient and perfectly fit for purpose yet with other parts that are out-dated, of poor quality and towards the end of their useful life. We have begun to rationalise the estate making better use of protected assets such as Private Finance Initiative buildings and the Lancashire Women and Newborn Centre, our new Emergency Department and the new Urgent Care Centre at Burnley General Hospital. We have prepared development control plans for the two main hospital sites. We are reducing our backlog maintenance costs and are investing in the estate in a planned and structured way. We want to have a modern, efficient estate that is completely fit for purpose and provides a welcoming environment to all our users. We want that estate to be flexible and able to support the inevitable changes in the way we deliver our services.

This must be done in a sustainable manner and to ensure that this is the case we have developed a Sustainable Development Management Plan.

The IM&T Strategy sets the direction of travel for the Trust in terms of technology. The strategy is built on four key themes identified from an IM&T engagement session with the wider organisation.

These themes are:

- Exploiting and improving our existing infrastructure
- Provision of patient-centric systems
- 'Paper-Lite' services
- Turning clinical data into intelligence

The overall purpose of the strategy is to build on and renew the existing technological infrastructure in order to lay the foundations for the delivery of an Electronic Patient Record. Alongside financial savings, this strategy is a key component in improving quality within the Trust through improved access to information and the facilitation of integrated care pathways through information sharing across both systems and organisational boundaries.

Plans for the Future

The past year has been a difficult one for the Trust. The Keogh Review highlighted variations in the quality of care we provide, from excellent to care below the standard that should be expected. We also needed to improve our governance systems and change our complaints process to be more compassionate. The Board has welcomed the findings of the review as a significant learning opportunity to improve the quality of the services we deliver to our patients. The Keogh action plan has been substantially delivered but we must do more.

Performance in 2013/14

In other respects the performance and underlying position of the Trust has generally been good with the exception of our compliance with the 4 hour A&E target. We know we need to improve in this area and have introduced a range of measures to be consistently better in the next year.

The business plans and underlying financial position of the organisation have been externally assessed as good. The Trust has delivered its financial plan for the year. It is within this context that we move into the next two years.

Our survey said...

Recent patient comments

" I was a worried patient when i came in but everybody made me feel at ease and I felt I left hospital as part of a big family unit. 5 star Hotel springs to mind "

The Two Years Ahead - Our Aspirations

As part of our business planning processes we have identified a range of aspirations:

i) Invest in our diagnostic capacity and infrastructure e.g interventional radiology.

ii) The Integrated Care Group will deliver care across the whole patient pathway, between home centred, intermediate and hospital based care. Examples include diabetes care and services for the frail elderly.

iii) Enhance our provision of community services.

iv) Prevent unnecessary attendance/ admission to hospital e.g the co-location of GP's with our Urgent Care Centre in Blackburn, the further development of our Ambulatory Care Service and our integrated discharge team/service, employing new technology such as the use of Skype appointments in orthopaedics.

v) Increase our market share in some elective specialties e.g orthopaedics.

vi) Undertake more 'complex' surgery e.g vascular surgery as a designated arterial centre, laparoscopic gynaecology and urogynaecology surgery.

vii) Roll out of our enhanced recovery programme.

viii) Continue to be a main provider of specific specialist services e.g NICU, Head and Neck Cancer Surgery, Hepatobilliary Surgery.

ix) Maximise opportunities to provide specialised and complex services through collaboration with other providers e.g implantable complex devices and MRI scanning in cardiology.

x) Develop community based service models in dermatology, the musculoskeletal service, pain management, ophthalmology and rheumatology.

xi) Deliver appropriate outreach surgical clinics, with associated diagnostics, in a community setting e.g haematuria, orthopaedic and gynaecology clinics.

xii) Redesign our workforce to deal with national recruitment issues, the demands of new service models and national policy directives e.g 24/7 working. We will extend our programme of non medical professionals taking extended roles, such as physician assistants, nurse practitioners, prescribing pharmacists.

xiii) Develop our approach to medicines optimisation.

xiv) Play a continued significant role in the Greater Manchester Academic Health Science Network, embracing clinical innovation and utilising the latest medical technology.

xv) Improve how we provide medical education, working closely with the Deanery and UCLAN.

xvi) Improve our Information Technology infrastructure.

xvii) Exploit opportunities that our excellent estate offers e.g. further development of the Burnley site for elective services.

xviii) Become a successful Foundation Trust.

The Board has agreed that we are very much part of the Lancashire health system and we will help to shape and influence the structure of service provision within this geographical area.

Quality and Safety

Following the Keogh review we have fundamentally changed our approach to quality and safety. A significant amount of work has been undertaken across a whole range of areas e.g.

- An overarching Quality Strategy with specific pledges for 2014/15 e.g to reduce patient harms by 15%.
- Reducing mortality – improved governance processes, implementing care bundles for specific clinical conditions. We have pledged to save an additional 150 lives in 2014/15.
- Complaints handling – introducing a new process that is more compassionate, improving response times.
- Governance processes across a whole range of areas – Serious Untoward Incidents's, Risk Management.
- Share to care weekly meetings where clinical staff discuss and learn from what patients have said about their care, complaints and incidents.
- Safe staffing – daily staffing conferences, development of ward scorecards, publishing daily staffing levels.
- Reducing hospital acquired infection rates.
- Demonstrating floor to Board learning and introducing a new accountability framework.
- Patient, public and staff engagement through a whole range of initiatives e.g patient safety walkrounds undertaken by the Board and our public engagement campaign 'tell ELLIE'.
- Compliance with all training requirements.

We know we have more to do, specifically to further develop our governance processes, as we continue to improve as an organisation.

Workforce plans

The Trust is committed to addressing some immediate workforce issues, including clinical safety, supporting the delivery of change and continuing to modernise our workforce. Specifically we will:

- Manage supply issues through recruitment and retention strategies, where possible providing jobs locally and expanding our employment markets.
- Continue to increase staffing levels and recruit 120 more nurses.
- Reduce our reliance on temporary staff in some areas.
- Modernise key components of our workforce.
- Develop leadership and talent management programmes to provide staff with the tools to fulfil their potential.
- Harness the knowledge and skills volunteers bring to the organisation.
- Improve staff appraisal schemes.
- Reduce sickness and absence rates.
- Reinforce our values through focus groups and listening events.

Financial and Investment Strategy

The Trust is planning for a 1% surplus in 2014-15 and 2015-16. In order to achieve this, we will need to deliver an efficiency programme of £17m in 2014-15. A similar level of savings is assumed for the following year.

The Trust is working hard to identify and implement CIP schemes. Currently the Trust has identified schemes rated 'green' and 'amber' for 2014-15 that account for 67% of the total efficiency savings required. All schemes are subject to a robust governance process, which includes final sign off by the Chief Nurse and the Medical Director.

The Trust plans to invest £12.8m and £7.4m in capital in 2014/15 and 2015/16 respectively on buildings and equipment.

Directors' report

In accordance with our Establishment Order our Trust Board comprises the Chairman, six Non-Executive Directors and five Executive Directors as detailed in the Board profile below. The Director of Human Resources and Organisational Development, the Director of Service Development, the Company Secretary and the Director of Corporate Affairs also attend the Trust Board to give advice to the Board within their professional remits. The Trust Board functions as a corporate decision making body and Executive and Non-Executive Directors are full and equal members.

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 National Trust Development Authority acting on behalf of the Secretary of State for Health. They 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: 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 11 times per year 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. Christine Pearson, Chief Nurse, has been the only substantive Executive Director post appointed to in the year under review.

Our survey said...

Recent patient comments

" We have been kept in touch every step of the way about all treatments. Everything that was said is going to happen has happened or is in the pipeline for ongoing treatment and has all been explained fully "

Hazel Harding, Chairman August 2009 – July 2013		
	Experience	**Qualifications**
	Mrs Hazel Harding (CBE) was appointed in August 2009 and served as Chairman until July 2013 when she stepped down for health reasons. Hazel 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. Hazel was awarded her CBE for services to local government in 2006.	National Council for Training of Journalists Certificate

Professor Eileen Fairhurst, Chairman February 2014 to date		
	Experience	**Qualifications**
	Professor Eileen Fairhurst has chaired a number of large, complex public and third sector organisations. Her involvement in the NHS began in 1976 as a member of a Community Health Council. Since 1981 Eileen has held many non-exec appointments within acute, specialised mental health and primary care trusts. Latterly, she was the Chair of NHS Greater Manchester. Since the summer of 2013, she has been the Independent Chair of the External Reference Group for the Greater Manchester Healthier Together Service Reconfiguration Programme. Eileen has been awarded an MBE in recognition of her contribution to the NHS. Eileen's appointment will expire in 2017. Eileen's other significant commitment is to the University of Salford where she is a Professor in Public Health.	BA Economics, PhD (Leeds), DSc (Honoris Causa), Fellow of Royal Society of Medicine, Founder Fellow of the British Society for Geriontology

Mr Mark Brearley, Chief Executive May 2011 to January 2013		
	Experience	**Qualifications**
	Mark joined the NHS in 1981 holding his first Finance Director position in 1989. Mark left the Trust for personal reasons in December 2013.	Post Graduate Diploma in Business Administration, Fellow of the Chartered Institute of Management Accountants

Mr James Birrell, Interim Chief Executive January 2014 to date

	Experience	Qualifications
	Jim has worked in the public sector for over 40 years, the last 31 of which have been in the NHS. He qualified as an accountant in 1975 but in recent years has worked in broader management roles. He was Chief Executive at Aintree University Hospitals NHS Foundation Trust between 2001 and 2011. Since that time he has undertaken a number of interim Chief Executive assignments, latterly at University Hospitals Leicester and University Hospital North Staffordshire.	

Mrs Lynn Wissett, Deputy Chief Executive and Director of Clinical Care and Governance 2006 to January 2014

	Experience	Qualifications
	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 retired from the Trust in January 2014	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

Mr Jonathan Wood, Interim Deputy Chief Executive and Director of Finance, 2009 to present

	Experience	Qualifications
	Jonathan Wood started at the Trust in September 2009, and was Director of Finance at North Cumbria University Hospitals Trust, having joined there from NHS North West, and prior to this he worked with Salford Royal Hospital. He joined the NHS in 1992 on the North Western Regional Finance Training Scheme and qualified as an accountant in 1996.	BA (Hons) Phil, Member of the Chartered Institute of Public Finance and Accountancy

Mrs Christine Pearson, Chief Nurse, January 2014 to present

	Experience	Qualifications
	Chris trained at North Manchester General Hospital and qualified as an RGN in 1984. In 1986 she decided to undertake district nurse training and following completion of this practiced in Rochdale until 1997. Following positions in education, professional development and locality management she moved to North Manchester Primary Care Trust as Associate Director of Nursing. In 2006 she took up post as Associate Director of Quality & Professional Practice in Manchester Community Health. She moved to Salford Royal in April 2011 as Deputy Director of Nursing	With a keen interest in patient safety she completed the Institute of Health Improvement Patient Safety Officer Course in 2009

Mrs Val Bertenshaw, Director of Operations, September 2008 to March 2014

	Experience	Qualifications
	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 is a former General Management trainee and holds full membership of the Institute of Health Management. Val retired in March 2014.	Institute of Health Service Management (parts I, II and III), DMS, Post graduate Diploma in Health Information, MA in Health Service Management

Mrs Rineke Schram, Medical Director January 2006 to March 2014

	Experience	Qualifications
	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. 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.	FRCOG, Certificate of Specialist, Accreditation, MRCOG, Artsexamen, (Dutch equivalent MBBS)

Mr Martin Hill, Vice Chairman, 2007 to present		
	Experience	**Qualifications**
	Martin has a background in the private sector chemical industry. 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. 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. He has also been a Non-Executive director for the Marsden Building Society. Martin was previously Chairman of Ribble Valley Primary Care Group (1998-2001) and Chairman of Hyndburn and Ribble Valley ,PCT (2001 to 2006). 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. Martin's appointment will expire in 2015.	Degree in Chemical Engineering

Mr Paul Fletcher, Non Executive Director, 2006 to present		
	Experience	**Qualifications**
	Paul was formerly a Non Executive Director with the Lancashire Ambulance Service where he served for nine years, until it was amalgamated into the North West Ambulance Service in the summer of 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. 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. Paul's appointment will expire in 2014	HND Business Studies (Distinction)

Mr George Boyer, Non Executive Director 2006 to 2013		
	Experience	**Qualifications**
	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 which has developed his wider thinking in relation to the delivery of quality services and performance improvement. George previously worked for the Inland Revenue which gave him additional insights into human behaviour and reaction to change and change management. He has 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. Also on a voluntary basis George supports a charity in Sri Lanka, which helps people start up their own business. George retired from the Trust on his move to North Wales	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.
Mrs Elizabeth Sedgley, Non Executive Director, 2006 to present		
	Experience	**Qualifications**
	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. Liz's appointment will expire in 2016 unless renewed	Fellow of the Association of Chartered Certified Accountants
Mr Mohammed Sarwar, Non Executive Director, 2013 to present		
	Experience	**Qualifications**
	Shazad brings a wealth of experience to the Trust Board. He has a law degree and runs his own consultancy specialising in policy analysis and development; evaluation and feasibility studies; re-designing public services and undertaking consultation. 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 the Senior Independent Director for the Trust and his appointment will expire in 2016 unless renewed.	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

Mr David Wharfe, Non Executive Director, 2013 to present

	Experience	Qualifications
	David joined the NHS in Blackpool in 1978 and qualified as an Accountant in 1985. He is an experienced Finance Director, having held a number of senior and Board level posts in the NHS across the country. David secured his first Board post at Southport and Formby Health Authority in 1990, before becoming Director of Finance at Sefton Health Authority. David was also Acting Chief Executive in 2001-2 at Sefton Health Authority. In 2002 he joined the newly established Ashton Leigh and Wigan Primary Care Trust as Director of Finance and Deputy Chief Executive, before being appointed to the post of Director of Finance and Contracting at NHS Lancashire in June 2011, a post he held until his retirement in March 2013. David joined the Trust in 2013 and his appointment will terminate in 2017 unless it is renewed.	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

Mr Peter Rowe, Non Executive Director, 2013 to present

	Experience	Qualifications
	Peter qualified as a pharmacist in 1974 and has held posts in hospitals, the community and in Health Authorities in most regions in England. In 1989 he took on general management responsibility for Primary Care development in North Liverpool and became Regional Director of Primary Care in 1995. The creation of Regional Offices led to six years in the Civil Service covering jobs in Performance Management, Clinical Audit, Primary Care and Partnerships with Local Authorities. In 2002, Peter became Chief Executive of Ashton, Leigh and Wigan Primary Care Trust. In 2010, as part of the national QIPP programme, Peter agreed to lead the work stream for Medicines Use & Procurement and subsequently joined the Department of Health national QIPP Team on a full time basis from January 2011. Peter retired from the NHS and DH at the end of December 2011 and now works on a consultancy basis for the NHS Commissioning Board, the pharmaceutical industry and the private sector. Peter was a Non-Executive Director of Skills for Health until March 2013. Peter's appointment will terminate in 2017 unless renewed.	Qualified pharmacist

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 is appraised by the Chair of 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 is 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.

Board Effectiveness and Suitability

This has been a year of change at Board level among Executive and Non-Executive Directors. The Board is not currently complete and there are a number of interim post holders. The interim Executive Directors are:

- Interim Chief Executive – It is expected that a substantive Chief Executive will be appointed in May 2014.
- Interim Director of Operations – it is expected that a substantive post will be advertised following the appointment of the substantive Chief Executive
- Interim Medical Director – this post is currently held by Dr Ian Stanley and it is anticipated that a substantive appointment will be made following the appointment of a substantive Chief Executive.

In relation to Non-Executive Directors, both Mr Martin Hill and Mr Paul Fletcher will reach the end of their terms of appointment during 2014/15. Mr Hill will not be eligible for re-appointment having served three full terms for the Trust.

Among the Non-Executive Directors there is felt to be a balance of skills, expertise and experience with two Non-Executive Directors holding formal financial qualifications and having had recent and ongoing experience in finance and financial governance. Non-Executive Directors have a variety of experience in charitable, project management, voluntary, academic and public and private enterprises and all maintain a strong portfolio of links within the local communities. Taken as a whole, the balance of the Board is considered appropriate at this time but will be strengthened with substantive appointments to the Executive Director roles. It is anticipated that in the recruitment of any Non-Executive Directors in the course of the year the Board will seek to strengthen its expertise in relation to communications and marketing, organisational development and change management experience and legal qualifications.

The Chairman was appointed during the course of the year following an open and competitive recruitment and selection process conducted by the National Trust Development Authority and will hold office for an initial term of four years.

Due to the interim status among a number of Executive Directors and the gap between the retirement of the previous Chairman and the current Chairman no external independent evaluation of the Board as a whole has taken place during the course of the year. However, the findings of the Keogh Review indicated that there were a number of areas of focus for the Board's attention during the course of the year and further detail of the activities that have been undertaken to improve the performance of the Board and the organisation as a whole are provided in the Quality Report section of this Annual Report.

Throughout the course of the year the Board has sought to demonstrate ongoing compliance with the highest standards of probity and corporate and personal conduct. On an annual basis the Board formally commits to the Nolan Principles and a Board Code of Conduct has been incorporated into our Committee Handbook. The purpose of this code is to provide clear guidance on the standards of conduct and behaviour expected of all directors and employees and forms part of the framework designed to promote the highest possible standards of conduct and behaviour within the Trust. The Code fully supports and complements our vision, values, objectives and operating principles. In accordance with the Trust's Standing Orders and best practice the Trust maintains a publically available Register of the Interests of Board Directors which is updated on a regular basis.

During the year under review the Non-Executive Directors met on a monthly basis without the Executive Directors in attendance until February 2014. This has enabled Non-Executive

Directors to discuss the ongoing issues of concern to the organisation and the performance of Executive Directors in their capacity as Board members. The views of the Non-Executive Directors in relation to Executive Director performance have been reflected in the decisions of the Remuneration Committee.

Directors' Statements and Register of Interests

So far as each Director is aware, there is no relevant audit information of which the Trust's auditor is unaware. 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 auditor is aware of that information including making enquiries of his/her fellow directors and the auditor for that purpose, and has taken such other steps for that purpose as are required by his/her duty as a director to exercise reasonable care, skill and diligence.

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.

The Directors believe that the annual report and account taken as a whole are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Trust's performance, business model and strategy.

It is the Board's belief that each Director is a fit and proper person within the definitions in the draft Health and Social Care Act 2008 (Regulation of Regulated Activities) (Amendment) Regulations 2014.

Each Director is:

1. of good character

2. has the qualifications, skills and experience which are necessary for carrying on the regulated activity or (as the case may be) for the relevant office or position

3. is capable by reason of their health, after reasonable adjustments are made, of properly performing tasks which are intrinsic to the carrying on of the regulated activity or (as the case may be) the office or position for which they are appointed or, in the case of an executive director, the work for which they are employed

4. has not been responsible for, been privy to, contributed to or facilitated, any misconduct or mismanagement (whether unlawful or not) in the course of carrying on a regulated activity, or discharging any functions relating to any office or employment with a service provider, and

5. is not prohibited from holding the relevant office or position, or in the case of an individual from carrying on the regulated activity, by or under any enactment.

There are no company directorships or other significant interests held by directors which may conflict with their management responsibilities other than those disclosed below:

Name	Post	Declared Position or Interest	Organisation	Tenure
Mr J Birrell	Interim Chief Executive	No relevant interests to declare		
Mrs C Pearson	Chief Nurse	No relevant interests to declare		
Mr J Wood	Director of Finance, Capital, Planning and Information	No relevant financial interests to declare Family member is employed by Lancashire Area Team		
Mrs V Bertenshaw	Director of Operations	Governor	Nelson & Colne College	To February 2014
Mrs C Schram	Medical Director	No relevant interests to declare		
Professor Eileen Fairhurst (from January 2014)	Chairman	Professor in Public Health	University of Salford	Ongoing
		Trustee	Beth Johnson Foundation	Ongoing
		Commissioner & Deputy Chairman	Greater Manchester Poverty Commission	Ongoing
Mr Paul Fletcher	Non-Executive Director	Independent Member	Blackburn with Darwen Council Standards Committee	Ongoing
Mr Martin Hill	Non-Executive Director	Chairman	Ribble Valley Enterprise Agency	Ongoing
Mrs Elizabeth Sedgley	Non Executive Director	Company Secretary	Various local firms	Ongoing
		Client Interest	A client of Mrs Sedgley acts on behalf of Vodafone	Ongoing
Mr M Sarwar	Non-Executive Director	Chief Executive	Whitlefield Youth Association	Ongoing
		Associate Consultant	HMIC	Ongoing
		Chair	Walverden Action Group	Ongoing
Mr P Rowe	Non-Executive Director	No relevant interests to declare		

Board Meetings and Attendance of Members

		Apr-13	May-13	Jun-13	Jul-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Mar-14
H Harding	Chairman	Y	Y	Y	Y	Y	#	#	#	#	#	#	#	#	#
M Hill	Acting Chairman	#	#	#	#	#	Y	Y	Y	Y	Y	Y	#	Y	#
E Fairhurst	Chairman	#	#	#	#	#	#	#	#	#	#	#	Y	D	Y
M Brearley	Chief Executive	Y	Y	Y	A	Y	Y	Y	D	Y	#	#	#	#	#
J Birrell	Interim Chief Executive	#	#	#	#	#	#	#	#	#	#	Y	Y	D	Y
L Wissett	Director Clinical Care & Governance	Y	Y	Y	Y	D	A	D	A	D	A	#	#	#	#
C Pearson	Chief Nurse	#	#	#	#	#	#	#	#	#	#	Y	Y	Y	A
J Wood	Director Finance	Y	A	Y	Y	D	Y	Y	Y	Y	Y	Y	Y	Y	Y
R Schram	Medical Director	Y	Y	Y	A	Y	D	Y	Y	Y	Y	Y	#	#	#
I Stanley	Interim Medical Director	#	#	#	#	#	#	#	#	#	#	#	Y	Y	Y
V Berteshaw	Director of Operations	Y	A	Y	Y	Y	D	Y	Y	Y	A	Y	A	A	A
M Hill	Non Executive Director	Y	Y	Y	A	Y	#	#	#	#	#	#	Y	A	Y
L Sedgley	Non Executive Director	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
P Fletcher	Non Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y	A
P Rowe	Non Executive Director	Y	#	#	#	#	#	A	Y	Y	Y	Y	Y	A	Y
G Boyer	Non Executive Director	Y	Y	Y	A	Y	Y	#	#	#	#	#	#	#	#
M Sarwar	Non Executive Director	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	Y	Y	Y	Y
D Wharfe	Non Executive Director	#	A	Y	A	Y	Y	Y	A	Y	Y	Y	Y	Y	Y

Y In attendance

Not a member of the Board

D Deputy in attendance

A Apologies given

Board and Committee Development

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
- Patient Safety and Governance Committee

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 subcommittee of the Board has agreed terms of reference defining the scope of the activities to be undertaken on behalf of the Board and, 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.

To further strengthen our governance structures, the Trust has introduced a Finance and Performance Committee in 2014 and the Governance Committee has been renamed the Patient Safety and Governance Committee. To improve oversight of the breadth of our governance framework this latter committee will be supported by four sub committees:

- Patient Experience Committee
- Patient Safety and Risk Assurance Committee
- Clinical Effectiveness Committee
- Serious Incident Requiring Investigation Panel

Operations delivery is overseen through the Executive Management Board. The membership of this Board consists of the Executive team, Divisional Directors (senior clinicians) and other senior members of the Corporate team.

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.

Audit Arrangements

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 2013/14 were Liz Sedgley (Chair), Paul Fletcher (Governance Committee Chair) and Mohammed Sarwar. Liz Sedgley has relevant financial experience being a fully qualified accountant. The Committee is supported by the Director of Finance.

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.

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 and the Director of Finance 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 5 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:

	Chair	Paul Fletcher	Jonathan Wood	David Wharfe	Shazad Sarwar
	100%	75%	100%	100%	50%
Mar-13	Y	Y	Y	#	#
Jun-13	Y	Y	Y	Y	Y
Sep-13	Y	Y	Y	Y	Y
Dec-13	Y	A	D	Y	A
Feb 14	Y	Y	Y	Y	A

External Audit

External audit services were provided by Grant Thornton UK LLPwho 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 and their audit of the Charitable Funds Accounts and Annual Report.

Internal Audit

The Internal Audit service was provided by Audit North West which merged with Mersey Internal Audit during the course of the year. 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 / Mersey Internal Audit 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. The Trust has in place a number of policies to counter fraud and corruption in line with the requirements of the Bribery Act and has undertaken a gap analysis in year with the Counter Fraud service to identify further areas for improvement. The Counter Fraud service has worked with staff on the development and review of policies during the course of the year to assess their potential impact in countering fraud across the organisation and in relation to the services provided by suppliers. Counter Fraud clauses are included in our standard contracts with suppliers. The Trust's Counter Fraud Annual Report is published on our website.

Emergency planning

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.

NHS England is 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) is responsible for providing public health EPRR leadership, scientific and technical advice at all levels.

The Emergency Planning Officer represents the organisation at all meetings, and the Director of Operations represents 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.

As part of the Information Governance Agenda the Trust has continued to develop and test its business continuity plans and has worked with neighbouring organisations on the various emergency planning exercises undertaken at a local and regional level. There were no serious immediate actions for the Trust to undertake arising from these exercises although learning from other organisations has been incorporated into our emergency planning arrangements.

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.

Governors' report

Composition of the Shadow Council of Governors

Working alongside the Trust's Board of Directors, the Council of Governors will ensure that the interests of the Trust's members are taken into account in all aspects of the activities of the Trust. As a potential aspirant Foundation Trust the organisation has a Shadow Council of Governors to represent the views of local people and help the Trust to shape its plans for the future. This means discussing things like major new service developments, the annual report and accounts, and how members are being recruited and kept informed. Governors also meet with people in their local community or staff group, to help report back on what happens in the development of the Trust, and to listen to ideas and opinions from members of the public and staff. Our Governors are elected by staff and the public. As we work towards being removed from special measures we will be seeking Governors from some of our partner organisations. There will be 29 Governors in total.
The current composition of the Shadow Council of Governors is shown below:

Our survey said...
Recent patient comments

" Could not have been better. Everyone so kind and helpful. I would recommend the hospital to anyone! Everywhere so clean and spick and span. Keep up the good work"

Title	First Name	Last Name	Constituency
Mrs	Feroza	Patel	Blackburn with Darwen – elected unopposed
Mrs	Audrey	Foy	Blackburn with Darwen- elected
Mrs	Marion	Ramsbottom	Blackburn with Darwen- elected
Mrs	Christina	Yates	Burnley – elected unopposed

Title	First Name	Last Name	Constituency
Mr	Tony	Harrison	Burnley- elected unopposed
Mrs	Jennifer	Slater	Hyndburn – elected unopposed
Mr	David	Whyte	Hyndburn – elected unopposed
Mrs	Vicky	Bates	Pendle – elected unopposed
Mr	Graham	Parr	Pendle – elected unopposed
Mrs	Yvonne	Ratcliffe	Pendle- elected unopposed
Canon	James	Duxbury	Ribble Valley - elected
Mrs	Brenda	Redhead	Ribble Valley - elected
Mr	Brian	Parkinson	Rossendale- elected

Title	First Name	Last Name	Constituency
Mr	Mike	Gibson	Rossendale - elected
Mr	Andy	Driver	Administration, Estates & Volunteers- elected
Mr	Gary	Knighton	Administration, Estates & Volunteers- elected
Mr	Karl	Cockerill	Healthcare Assistants & Support Staff- elected unopposed
Mr	Peter	Dales	Managers, Senior Managers & Others - elected
Mr	Bertie	Fernando	Medical & Dental - elected
Miss	Wendy	Higginson	Nursing, Midwives & Health Visitors –elected unopposed
Mrs	Carol	Horne	Nursing, Midwives & Health Visitors- elected unopposed
Mrs	Lee	Barnes	Scientific, Therapeutic & Technical - elected

Activities of the Shadow Council of Governors

The Governors have, in addition to their six weekly development events, undertaken the following activities:

Vicky Bates	15-May-13	Royal Blackburn Hospital	Member Event - Skin Cancer
	17-Jul-13	Nelson Library	Public Engagement/ Recruitment
	12-Dec-13	Burnley General Hospital	Tour of Burnley General Hospital Urgent Care Centre
	27-Mar-14	Trust Headquarters	Meet the Chairman
	27-Mar-14	Royal Blackburn Hospital	Staff Engagement Launch
James Duxbury	10-Jan-14	Clitheroe Community Hospital	Tour of Clitheroe Hospital
	15-Jan-14	Royal Blackburn Hospital	Member Event - Keogh
	20-Jan-14	Royal Blackburn Hospital	Ellie Campaign launch
	27-Mar-14	Royal Blackburn Hospital	Meet the Chairman
	27-Mar-14	Royal Blackburn Hospital	Staff Engagement Launch
Brenda Redhead	15-May-13	Royal Blackburn Hospital	Member Event - Skin Cancer
	27-Sep-13	Royal Blackburn Hospital	Engagement- Macmillan Coffee morning
	10-Jan-14	Clitheroe Community Hospital	Tour of Clitheroe Hospital
	15-Jan-14	Royal Blackburn Hospital	Member Event - Keogh
	20-Jan-14	Royal Blackburn Hospital	Ellie Campaign Launch
	26-Mar-14	Blackburn	Enagagement/ recruitment - Fit for Future
	27-Mar-14	Royal Blackburn Hospital	Meet the Chairman
	27-Mar-14	Royal Blackburn Hospital	Staff Engagement Strategy
	09-Apr-14	Royal Blackburn Hospital	Engagement- Opening of Dementia Ward
	10-Apr-14	Blackburn	Listening Event- Chief of Hospitals Inspection
	16-Apr-14	Royal Blackburn Hospital	Surgery Division Meeting
Jennifer Slater	16-Oct-13	Royal Blackburn Hospital	Member Event - Dementia
	15-Jan-04	Royal Blackburn Hospital	Member Event - Keogh
	27-Mar-14	Royal Blackburn Hospital	Meet the Chairman
	27-Mar-14	Royal Blackburn Hospital	Staff Engagement Launch
	14-Apr-14	Royal Blackburn Hospital	Diagnostic and Cliical Services Division Tour
	02-May-14	Royal Blackburn Hospital	Diagnostic and Cliical Services Division Tour 2
	27-May	Royal Blackburn Hospital	Meeting with Divisional Accountant
David Whyte	15-May-13	Royal Blackburn Hospital	Member Event - Skin Cancer
	16-Oct-13	Burnley	Annual General Meeting
	28-Feb-14	Royal Blackburn Hospital	Member Event - Ear Nose and Throat
	09-Apr-14	Royal Blackburn Hospital	Engagement - Opening of Dementia Ward

Christina Yates	16-Oct-13 24-Oct-13 12-Dec-13 27-Mar-14 27-Mar-14 27-Mar-14 09-Apr-14 10-Apr-14 14-Apr-14 02-May-14	Burnley Royal Blackburn Hospital Burnley General Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Burnley Royal Blackburn Hospital Royal Blackburn Hospital	Annual General Meeting Member Event- Dementia Tour of Urgent Care Centre Diagnostic and Clinical Services Division Tour Meet the Chairman Staff Engagement Launch Engagement - Opening of Dementia Ward Listening Event - Chief of Hospitals Inspection Diagnostic and Clinical Services Division Tour Diagnostic and Clinical Services Division Tour 2
Tony Harrison	12-Dec-13 27-Mar 27-Mar-14 27-Mar-14 14-Apr-14	Burnley General Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital	Tour of Urgent Care Centre Diagnostics and Clinical Services Division Tour Meet the Chairman Staff Engagement Launch Diagnostics and Clinical Services Division Tour
Marion Ramsbottom	15-Jan-14 20-Jan-14 28-Feb-14 27-Mar-14 27-Mar-14 10-Apr -14	Royal Blackburn Hospital Royal Blackburn Hospital Blackburn Royal Blackburn Hospital Royal Blackburn Hospital Blackburn	Member Event - Keogh Ellie Campaign Launch Judge for STAR awards Meet the Chairman Staff Engagement Launch Listening Event - Chief Inspector of Hospitals visit
Feroza Patel	15-May-13 11-Sep-13 27-Sep 28-Feb-14 20-Mar-14 26-Mar-14	Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Blackburn	Member Event - Skin Cancer Member Event - Heart Failure Engagement - Macmillan Coffee Morning Member Event - Ear Nose and Throat Outpatient Focus Group Engagement /Recruitment- Fit for Future
Audrey Foy	27-Mar-14 27-Mar-14 29-May-14	Royal Blackburn Hospital Royal Blackburn Hospital Burnley General Hospital	Meet the Chairman Staff Engagement Launch Family Care Divisional Meeting
Graham Parr	15-Jan-14 20-Jan-14 27-Mar-14 27-Mar-14 10-Apr-14	Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Burnley	Member Event - Keogh Ellie Campaign Launch Meet the Chairman Staff Engagement Launch Listening Event - Chief Inspector of Hospitals Inspection
Brian Parkinson	16-Oct-13 16-Oct-13 20-Jan-14 10-Feb-14 28-Feb-14 27-Mar-14 27-Mar-14 09-Apr-14 10-Apr-14	Royal Blackburn Hospital Burnley Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Royal Blackburn Hospital Blackburn	Member Event - Dementia Annual General Meeting Ellie Campaign Launch Ellie Member Event- Ear Nose and Throat Meet the Chairman Staff Engagement Launch Opening of Dementia Ward Listening Event- Chief Inspector of Hospitals Inspection

Governor Attendance at Development Meetings

The attendance of each of the Governors at the development meetings is detailed below:

Constituency	Name	Governor Meeting 8 04/04/2014	Governor Meeting 7 21/02/2014	Governor Meeting 6 10/01/2014	Governor Meeting 5 29/11/2013	Governor Meeting 4 18/10/2013	Governor Meeting 3 06/09/2013	Governors Meeting 26/07/2013	Governor Meeting 1 - Induction 14/06/2013	Percentage attendance
Blackburn with Darwen	Audrey Foy	Y	Y	A	A	Y	#	#	#	60%
Ribble Valley	Brenda Redhead	Y	Y	Y	Y	Y	Y	Y	A	88%
Rossendale	Brian Parkinson	Y	Y	Y	Y	Y	A	Y	A	75%
Blackburn with Darwen	Feroza Patel	Y	A	Y	Y	Y	Y	Y	A	75%
Blackburn with Darwen	Marion Ramsbottom	Y	Y	Y	Y	Y	#	#	#	100%
Hyndburn	David Whyte	A	Y	Y	A	Y	Y	Y	A	63%
Pendle	Yvonne Ratcliffe	Y	A	Y	A	Y	#	#	#	50%
Rossendale	Mike Gibson	Y	A	A	A	A	Y	A	A	25%
Pendle	Graham Parr	Y	Y	Y	Y	Y	Y	Y	Y	100%
Burnley	Christina Yates	Y	Y	Y	Y	Y	A	Y	A	75%
Burnley	Anthony Harrison	Y	A	Y	Y	Y	#	#	#	80%
Ribble Valley	James Duxbury	Y	Y	Y	Y	Y	Y	A	Y	88%
Pendle	Vicky Bates	A	A	Y	Y	Y	Y	Y	A	63%
Hyndburn	Jennifer Slater	Y	Y	Y	A	Y	Y	Y	A	75%
Administration, Estates & Volunteers	Lee Barnes	Y	Y	A	A	A	Y	A	A	38%
Healthcare Assistants and Support staff	Karl Cockerill	Y	A	A	Y	Y	#	#	#	60%
Administration, Estates & Volunteers	Peter Dales	A	Y	A	A	Y	A	A	A	33%
Administration, Estates & Volunteers	Andrew Driver	A	A	A	Y	Y	Y	A	A	38%
Medical and Dental	Bertie Fernando	A	Y	A	A	Y	Y	A	A	38%
Nursing Midwives and Health Visitors	Wendy Higginson	Y	Y	A	Y	A	Y	A	A	50%
Nursing Midwives and Health Visitors	Carol Horne	A	Y	A	A	A	Y	A	A	25%
Administration, Estates & Volunteers	Gary Knighton	A	A	A	A	Y	A	A	A	13%

The Chairman or a Non-Executive Director and members of the Executive Team are normally in attendance at each of the Governor Development events.

Governor Development Plans

We have a duty to ensure that our Governors have the skills and training they require in order to discharge their statutory duties on authorisation as a Foundation Trust. We have taken a staged approach to the development of our Governors to ensure they are able to become familiar both with the functioning of the National Health Service in general and with our Trust in particular.

To date we have undertaken eight development sessions on a six weekly basis ranging from a general introduction meeting to cover such topics as governance arrangements, our regulatory regime, the role of the Council of Governors, a Code of Conduct for Governors working together and working with the public and the media. We plan to deliver further sessions focussing on the financial regime and governance and understanding what drives organisational performance and how performance of individuals can be evaluated and challenged. In addition we will be developing specific tailored programmes to meet the developmental needs of our Governors.

Each of our staff and public Governors have now been "adopted" by one of our Divisional teams. The purpose of this arrangement is to enable Governors to gain an insight into the operational intricacies of delivering care to our local population and an understanding of the issues of those who deliver care on a daily basis. Governors will be working with their Division over the course of eighteen months to gain a greater understanding of the cycle of planning and delivering care and mitigating any risks that arise during the course of service delivery.

Our Governors will also focus on building relationships between the Trust and the communities we serve as part of our commitment to ensuring we deliver safe, personal and effective care meeting the needs of our patients and their families, working in partnership with other stakeholders while listening to and acting upon the feedback we receive from our staff.

Our Membership

Membership of our Trust is open to anyone aged 16 or over who live in Blackburn with Darwen, Burnley, Pendle, Rossendale, the Ribble Valley, Hyndburn and the rest of England. There are two categories of members for our Trust:

- public
- staff

Membership means that local people and those using our services can turn the affinity they have with their hospital and community services to tangible involvement and improved outcomes. Local communities, patients and staff through their elected representatives, join with the Trust in deciding how we will work to improve services and enhance the experience of our patients and respond to local needs. As we seek to extend our membership base we will canvass individuals' areas of interest and seek to involve our active members in appropriate development groups.

We aim to have a membership which is representative of the population we serve. Being a member is a voluntary role and there is no financial benefit or cost.

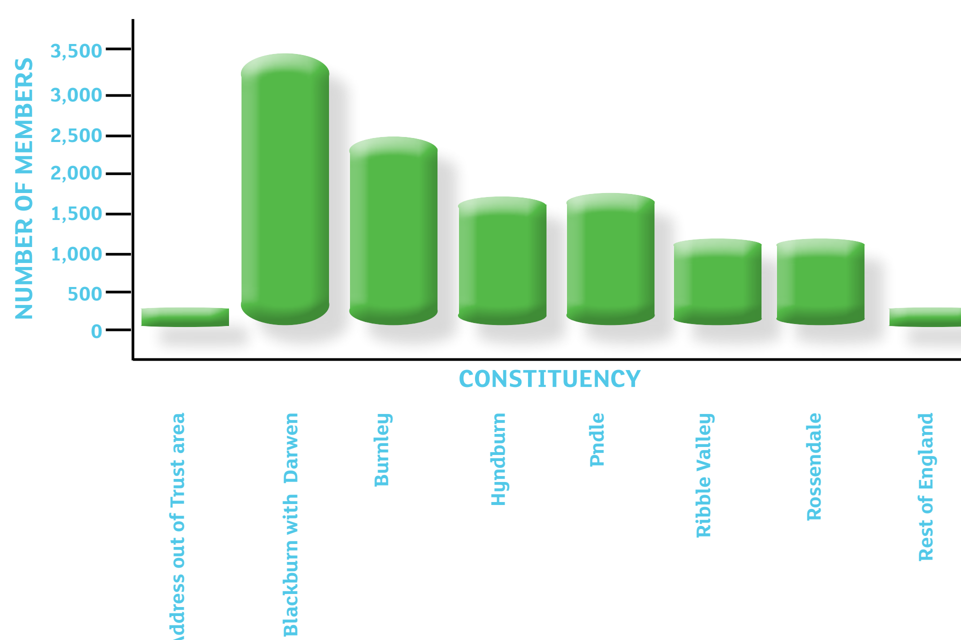
Permanent members of staff with more than 12 months service automatically become members. Membership is voluntary and staff can opt out at any time.

We want to involve members in influencing the future of our Trust and members are invited to attend meetings and events on a regular basis. It is up to individual members how involved they are - they can be involved as little or as much as they want and may opt just to receive a newsletter to keep up to date with developments.

We have three levels of membership:
Level 1: informed members who receive information and attend events
Level 2: involved members who take part in surveys and other patient focussed activities
Level 3: active members who are interested in becoming a Governor

We currently have 10,237 public members with the highest numbers in the Blackburn and Burnley constituencies. We will be focussing our recruitment activity in the Hyndburn, Pendle, Ribble Valley and Rossendale constituencies to ensure that our public membership is increasingly representative of our local community.

Constituency Chart



It is our aim to ensure that our membership is as representative as possible of our local community, while accepting that membership is entirely voluntary and open to any individual meeting the eligibility criteria and are 16 or over. We monitor our membership's ethnicity, gender, and age profiles to enable us to target our recruitment activities and plan our membership events.

	Public	Staff	Total
Age	10,237	7,235	17,472
0-16	11	0	11
17-21	149	74	223
22+	8,593	7,000	15,593
Not stated	1,484	161	1,645
Age 22+	8,593	7,000	15,593
22-29	1,271	886	2,157
30-39	1,144	1,406	2,550
40-49	1,314	2,066	3,380
50-59	1,317	2,084	3,401
60-74	2,331	523	2,854
75+	1,216	35	1,251
Gender	10,237	7,235	17,472
Male	4,066	1,301	5,367
Female	6,003	5,924	11,927
Not Stated	168	10	178

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 delegated authority of 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 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 changes in remuneration agreed at a national level as part of the Agenda for Change pay scheme. The Executive directors have received changes in their remuneration only in relation to changes in their executive and operational duties.

There have been five meetings of the remuneration committee during the course of the year which have all been quorate and the outcomes of the meetings have been reported to the Trust Board.

Directors' Remuneration				2013/14				2012/13			
	Post Held	From / Started	To / Left	Salary (bands of £5,000)	Expense payments (taxable) (to nearest £100)	All pension-related benefits	TOTAL	Salary	Expense payments (taxable)	All pension-related benefits	TOTAL
						(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	(to the nearest £100)	(bands of £2,500)	(bands of £5,000)
				£000	£00		£00	£000	£00		£00
Non Executive Directors											
Mrs H Harding	Chair - left		12/07/2013	5 - 10	0	0	5 - 10	20 - 25	0	0	20 - 25
Prof E Fairhurst	Chair	01/02/2014		0 - 5	0	0	0 - 5	N/A			
Mr M Hill	Non Executive Director			10 - 15	0	0	10 - 15	5 - 10	0	0	5 - 10
	Interim Chair	13/07/2013	31/01/2014		0						
Mr G S Boyer	Non Executive Director - left		30/09/2013	0 - 5	0	0	0 - 5	5 - 10	0	0	5 - 10
Mr E P Fletcher	Non Executive Director			5 - 10	0	0	5 - 10	5 - 10	0	0	5 - 10
Mrs E Sedgley	Non Executive Director			5 - 10	0	0	5 - 10	5 - 10	0	0	5 - 10
Mr M S Sarwar	Non Executive Director			5 - 10	0	0	5 - 10	5 - 10	0	0	5 - 10
Mr P Rowe	Non Executive Director	01/04/2013		5 - 10	0	0	5 - 10	N/A			
Mr D Wharfe	Non Executive Director	09/05/2013		5 - 10	0	0	5 - 10	N/A			
Executive Directors											
Mr M Brearley	Chief Executive - ended		05/12/2013	115 - 120	0	0	115 - 120	160 - 165	50	0	165 - 170
Mr J Wood	Director of Finance			135 - 140	0	5.0 - 7.5	140 - 145	130 - 135	54		130 - 135
	Interim Chief Executive	05/12/2013	05/01/2014							0	
	Deputy Chief Executive	06/01/2014									
Mrs M Brown	Acting Director of Finance	05/12/2013	05/01/2014	5 - 10	0	0	5 - 10	N/A			
Dr C M Schram*	Medical Director		27/01/2013	105 - 110	0	2.5 - 5.0	110 - 115	120-125	0	0	120 - 125
Dr I Stanley*	Interim Medical Director	27/01/2013		5 - 10	0	0	5 - 10	N/A			
Mrs V Bertenshaw	Director of Operations		31/03/2014	115 - 120	0	77.5 - 80.0	195 - 200	110 - 115	0	0	115 - 120
Mrs L J Wissett	Director of Clinical Care and Governance - left		15/07/2013	30 - 35	0	0	30 - 35	125-130	0	0	125 - 130
Mrs H Citrine	Interim Chief Nurse	16/07/2013	06/01/2014	40 - 45	0	82.5 - 85.0	125 - 130	N/A			
Mrs C Pearson	Chief Nurse	06/01/2014		25 - 30	0	30.0 - 32.5	55 - 60	N/A			

* Salary does not include amounts payable in respect of the individual's non-director related remuneration.

For notes see next page

Notes on remuneration (previous page)
No director received performance related pay or bonuses for their director related services. The Medical Directors received Clinical Excellence awards in relation to their non-director related roles.

At the time of this report, so far as the directors above are aware, there is no relevant audit information of which the Trust's auditor is unaware, and each director named above has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the Trust's auditor is aware of that information.

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 banded remuneration of the highest paid director in the Trust in the financial year 2013/14 was £200-205k (2012/13 restated: £200-205k). This was 9.6 times (2012/13 restated: 9.4 times) the median remuneration of the workforce, which was £21k (2012/13: £21k).

The median pay calculation does not include external agency staff costs. All agency is paid via invoices and includes commission charges to the agencies.

	2013/14	2012/13 restated
	Total	Total
Band of Highest Paid Director's total remuneration	£200,000 - £205,000	£200,000 - £205,000
Median Total Remuneration	£21,184	£21,507
Ratio	9.6 : 1	9.4 : 1

In 2013/14 1 (2012/13 restated, 0) employee received remuneration in excess of the highest-paid director. Remuneration ranged from £102 to £213,929 (2012/13 restated: £121-£202,746)
Total remuneration for the purposes of the highest paid director calculation includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Pensions							
	Real Increase in pension at age 60	Real Increase in Lump sum at age 60	Total accrued pension at age 60 at 31 March 2014	Lump sum at age 60 related to accrued pension at 31 March 2014	Cash Equivalent transfer Value at 1 April 2013	Cash Equivalent Transfer Value at 31 March 2014	Real Increase in Cash Equivalent Transfer Value
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)			
	£000	£000	£000	£000	£000	£000	£000
Mr M Brearley	0 - 2.5	0 - 2.5	60 - 65	190 - 195	1,214	1,287	32
Mr J Wood	0 - 2.5	2.5 - 5.0	35 - 40	105 - 110	565	559	31
Mrs M Brown	0 - 2.5	0 - 2.5	10 - 15	40 - 45	214	227	1
Dr C M Schram	0 - 2.5	2.5 - 5.0	60 - 65	180 - 185	1,124	1,207	58
Dr I Stanley	0 - 2.5	0 - 2.5	35 - 40	105 - 110	535	572	4
Mrs V Bertenshaw	2.5 - 5.0	10 - 12.5	45 - 50	145 - 150	825	-	-
Mrs L J Wissett	0 - 2.5	0 - 2.5	50 - 55	160 - 165	980	-	-
Mrs H Citrine	2.5 - 5.0	10 - 12.5	25 - 30	85 - 90	322	469	66
Mrs C Pearson	0 - 2.5	2.5 - 5.0	30 - 35	105 - 110	522	661	30

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

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.

Further information on how pension liabilities are treated in the Trust accounts can be found in the accounting policies in note x of the accounts.

Quality report

Keogh Review

In February 2013 Professor Sir Bruce Keogh, NHS Medical Director for England, was asked to review the quality of care and treatment provided by those NHS trusts and NHS foundation trusts that were persistent outliers on mortality indicators. A total of 14 hospital trusts were investigated as part of this review. After the reviews, 11 of the 14 trusts were placed into special measures by Monitor and the NHS Trust Development Authority. East Lancashire Hospitals NHS Trust was one of the Trusts placed in special measures.

The Review reported in July 2013 and has facilitated a fundamental review of quality, governance, engagement and business systems across the whole of the organisation. The concerns raised at the Trust related to:

1. ***Governance & Leadership*** **–** governance processes
2. ***Local Capacity*** **–** use of capacity and external relationships
3. ***Clinical and operational effectiveness*** **–** understanding flow and quality issues
4. ***Patient Experience*** **–** complaints process and community engagement generally
5. ***Workforce & Safety*** **–** staffing levels
6. ***Nursing*** **–** nurse leadership

In response to the review the Trust developed an action plan to address the deficiencies identified and worked with both the local lead commissioner and the National Trust Development Authority to ensure their action plans were also completed. In relation to the Trust's action plan, progress against which has been reported regularly at Board meetings and on the NHS Choices website, all save one action, have been completed. The Trust proposes to complete the remaining action, in relation to an external review of the Board and the way in which it operates, following the appointment of the substantive Chief Executive and Director of Operations.

Further actions we have taken to improve the culture of our organisation is included in our workforce report.

The Francis Report

The Francis Inquiry Report process was completed in the year under review with the publication of the Government's response to the findings of Robert Francis QC in relation to his review of the failings at Mid Staffordshire NHS Foundation Trust. Many of the findings raise similar issues to those the Trust was required to address as part of the Keogh Review Action Plan while in special measures. All organisations are required to publish an annual report on the way in which they have addressed the Francis recommendations. This quality report details the actions we have taken in response to both the Francis and Keogh reviews.

Specific actions detailed only in the Francis Report recommendations include:

l Introduction of the duty of candour across the organisation to keep patients and families informed of harm experienced

- Making the NHS Constitution available via the Trust intranet and website
- Promoting the NHS Constitution requirements in patient bedside information booklets
- Mapping the NHS Constitution to our core values and key strategies
- Introduction of cross disciplinary and cross divisional forums to discuss quality issues and achievement of standards and share learning in these areas
- Adoption of the Speak Out Safely campaign and review of the Concerns At Work policy to ensure staff are supported to challenge inappropriate care and behaviours
- Reviewing the governance processes for approving cost improvement programmes to ensure any potential adverse impact on the quality of care is fully understood and mitigated as far as possible
- Reviewing patient placement and escalation processes to provide the best possible patient experience on the non elective pathways
- Routinely reviewing the use and vetting of contractors to ensure they have and display the same approaches and standards as employed staff
- Reviewing triggers for escalation to Trust Board of deficiencies in standards of care and inappropriate changes in staffing levels and availability
- Introduction of monitoring against the Chief Inspector of Hospitals key standards
- Development of a ward dashboard to ensure all clinical staff are aware of the achievement of fundamental standards in their clinical area.
- Ensuring that narrative data and trend analysis is explicit in complaints reports presented through the internal integrated governance structures
- Ensuring that systems and processes are in place to follow all current guidance including RIDDOR reportable incidents to the Health and Safety Executive and reports of SUI involving deaths or serious incident appropriately
- Entering into a partnership with UCLaN for the provision of undergraduate medical education
- Taken proactive steps to encourage openness on the part of trainees and to protect them from any adverse consequences in relation to raising concerns
- Introduced forums for interaction between trainees and senior staff
- Reviewed and revised trainee induction, training and support arrangements to reinforce the support available to trainees when raising concerns
- Reviewed its HR policies and processes to ensure that there are no clauses that seek, or appear, to limit bona fide disclosure in relation to public interest issues of patient safety and care – clauses would be used for commercially sensitive or business in confidence purposes only
- Expanded intentional rounding to enable senior staff to be aware of issues on the wards and demonstrate visible and consistent leadership

- Required senior nursing staff to work alongside staff as a role model and mentor, developing clinical competencies and leadership skills within the team monitoring performance and delivering training and/or feedback as appropriate, including a robust annual appraisal through Personal Development Review
- Trialled supervisory status of ward Manager in one ward per division
- Introduced the discharge lounge to provide appropriate facilities for patients who no longer need a bed but who still require some level of supervision and care
- Introduced discharge facilitators to ensure the discharge processes are appropriate for each patient
- Reviewed discharge pathways and policies
- Significantly reduced the use of escalation areas to prevent unnecessary moves for patients
- Received feedback from the CQC acknowledging significant improvements in escalation management and the care of the patient
- The Trust has a consistent programme to manage infection control and ensure there is compliance with trust policies and standards
- A systematic programme of audits and high impact interventions to continually promote the importance of hand hygiene
- Consistently reinforced hand hygiene requirements through appropriate staff and governance forums
- Consistently reviewed at all levels of the organisation information in relation to infection control and its management
- Ensured that Infection control is an essential element of mandatory training and induction processes for all staff
- Undertaken PEAT and other audits in relation to the provision of nutrition and feeding which have indicated that essential standards are being met
- Received feedback from patients and their families in relation to nutrition and food and taken action where necessary
- Used productive ward, protected mealtimes, red tray system and access to food at all hours to ensure nutritional needs are met
- Introduced the safely here, safely home process to ensure there is clarity on the prescriptions patients come into hospitals with and advising patients and their GPs of any changes in medication during the course of their admission
- Rolled out e-prescribing on wards to ensure appropriate prescribing and cross checking of medicines
- Ward managers and staff receive mandatory training in relation to medication administration
- Reminded registered nurses of their professional responsibility for medication administration
- Conducted relevant audits to ensure administration standards are consistently maintained.
- Ensured appropriate pharmacy representation and liaison with wards
- Developed and implemented its IM&T strategy focussing on clinical systems to support safe personal and effective care for patients
- Continued to developed its electronic systems to capture and present data and information that will assist in developing the safe, personal and effective care agenda
- We will continue to provide reports through our Patient Safety and Governance Committee on the continuing progress we make against the requirements of the Francis Report

Our Quality Strategy

The Keogh review, Berwick and Francis reports (2013) emphasised the need for all healthcare organisations to place the quality of patient care, especially patient safety, above all other aims. The Chief Nurse's vision for Nursing incorporating the 6 C's of care, compassion, communication, courage, competency and commitment have been fully endorsed by the Board and this year has seen the start of our work to embed these values across all spheres of our activity.

Our quality strategy explains the approach that East Lancashire Hospitals NHS Trust (ELHT) takes to ensure that our patients and service users receive high quality care. It explains the three core elements of safe, personal and effective care which when delivered consistently ensure that our patients receive quality care.

The consistent delivery of quality care requires good mechanisms for feedback and learning; both in terms of regular systematic performance metrics but also and more importantly mechanisms for staff and service users to raise concerns and questions. Our strategy emphasises the importance of organisation-wide learning.

We have committed to:

- improve our engagement with people at all levels, from the patient and their carers to the wider community. This will be about the planning and development of services and also ensuring wide evaluation of the effectiveness of services.
- We will make sure our staff are fully engaged in the planning and delivery of care. By a series of initiatives we will improve staff awareness at all levels and will be very clear of the importance of staff delivering frank and honest feedback. This is especially important if they have a concern.
- We will have a robust staff development plan which will help to ensure that we have a workforce capable of delivering safe, personal and effective care.
- In order that the effectiveness of our care can be properly assessed we will ensure we have valid, reliable and meaningful information systems which will allow real-time measurement and evaluation.
- We will have a robust strategy for quality improvement programmes so that there is a consistent approach to improving further the services we deliver.

Our determination is to deliver safe, personal and effective care.

- Providing safe care means taking action to reduce harm to patients in our care and protecting the most vulnerable. It means caring for patients in a safe and clean environment using the right equipment
- Providing care that is personal means ensuring that the services we provide are person centred and that people are treated as individuals with dignity, in privacy and with compassion at the right time and in the right place for them.
- Providing effective care means providing care that is based upon the best evidence and that produces the best outcomes for patients. It means fostering a culture of constant improvement by evaluating the quality and effectiveness of our services on a routine basis. It means ensuring that our workforce receives the right education and training in preparation for the delivery of competent and skilful intervention.

Each year, through our Quality Account, we will report our performance and progress in each of the domains that are set out in this strategy and will identify the improvement priorities as agreed by the Trust Board.

Our survey said...

Recent patient comments

" All the staff were great very kind to me and my family. I can't say Thankyou enough to all the staff. "

Our improvement aims for the coming year are:

- To reduce the episodes of harm experienced by our patients by 15% by reducing our incidence of healthcare related infections by 25%, reducing the number of falls by 15%, reducing the number of pressure ulcers at grade 2 by 15%, eliminating grade 3 and 4 pressure ulcers and reducing medication errors by 20%. In addition we will improve the safety of surgical care by ensuring 100% of operating lists use the WHO surgical checklist and ensure close scrutiny of all in hospital deaths to ensure learning is achieved and all avoidable deaths are prevented. This will ensure we deliver SAFE care.
- To have 75% of patients recommending us to their friends and family by improving the way we obtain feedback, improving our complaints process to ensure all complainants are offered a face to face meeting with a clinical team and dealt with in a compassionate way, improving our complaints process and monitoring its improvement so that 80% of complainants are satisfied, increasing patient participation in the Friends and Family Test to 75% and Increasing staff participation in the Annual National Staff Survey by 30%. We will further improve the patient experience by reducing the number of cancelled operations by 10%; reducing the number of in-patient bed moves by 50%; reducing the number of appointments that are cancelled by 20%; providing better care for people at the end of their lives; ensuring all staff have received appropriate training in equality and diversity issues and customer care and displaying the Lead Consultant and Lead Nurse responsible for the patients care at the head of every inpatient bed. This will ensure we deliver PERSONAL care.
- To save an additional 150 lives per year. We will do this by improving the reliability of care delivered by introducing and embedding a series of care bundles and care pathways; participating fully in the Advancing Quality programme; ensuring there is consistent delivery of necessary care throughout the 24/7 period; improve the package of care provided to drive consistency of excellent care for patients with Dementia; ensuring relevant NICE, NCEPOD and specialist national guidance is implemented to deliver interventions based upon the best possible evidence; increasing the number of patients that have the opportunity to take part in clinical research and clinical trials of new treatments. We will improve the timeliness of the delivery of care by ensuring that 95% of non-elective patients attending our emergency department and Urgent Care Centres are seen and treated within 4 hours; 90% of elective patients are seen and treated within 18 weeks; no patient waits longer than 6 weeks for a diagnostic test and all cancer patients receive treatment within the appropriate time period. This will ensure we deliver EFFECTIVE care.

Our Quality strategy will be further interpreted into an Annual Delivery Plan which will identify specific actions with specific responsibilities and timescales for completion. The plan will be aligned to the corporate performance framework and will inform appraisals, training, education, research and audit programmes and progress against the plan will be reported on a monthly basis to our public Trust Board meeting.

Our Quality Improvement Actions in Year

Mortality

To ensure that we are doing everything possible to reduce mortality, all deaths within the Trust are reviewed by the team providing care for that patient. This primary mortality review is carried out at Share to Care meetings on some wards and, on others, the Medical Team have a separate meeting where the case is reviewed.

If the primary mortality review identifies any concerns then a more detailed secondary review is undertaken by a specialist reviewer within the clinical division. This review of specific aspects of care identifies whether there are any care issues. If there are specific issues which are felt to have contributed to the patient death, these are escalated to the Mortality Review Group which looks at the case in greater detail. This group is chaired by the Medical Director and contains representation from all of the clinical staff groups, as well as senior managers.
From these various reviews, a number of key themes have been identified and specific actions are being taken across the organisation. So far these themes include:

- Intravenous fluid management
- Decision making at the end of life
- Speed of administration of antibiotics
- Early reaction to early warning scores.

Each of these themes has a specific group taking actions to improve care. We have introduced care bundles which are instructions to be complied with on diagnosis of particular conditions that set out the best practice care that is to be followed for each patient. The purpose of the care bundle is to ensure the Trust is providing care in line with the latest guidance and reducing variability in care across medical and surgical teams. Compliance with the care bundles is audited on an continual basis and findings are disseminated through the shared learning process.

Nurse Staffing

Since the Keogh review in July 2013 a considerable amount of work has taken place to increase nurse staffing levels and therefore improve safety for patients. We launched a major nurse recruitment campaign hosted on our new recruitment microsite www.caretomakeadifference.nhs.uk and we used social media platforms such as Twitter and Facebook to increase the number of applications for vacancies.

We are now employing more nurses than ever before (118 more since 1st April 2013) and more nurse support posts than at any time (172 more than 1st April 2013). We have recruited 27 nurses from overseas.

We have undertaken a Nursing and Midwifery Workforce Safe Staffing Review based on the differing levels of care needed by our patients throughout our services. The review included all adult and children's inpatient wards including community hospitals. This has informed our recruitment campaign and our workforce plan for the forthcoming year and provided us with baseline information to plan for peaks and dips in demand and flexible move our staff as required. The review will be repeated on a six monthly basis to ensure we are able to compare our staffing to historic establishment and better predict any necessary recruitment activity.

In addition we have established a Nursing and Midwifery Safe Staffing Steering Group to continually review our staffing requirements and established a bank of our own staff who wish to do extra hours to reduce our need for agency nurses who are less familiar with our safety systems and protocols. On a daily basis we have a staffing template and a staffing teleconference with senior members of the management team to ensure that we are able to fill any shifts that are required on any particular day. We have piloted and begun to roll out the publication of daily staffing numbers, actual against planned, for each shift at the entrance to all our wards. We have also had a particular focus in year on ensuring that all staff who are required to do so attend their mandatory training and safeguarding training.

All agencies supplying locums and agency staff are identified on an agreed provider framework and their staff comply with an electronic induction pack supplied by the Trust before they are allowed to work on Trust premises. Regular spot checks are undertaken to ensure compliance through twice weekly visits to wards and any non compliance is raised with the agency and ultimately with the framework and non compliant staff are not re-booked until induction processes have been followed completely.

Medical Staffing and Appraisals

Maintaining medical staffing levels is essential to ensure that patient care is safe, personal and effective. The Trust has faced a number of challenges in recent years which have impacted on staffing in common with many organisations. We have reviewed our medical staffing and continue to work with divisions to recruit to posts and services that are challenged. We also continue to look at alternative ways of meeting the needs of our patients with alternative staff such as Advanced Nurse Practitioners where it is safe to do so. During the course of this year we have recruited to two Emergency Department consultant posts at a time when the NHS is challenged with the number of qualified staff in this specialty. We have recruited additional temporary junior clinical fellows and two long term agency doctors in Trauma and Orthopaedics to ensure we are able to provide a full 24/7 service appropriate to the needs of our local communities.

We have recruited three international Medical Oncology consultants to continue to develop this service and decrease our reliance on consultants from other Trusts with whom we work in partnership to deliver the service. There is ongoing recruitment to paediatric senior clinical fellows and specialty doctors in conjunction with the development of international candidates to work at this grade given our excellent reputation in the delivery of Family Care Services. This work is supported by the introduction of electronic rostering for medical staff which enables better planning for any gaps in doctor rotas that may occur.

Following the introduction of Medical Revalidation in December 2012 the Trust has worked hard to ensure that all medical staff have had the opportunity to fulfil the requirements of the General Medical Council in demonstrating their continuing fitness to practice medicine. Medical revalidation was established to assure patients and the public that doctors are up to date and fit to practise. Revalidation involves the renewal, by the General Medical Council (GMC), of a doctor's Licence to Practise (LtP) every five years. For the financial year 2013/14 the Trust was due to make 117 recommendations all of which were made by the due date. An annual medical appraisal carried out by a trained appraiser is the main component of a doctor's revalidation portfolio. The Board receives monthly details of appraisal rates of doctors in the performance paper. In the 2013/2014 round of appraisals, 303 doctors had an appraisal (92%). This compares well with the average nationally in 2012/2013 for acute hospitals of approximately 70%. Of those that did not have an appraisal this was due to maternity or other leave.

Governance Processes

The Trust has thoroughly reviewed its supporting governance processes to ensure that we are better able to monitor and react to any situation where the quality of care we provide to any individual or group of patients is less than what we would expect for our own loved ones. We have recognised from the reviews undertaken that the organisation was not always in a position to be able to spot the warning signs of variability in the levels of safe, personal and effective care, take swift action to recover and monitor improvements and share the learning from these failings rapidly across the organisation to promote an open culture where teams and individuals integrate the learning from failures or near misses.

An independent review of the governance structures and processes was carried out and the Trust has worked to ensure that its recommendations have been implemented. In addition the Trust has undertaken an internal assessment of its Board processes against the Monitor Board Assurance Framework assessment and has identified the areas for further improvement to be undertaken on the appointment of the substantive Chief Executive and Director of Operations.

Our survey said...
Recent patient comments

" The vast majority of the staff I encountered while being professional were also cheerful and friendly with a pleasant disposition "

For 2014/15 we have reviewed our Board and Subcommittee structure refocusing on Patient Safety and Quality and introducing a robust performance framework for the Divisions to be held accountable for the delivery of all aspects of their services. New subcommittees have been introduced to focus on these areas namely, the Patient Safety and Governance Committee with its four reporting subcommittees and the new Finance and Performance Committee focussing on the delivery of operational targets and the organisation's financial position. The Divisional Performance Meetings have been restructured so that each Division meets on at least a monthly basis initially to discuss and review their performance against operational and financial expectations and delivery of safe, personal and effective care. The Trust has developed a system of devolution to the Divisional Management Teams according to the level of their delivery against their annual targets.

We have refined a number of our policies that support the delivery of safe, personal and effective care which is monitored through our governance systems and processes. Our Quality Strategy and Organisational Development Strategy together with our Clinical Strategy form the basis of our revised approach to ensuring we listen to and learn from our patient and staff experience.
To ensure that all areas of the organisation can learn from each other and to promote good practice a formal mechanism for identifying and sharing key lessons has been developed as 'Share-to-Care.' This gives a clear framework for the escalation of lessons from floor to board and back to floor as well as across all organisational boundaries. This will be integral to the embedding of consistent and high quality care.

Share to Care meetings take place on a weekly basis and consist of multi-disciplinary teams taking time together to review their work during the week and the impact it has had on their patients and their families. All complaints and issues are discussed together with any deaths that have occurred. This enables all staff to have the opportunity to feed into the improvement process and key themes, findings and learning are fed back through the Divisional structures and are collated at an organisational level. This then informs the Share to Care bulletin that will be circulated on a monthly basis across the Trust.

Patient Experience

We have listened to the feedback we received that at times we were slow and legalistic in our response to complaints rather than taking them as an opportunity to learn about improvements we could make to the journey of the patient and those who care for them. We have revised our complaints process and policies to focus on compassion and empathy. We now acknowledge receipt of a complaint immediately it is received, often by telephone where a contact number is provided. Our first step in the process is now to offer the patient or their family the opportunity of a face to face meeting with the clinical team to address the issues that have arisen.

We have established and are monitoring our performance against key performance metrics that have been developed from the perspective of the patient and their family rather than from the perspective of complying with external guidelines for responding. The Executive team now review every response letter to a complaint to ensure they are fully aware of the issues that are arising on a regular basis and the team review all new complaints on a weekly basis. The

clinical team for a particular complaint now attend the weekly Executive Team meeting to provide Executives with an understanding from a staff perspective of what went wrong, why and what is being done to improve the situation for future patients and meet the expectations of the complainant. Themes from complaints are disseminated as part of the Share to Care process. There is a concentrated and time limited piece of work being undertaken to ensure our backlog of outstanding complaints is reduced as quickly as possible to the satisfaction of the individual complainant. We will continue to focus on our complaints handling as part of our improvement work for 2014/15.

We have also ensured that patient and clinical stories are a feature of the public Trust Board meeting to enable members of the public to hear both about excellent services and what we do when things do not go as well as they could have from the patient's perspective. The Chief Nurse also provides a quality report at each Board meeting incorporating lessons learnt from complaints, incidents and engagement activities.

The Board have taken steps to increase their visibility to both staff and patients by undertaking Patient Safety walk rounds on a regular basis. This gives patients and staff an opportunity to meet with Board members to give first hand feedback on the services being delivered and experienced. It also gives Board members the opportunity to find out if messages between the Board and the floor are being consistently communicated.

We recognise that the attitudes and behaviour of all our staff have an enormous impact on the patients' experience and we have reviewed our Customer Care Policy and training to ensure that staff are aware of the impact their words and attitude may have on people who are feeling vulnerable when accessing our services. The Customer Care training we undertake is conducted through a variety of methods to ensure that the learning needs of our staff can be addressed including face to face classroom sessions, individual training and reinforcement, interactive group discussions and use of case studies. All staff including students, bank staff and volunteers are encouraged to attend the training. We have also made an online customer care programme available which is accessible from any work station. We continue to identify customer care "hotspots" within Divisions using complaints information and our Human Resources staff work with managers to identify staff training needs.

Safety and Quality

We have worked hard to ensure that our staff have an awareness of the need to safeguard both children and vulnerable adults in all aspects of the care that we deliver. We have focussed on ensuring all staff have attended mandatory paediatric safeguarding training with over 80% of our staff having undertaken a level of training appropriate to their role within the last twelve months. We have taken active steps to ensure that all staff undertaken the required training on a rolling three year basis and have provided a variety of methods for staff to access the learning needed. Non-compliant staff receive a letter to remind them of their contractual obligation to meet their mandatory training requirement and in line with our Pay Progression Policy if any member of staff does not take appropriate steps to ensure this is completed their pay progression will be withdrawn until compliance can be demonstrated.

As referred to above, we have conducted reviews of nurse staffing to ensure we are providing appropriate staffing to meet the needs of our patients and we have also undertaken a review of all staffing within what was our Medical Division and is now our Integrated Care Division. This was undertaken by an independent external consultant and we are in the process of implementing the findings.

During the course of the year we piloted an electronic Early Warning Score system to enable this to become accessible to all staff. This system enables staff to quickly identify the degree of illness of a patient and take early interventional steps to improve their condition and prognosis. We will continue to roll out this system following successful evaluation on the initial four wards.

In line with our improvement aim to reduce the number of harms to patients in our care we have a particular focus on pressure ulcer prevention. Our Chief Nurse has developed a collaborative for addressing the incidence and degree of pressure ulcers acquired in the hospital and ensuring that the appropriate treatment is provided to patients on admission who have pressure ulcers. The improvement methodology will be deployed during the course of the year to gain a greater understanding of the causes and treatment of this condition and ensure that appropriate treatment is given as early as possible in a patient's journey to reduce any further harm occurring and prevent new tissue damage. Trends, risks and lessons learned from current practice are shared on a wide basis through the Share to Care process and each incident of a pressure ulcer acquired in our care is now treated as a serious untoward incident and a root cause analysis is undertaken to identify any learning and ensure appropriate treatment is provided.

We recognised that we had an unacceptable level of readmissions for both adults and children and have taken steps to reduce the frequency of readmissions for a related condition. An external review was commissioned and undertaken as a result of which we have introduced changes in practice such as the expansion of the virtual ward caseload where patients are monitored closely in their homes to prevent the need for readmission and the introduction of hot clinics, particularly in paediatrics, where worried parents can see a senior medical member of staff on a very

much reduced, often same day, basis. As a result of the actions we have taken our adult readmission rates have returned to the "within expected" range and our paediatric readmission rate is 2% lower than April 2013. As a result of the improvement work we have undertaken in relation to quality and safety we had positive outcomes to the Care Quality Commission inspection on the Burnley site in November 2013 and the visit to the Royal Blackburn Hospital site in December 2013. We have completed all the action plans in response to their reports during the course of the year.

Improving our effectiveness

Although the Trust has achieved the organisational requirement in relation to patients waiting no longer than 18 weeks from their diagnosis to the time of their treatment we recognised that there is variability in the achievement of this target within a number of specialties. The reasons for this variability are numerous and include increased demand for services while a national shortage of medical staff to deliver the service is being experienced. We set improvement trajectories for each of the specialties concerned and notable improvements have been seen in orthopaedics and maxillofacial services while we continue to monitor closely the implementation of improvement plans for General Surgery and Opthalmology. The Trust is committed to treating patients firstly in order of clinical priority and then by chronological 18 week date.

We have worked with our health economy partners to refresh our urgent care strategy and in conjunction with the opening of our new Emergency Department on the Royal Blackburn Hospital site and our new Urgent Care Centre facility at the Burnley General Hospital we have established a single integrated discharge process. Following our disappointing performance against the 4 hour waiting target for the emergency pathway at the beginning of the year we have developed a set of professional internal standards with our clinical staff to ensure that all processes within the hospital sites and in the community support delivery of emergency care by making sure beds are available for those requiring urgent admission. The Emergency Care Intensive Support Team reviewed our processes in the year and we introduced the concept of the "Perfect Week" with the aim of ensuring we identified blocks to the smooth process of admission and discharge. This produced significant learning and was undertaken in conjunction with our health economy partners. We have now embedded the learning from the Perfect Week into our systems and processes and opened an additional 29 beds to be available at times of high demand.

A review of our cancer services was also commissioned in year to enable us to gain an understanding of where we could reduce variability in the timing of care we provide to this particularly vulnerable group of patients. The findings of the review informed our action plan for cancer improvement which is being deployed. We have already seen an improvement in our performance against the 62 day treatment target which we aim to sustain and further improve during the course of the year. Given the prevalence of cancer within our local communities this will become an increasing focus of our work to improve the care we deliver and the outcomes for our patients throughout 2014/15.

Listening to and acting on feedback

In order to reflect the values and aspirations of our staff and the feedback we have received from our members, Governors and the public we have refreshed our values, vision and the supporting behavioural principles. We have consulted widely internally on our improvement priorities and incorporated them into our business planning processes which have led to the development of our plans for our services for the next two years.

We have reviewed and revised our communication and engagement strategies to ensure we are focussed on receiving and acting on the feedback we receive from all our stakeholders including staff, those organisations we work with to deliver care and our patients and public. Earlier in the year we hosted "listening events" where we invited members of the public to provide direct feedback to our senior management team about their experience and perception of the services we provide. This led to the development and deployment of the "Tell ELLIE" campaign focussing on the way in which we listen, learn and react to feedback. The campaign is headed by our dedicated team and supported by an engaging and interactive web page whereby members of the public can provide comments which are then fed into our shared learning systems and processes. The campaign forms the basis of our public "You Said, We Did" approach to feedback.

We have made increasing use of social networking mediums including Twitter and Facebook to both provide information about developments and provide an opportunity for "followers" to interact in their preferred medium. We have a detailed programme of activity themed around our vision and values, celebrating good news and improving stakeholder relationships while increasing the visibility of our senior management team. We are working to increase the number of opportunities for staff and other stakeholders to engage directly with our Chief Executive and members of the Board through a series of "Conversations With" members of the Board, drop in sessions and the reinstatement of the face to face monthly briefing through a strategic "Team Brief". Our activities to date have received positive feedback from all stakeholder groups and have seen an increase in positive media coverage. We now have a dedicated newsletter for GPs, for members of the organisation and for our staff.

In common with all other NHS organisations the Trust has introduced the Friends and Family Test. It is an important opportunity to provide feedback on the care and treatment received and to improve services. It was introduced in 2013 and asks patients whether they would recommend hospital wards, A&E departments and maternity services to their friends and family if they needed similar care or treatment.

This means every patient in these wards and departments is able to give feedback on the quality of the care they receive, giving hospitals a better understanding of the needs of their patients and enabling improvements. We have taken an innovative approach to encourage feedback in our Emergency Department where the initial response to the introduction of the test failed to elicit an appropriate level of responses. We developed a process for enabling users to provide a response through SMS messaging which has resulted in a wealth of information being provided to enable us to continue to develop and drive improvements.

We want to involve people at all levels, from the patient and carers at the bedside in decisions about their care, to the wider community in the planning of services or proposals for change. We believe that by doing this we will improve the experience of patients whilst they are in our hospital and our community's sense of ownership of their local healthcare services. In doing this we will use the principles in the Department of Health Framework (2008), "Real Involvement: Working With People To Improve Health Services", which ensures involvement is:

- Clear, accessible and transparent
- Open
- Inclusive
- Responsive
- Sustainable
- Proactive.

Our survey said...
Recent patient comments

" I would like to thank every member of Staff on C1 from the cleaner to the consultant and everyone in between. You are all doing a smashing job - I think you could be angels on earth! "

Corporate Risk Management Arrangements

The Board Assurance Framework (BAF) and the Trust Risk Register provide assurance to the Board that risks to patient safety, reputation and quality are appropriately managed in a timely way. The Risk Management Strategy ensures that potential future risks to quality are identified and included on the risk register, for example new technologies, competition, changes in policy and funding. This strategy details a clear directorate and divisional reporting structure with specific triggers and processes by which risk and mitigating actions are reported and escalated. There is a clear and dynamic process for the management of risk in the organisation and both the BAF and the Risk Register are regularly reviewed to ensure that appropriate preventative and corrective action have been taken.

The Trust will continue to work to instil a culture of reporting, to ensure that the board, the divisions and individuals manage risk to people who use our services successfully. All cost improvement schemes are assessed by the Medical Director and Chief Nurse to ensure there is no adverse effect upon quality. With regard to the delivery of quality outcomes, the Trust Board is ultimately accountable for their delivery and is held to account by our regulators. Oversight of the Quality and Safety Framework will be supported by the development and refinement of a Quality and Safety Support Unit, comprising 3 specific portfolios of patient safety/clinical risk, patient experience and clinical effectiveness which will develop to include the concept of a Quality Improvement Team.

Similarly Divisional Directors and Divisional General Managers are responsible for the delivery of quality outcomes within their divisions; as a result the Trust Board holds the Divisional senior management teams to account for delivering quality outcomes within their respective divisions. This principle of accountability and responsibility is reflected from Board to Floor and supports the delivery of our quality objectives.

The Trust's top risks to the achievement of our strategic objectives for 2014/15 are detailed on page 9 of this report.

The Trust fully recognises its duty to keep patients, staff, visitors and contractors safe when on Trust premises. To enable the Trust to react when things go wrong the Trust is committed to fostering a culture of safety within the organisation which encourages staff to report incidents in a blame free environment. We are committed to ensuring that staff are open about when things go wrong and fully apply their duty of candour. To ensure that staff feel safe to raise concerns we have adopted and endorsed the 'speak out safely' campaign.

The Trust through its Incident Investigation Procedures ensures that the root causes for incidents are established and the appropriate action taken to rectify the problems identified. The Trust is committed to reducing harm across the organisation and a number of outcomes targets have been set to facilitate this. Incidents and Incident Investigations are monitored via the Patient Risk and Safety Unit. All serious untoward incidents are reviewed and the Serious Incidents Requiring Investigation Panel which is chaired by a Non-Executive Director and includes commissioning representation has been established to ensure all lessons from incidents are disseminated appropriately to encourage a learning organisation and ensure that safe, personal and effective care is our priority at all times.

Research and Development

The Trust recognises the value of Research and Development in informing the quality of care delivered to patients. We are committed to a research culture which aims to increase recruitment to research projects by engaging with our patients and local population to encourage participation. We aim to improve the quality and safety of patient care within the Trust through a broad research portfolio which is supported by a robust research infrastructure. We aim to develop and strengthen a research culture throughout the Trust by promoting internal and external collaborations with academic partners. We aim to promote the Trust as a first class site for commercial research, with rapid feasibility and approval processes which will allow us to establish a reputation for delivering to time and target. Furthermore through our research work we will aim to increase the income generated for the Trust to expand our research infrastructure.

The Trust has continued to maintain a high level of research activity as in the last couple of years with over 2750 patients being entered into National Institute of Health Research (NIHR) Portfolio studies as well as other well designed studies. This year has seen the Trust celebrate its 10,000th patient (research recruit) agreeing to take part in research since formal records of patient recruitment began in 2008. This is thanks to the dedication and enthusiasm of clinical teams, clinical support departments as well as support from dedicated research staff and of course the patients and families involved and willing to participate in this research activity.

The 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. The Trust has utilised the research design expertise of the NIHR Research Design Service for the North West who pro (such as the NIHR). These funding streams are also eligible for support funding from the Comprehensive Research Network. For 2013/14 the Comprehensive Local Research Network has set the Trust a target of recruiting 1750 research participants during the year. The Network has also provided additional research nurse support to the Trust from the core team based at Lancashire Teaching Hospitals NHS Foundation Trust.

Research Network Involvement
Staff, patients and relatives at East Lancashire Hospitals NHS Trust have been involved with five Topic Specific Networks over the last five years.
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.It is acknowledged that patients receiving cancer care in the East Lancashire area require access to research in their area of clinical need.

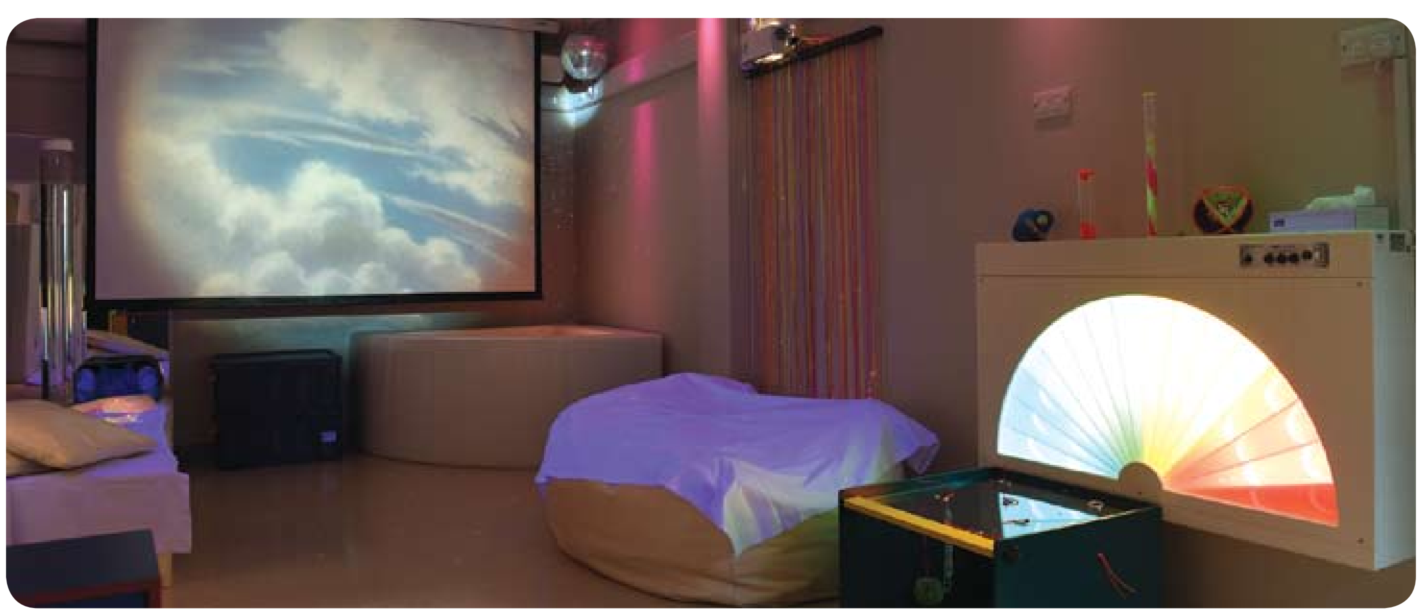
Medicines for Children Research Network
East Lancashire Paediatric and Neonatal teams have supported the Medicines for Children Research Network since 2007-08. This is a national network with smaller networks in certain parts of the country and the trust is involved with the Greater Manchester, Lancashire and South Cumbria network (GMLC). The Research Network activity has grown 3 with additional research nurse capacity and data management support now supporting a wider range of studies, and now impacting on a higher number of patients, families being involved in this area of activity as well as studies not related to medicines for children.

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. There is also close collaboration between the Trust and 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.

North West Stroke Research Network
Dr Neetish Goorah leads the stroke research activity with support from the clinical team from the Stroke Unit at the Royal Blackburn Hospital and Pendle Rehabilitation Unit. The Trust has dedicated research nurse support steadily recruiting to research studies being offered to patients who have suffered a stroke.

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. Dr Ramtoola leads the majority of these studies with Dr Jones undertaking studies that sit on the NIHR portfolio. Other 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 still goes from strength to strength especially since the successful application for funding previously mentioned for the SHIP Trial. They have successfully delivered this study which is now going through its analysis of the study data that has been recorded throughout the study so far.

The department have implemented their own research strategy over the past five 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 (Co-ordinating Midwife) having a role as Co-convenor for the Reproductive Speciality Group.

During 2012-13 additional dedicated research staff have been put in post to support portfolio activity with now a number of research midwives, 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. Specialist gynaecology nursing staff also contribute to recruiting patients to research studies in this clinical field, offering their clinical specialist knowledge to the research being undertaken. This department has also continued to ensure public involvement in its activities 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.

Research Governance
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

The Trust has implemented a full programme of research monitoring during the year that supports staff development and ensures compliance with research standards across the Trust. A Research Quality Manager has been appointed to support improved communications of research activities.

The Trust also revisited its organisational structure for research and development and reformed Strategic Committee was formed in 2012-13 chaired by the Trust Chief Executive. A newly formed Research Leads group has also met bimonthly starting at the beginning of 2013. A monthly operational meeting operates to manage day to day research activities and develop systems for improving the research environment at the Trust.

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.

Clinical Audit

During 2013/14, 45 National Clinical Audits and 6 National Confidential Enquiries covered NHS services that East Lancashire Hospitals NHS Trust provides. These audits look at adherence to national standards and guidance. During that period East Lancashire Hospitals NHS Trust participated in 44 of the 45 National Clinical Audits and 100% of National Confidential Enquiries which it was eligible to participate in.

At the end of 2012 it was announced that HQIP (Healthcare Quality Improvement Partnership) would publish individual consultant level clinical outcome measures. 10 Specialty areas were announced for the first publication round. These were based on audit data collected by specialist associations and some had been in the public domain previously although consultant names had not been publically available. Overview of Audits so far published and applicable to ELHT:

- **Interventional Cardiology**
  The British Cardiovascular Intervention Society ran this audit. The data was collected for the year 1/1/12 to 31/12/12. The audit looked at numbers of Percutaneous Coronary Interventions (PCI) and the outcome measure was major adverse cardiac and cerebrovascular events (MACCE). The four ELHT cardiologists submitted data and none were outliers.

- **Orthopaedic Surgery**
  This audit comes from data in the National Joint Registry. The compliance for the Trust is 94% against a benchmark of 95%. 15 of our orthopaedic surgeons have submitted data. Five have not as their range of practice excludes hip and knee replacement. A sixth only joined the Trust in March 2013. The audit shows both 12 month (2012) and 3 year data for total hip and total knee replacement and for revision surgery. None of our contributing surgeons was an outlier for mortality associated with these procedures in either time period. However a number of surgeons are low volume operators compared to the national average. The data includes work in the independent sector.

- **Urological Surgery**
  The British Association of Urological Surgeons carried out the urology audit. The published audit relates to nephrectomy. The BAUS website states that this audit has been running for some years but returns are only around 30% as many surgeons report lack of local support for data collection and submission.

  The published audit covers the period 1/1/12 to 31/12/12. The three Trust surgeons who do this procedure have data in the audit and are not outliers in terms of the three outcomes measured, mortality, complications and transfusion rates.

- **Vascular**
  This audit run by the Vascular Society looked at two procedures Elective infra renal AAA and Carotid Endartectomy. The former was audited over a 5 year period from 1/1/2008 to 31/12/12 and the latter over three years from 1/10/09 to 30/9/12. The four Trust consultants submitted data. No surgeons were considered outliers in terms of mortality with regard to AAA and in terms of stroke or mortality within 30 days for endarterectomy. The data on time to endartectomy showed an average wait at ELHT of 20 days.

Examples of how clinical audit programmes have improved the care of patients are detailed below:

1. Hip Fracture Perioperative Pain Management Audit:
This is a NICE quality indicator audit. Fracture Neck of Femur commonly occurs in elderly population. Age and comorbidities demand personalised and effective care for this group of patients. Our Anaesthetic practise was audited against NICE guidance. Out of 5 areas, audit found that we are 100% compliant in 4 areas and 58% in 1 area.

Patient Outcome: This led to a training programme for Anaesthetic staff for Fascia Iliaca Block and patients will benefit from improved pain relief and reduction in opioid use post-operatively. This will be reaudited.

2. Emergency Laparotomy audit
Elderly emergency laparotomy is known to have high mortality rates. Our audit highlighted the importance of consultant led intra-operative and post-operative care with emphasis on use of goal directed fluid therapy and admission to critical care during the postoperative phase. This initiative was from Anaesthetics and that now we are collecting data for National Emergency Laparotomy audit (National audit with multiple stake holders)
Patient outcome: Since the audit, theatres are now equipped with monitors that can facilitate goal directed fluid therapy and all our patients who undergo emergency laparotomy are automatically admitted to critical care following emergency laparotomy. This measure alone has proven to reduce mortality.

3. British Thoracic Society Emergency Oxygen Prescribing Audit:
This is a national audit which has been carried out since 2009. Oxygen, if used inappropriately can lead to serious patient harm especially in conditions such as COPD, obesity hypoventilation syndrome and patients with neuromuscular disorders. Hence the BTS guidelines recommend that every patient who requires supplemental oxygen should be given a target range for oxygen saturations and the oxygen should be prescribed by a doctor accordingly. When we started this audit in 2009, only 32% of patients in Royal Blackburn Hospital were prescribed oxygen appropriately. Since then, there has been a progressive improvement with the audit in 2013 showing 64% of patient having oxygen prescribed correctly. This is better than national average (46.7% for 2013), although there is plenty of room for improvement. Through correct prescription of oxygen, it is hoped that the risk of using inappropriately high amount of oxygen in patients sensitive to its effects will be minimised. In order to achieve this, findings from this audit will be passed on to colleagues in all departments in the hospital and will be re-audited through BTS National audit in 2015.

4. Epilepsy 12 project
Epilepsy 12 is a national audit. There were 12 key outcome performances around organisation of care and clinical assessment. Each outcome had multiple facets. The audit looked at first time diagnosis in children from Blackburn with Darwen, Ribble Valley and Hyndburn. The audit was judged by consultant paediatrician epilepsy clinician from Burnley who was independent assessor and had not previously been involved in care.
The audit found we were positive outlier for all facets of first clinical assessment .This reflects training within department and close work with tertiary paediatric neurology services in Manchester and Liverpool. This ensured correct diagnosis was made and there were no changes in diagnosis at one year.

5. Prospective evaluation of the patient experience following Vacuum Assisted Breast Biopsy (VAB)
Diagnostic Discrepancies Resulting in Benign Excision Biopsy or Vacuum Assisted Breast Biopsy
The above 2 audits evaluates an 8 month review of cases following the introduction of the Radiographer led vacuum assistant breast biopsy service. The audit demonstrated a reduction in the number of excision biopsies undertaken of indeterminate lesions diagnosed following standard core biopsy. Specifically; 88% reduction in the number of surgical excision biopsies compared to 2011, 67% of cases were discharged without unnecessary surgery, very high patient satisfaction levels, both pre and post care and information were perceived to be of a high standard, levels of communication skills were regarded as effective. This introduction of the 'Radiographer led' VAB service from objective measures and from the patient perspective appears successful with effective utilisation of Advanced Healthcare Practitioner skills mix.
Patient outcome:: 88% reduction in the number of patients that need surgical biopsy for diagnosis of breast lumps, high levels of patient satisfaction and Advanced Practitioner rather than Consultant led.

6. The MEOWS audit (Modified Early Warning Score)
Following on from a serious incident and results from previous audit showing poor compliance and need for staff education, we worked together with anaesthetic colleagues to introduce a new MEOWS chart in June 2013- incorporating anaesthetic data to streamline monitoring of obstetric patients and to prevent duplication of workload for midwives. A series of posters were designed to educate midwives, now displayed across Maternity unit.
Patient outcome: As the result of this audit and action plans, we have improved the recognition of a deteriorating patient on our wards. Re-audit presented in September 2013 showed 95-100% compliance in all standards.

7. Pregnant women attending Emergency department and pregnant women admitted for non-obstetric emergencies
Regular annual Audits have led to refinement of the care pathway in cooperation with the Emergency Department and other specialties, with sharing of results to constantly increase awareness of minimum audit standards. Changes in Electronic

patient tracking system now enable pregnant women across ELHT to be identified. We have introduced a system whereby we can identify these patients daily and obtain updates from ICU and other wards, with documented inclusion in daily handover on labour ward. A system is in place to ensure patients on ED and other wards are reviewed by the Obstetrics and Gynaecology team regularly. The patient database within the Emergency department has also been redesigned to ensure pregnant patients are identified with prompts on appropriate follow up with midwife.

Patient outcome: Work on this audit has led to significant improvement in interdisciplinary management of pregnant women attending ED or admitted with non-obstetric emergencies. Re-audit presented in March 2014 finally shows that current system is working well with significant improvement in documentation. These results have been cascaded to other specialties.

8. Audit of balloon volume of gastrostomy tube

This audit looked at the implications of moving from a gastrostomy tube (held in place by a water filled balloon) changed every 12 weeks to changing every 16 weeks. The balloon volume was measured on a weekly basis. Patients / carers were asked to report any decreases in balloon volume to their health care professional. The audit showed that the gastrostomy tubes used in the Trust can safely be left in place for 16 weeks. Departmental guidance was therefore updated.

Patient outcome: This led to cost savings for the trust (one less tube per year) but also benefitted the patients as they have to undergo one less medical procedure a year

9. Audit of the management of paediatric patients with asthma presenting to ED

Following this audit completed by a trainee advanced nurse practitioner we have worked together with staff from paediatrics and the Commissioners to compile a guideline and management plan for paediatric patients attending the department with moderate or severe asthma. Teaching has taken place within the ED for the medical and nursing staff to ensure we are compliant with the guideline. A patient group directive has been introduced so nursing staff can initiate treatment from triage. An advice leaflet has been written to give to parents and a discharge letter has been designed which is sent to the patient's GP following the patients attendance.

Patient outcome: This audit has made sure that the treatment of paediatric asthma now follows national guidelines resulting in better care being given and the patients getting better more quickly some of whom are now discharged home without the need for admission. This is in the process of being re-audited and is also going to include a parental questionnaire so service user feedback is included.

Our Quality Account

The Trust has published its annual Quality Account in line with Department of Health requirements and this is available in full on our website at www.elht.nhs.uk. This Annual Report should be read in conjunction with our Annual Quality Account which provides further key information about our performance against quality requirements. The highlights of the report are detailed below.

Quality Accounts are annual reports from providers of NHS healthcare and serve to provide information about the quality of the services that they deliver. Quality Accounts have become an important tool for strengthening responsibility and accountability for quality within Trusts and for ensuring effective engagement of Trust leaders in the quality improvement agenda. By producing a Quality Account, Trusts are able to demonstrate their commitment to continuous evidence based quality improvement and to explain their progress to patients, the public and stakeholders.

Last year's Quality Account described a number of quality priorities that the Trust identified for implementation during 2013-14. How we have performed against these priorities during the year is set out below:

- Hospital Standardised Mortality
  We stated that we would reduce further our hospital standardised mortality by 5% during 2013-14. Our internal monitoring indicates that we have moved from 105 (within expected range) in February 2013 to 80 (low relative risk) in January 2014. However the Trust remains in the "above expected" ratio category for Summary Hospital Level Mortality Indicator.

- Harm free care
  We utilise the Safety Thermometer system within the Trust to measure four harms that could affect our patients whilst receiving care at our hospitals. The four harms are Pressure Ulcers, Venus Thrombo-Embolism, Catheter Acquired Urinary Tract Infection and Falls. Our aim for 2013-14 was to achieve a 1% increase in patients who are harm free using the safety thermometer and we achieved this aim.

- Readmissions
  The Trust has achieved a slight reduction in thirty day readmission rates from 13.93% in 2012-13 to 13.25% in 2013-14. This did not however meet the 2% reduction target that we set locally.

- Patient Experience survey response
  Our target was to achieve a 5% increase in patients reporting they were involved in decisions about their treatment. We achieved an increase of 2% during 2013-14.

- Elimination of mixed sex accommodation
  We set a target of 100% elimination of mixed sex accommodation and we achieved this target

- National Clinical Audits
  During 2013-14, East Lancashire Hospitals NHS Trust participated in forty four of the forty five National Clinical Audits.

- NICE Quality Standards
  The Trust identified a target increase in the percentage of patients achieving NICE quality standards in five clinical areas.

  In 2013-14, fifty seven published quality standards were identified as being relevant to ninety six services at the Trust. Thirty two of the ninety six services completed a GAP analysis against current standards. Twenty five provided action plans with three in development and four not required. Fourteen services declared compliance with the quality standards with plans to initiate audit activity during 2014-15. Three quality standards audits were initiated, one has been completed with actions identified and the remaining two audits are currently on-going.

- Care bundles
  During 2013-14 the Trust aimed to improve compliance with four care bundles. Progress during the year has seen the development of a range of care bundles in response to higher than expected mortality in certain diagnostic groups. These are care bundles for community acquired pneumonia, alcoholic liver disease, fractured neck of femur, acute kidney injury, septic shock and neutropaenic sepsis. The bundles have been launched throughout the year and accompanied by training and awareness sessions as well as specific site on the hospital Intranet site. In conjunction with the bundle launch there has been a programme of regular audit of bundle compliance with identified trajectories of improvement.

Inpatient survey
The Picker Institute Europe is commissioned by a number of NHS organisations to facilitate the annual Inpatient Survey. For the 2013 survey, eight hundred and fifty inpatients at East Lancashire Hospitals NHS Trust were sent a questionnaire. Of these, eight hundred and thirty four were eligible to complete the questionnaire and a total of four hundred and twenty (50%) did so compared to 49% in 2012. The average response rate across all of the seventy six Trusts who commissioned the Picker Institute to facilitate the 2013 inpatient survey was 46%.

The tables below sets out the Trust's performance in 2013:

The Trust has improved significantly on the following questions: (Lower scores are better)

	2012	2013
Overall: not asked to give views on quality of care	78 %	70 %

The Trust has worsened significantly on the following questions: (Lower scores are better)

	2012	2013
Hospital: hand-wash gels not available or empty	3 %	6 %
Hospital: not offered a choice of food	19 %	32 %
Nurses: sometimes, rarely or never enough on duty	39 %	47 %
Care: not enough (or too much) information given on condition or treatment	17 %	24 %
Care: could not always find staff member to discuss concerns with	60 %	69 %
Discharge: Not given notice about when discharge would be	40 %	48 %
Overall: not treated with respect or dignity	17 %	26 %
Overall: rated experience as less than 7/10	18 %	24 %

ELHT results were significantly better than the 'Picker average' for the following questions:
(Lower scores are better)

	Trust	Average
Hospital: shared sleeping area with opposite sex	4 %	8 %
Hospital: patients in more than one ward, sharing sleeping area with opposite sex	2 %	5 %
Hospital: patients using bath or shower area who shared it with opposite sex	5 %	12 %
Hospital: felt threatened by other patients or visitors	2 %	3 %

ELHT results were significantly worse than the 'Picker average' for the following questions:
(Lower scores are better)

	Trust	Average
Hospital: food was fair or poor	51 %	42 %
Hospital: not offered a choice of food	32 %	20 %
Hospital: did not always get enough help from staff to eat meals	43 %	34 %
Doctors: did not always get clear answers to questions	36 %	30 %
Nurses: sometimes, rarely or never enough on duty	47 %	41 %
Care: not enough (or too much) information given on condition or treatment	24 %	20 %
Care: could not always find staff member to discuss concerns with	69 %	58 %
Care: not always enough emotional support from hospital staff	49 %	43 %
Surgery: not told how to expect to feel after operation or procedure	50 %	42 %
Discharge: Not given notice about when discharge would be	48 %	43 %
Discharge: family not given enough information to help	53 %	48 %
Discharge: did not receive copies of letters sent between hospital doctors and GP	48 %	31 %
Overall: not treated with respect or dignity	26 %	19 %
Overall: rated experience as less than 7/10	24 %	17 %
Overall: Did not receive any information explaining how to complain	63 %	58 %

A detailed action plan has been developed to address all areas requiring improvement highlighted in the report. This has been developed with Clinical Teams and Clinical Divisions and will be reviewed through the Patient Experience Committee and Trust Board. We will continue to monitor the satisfaction of our patients internally on a monthly basis

Workforce report

Our Approach to Staff Engagement

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 undertaken in a number of areas to help us develop and maintain that engaged workforce.

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

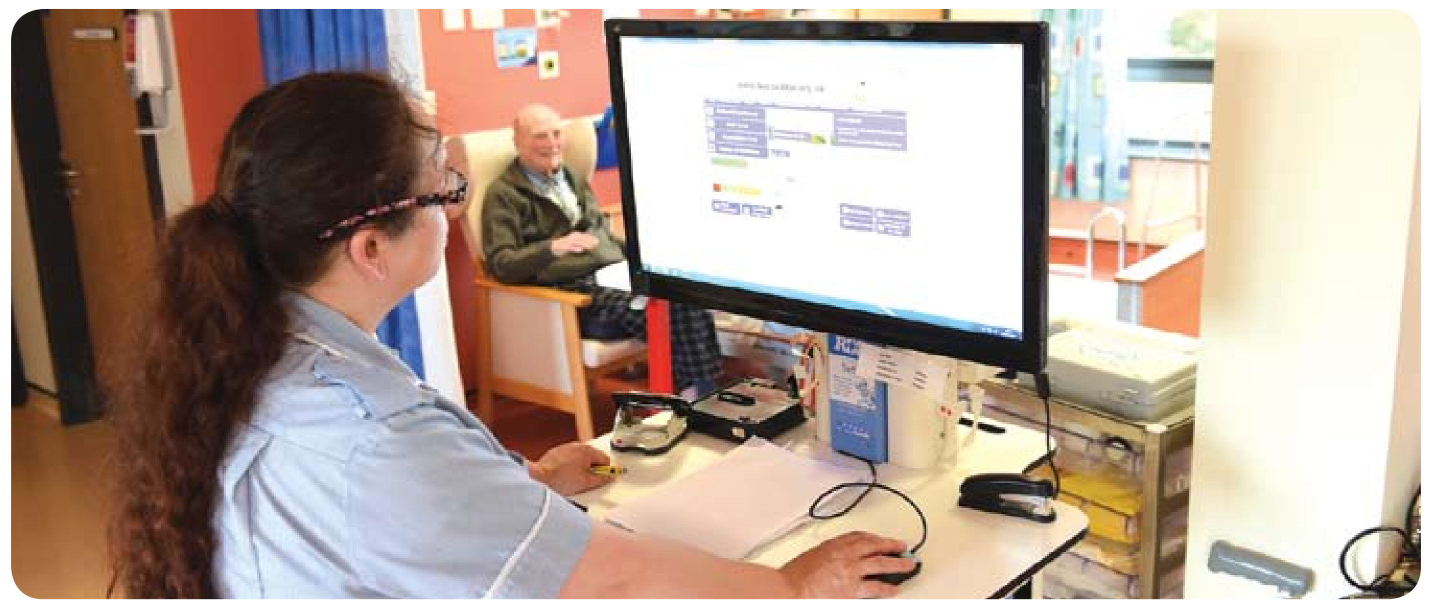
ENGAGING Managers is at the heart of the development of our organisational culture– they facilitate and empower rather than control or restrict their staff; they treat their staff with appreciation and respect and show commitment to developing, increasing and rewarding the capabilities of those they 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. The actions that we have taken in response to their feedback are disseminated and we are working to ensure that this is increasingly effective so that staff feel an affinity with and ownership of the areas in which they work and the Trust as a whole.

We have committed to preventing and eliminating all forms of malpractice and wrongdoing and will support all staff who genuinely raise a concern about behaviours or services. We have committed to the amended NHS Constitution which specifically supports raising concerns in the NHS and have signed up to the "Speak Out Safely" national campaign. We have reviewed and relaunched our Raising Concerns Policy supported by online training to ensure staff are supported both in raising concerns and in addressing those concerns. The training will be integrated into both mandatory training and induction programmes in 2014/15.

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', our open forum quarterly meetings with the Chief Executive and senior managers
- 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.

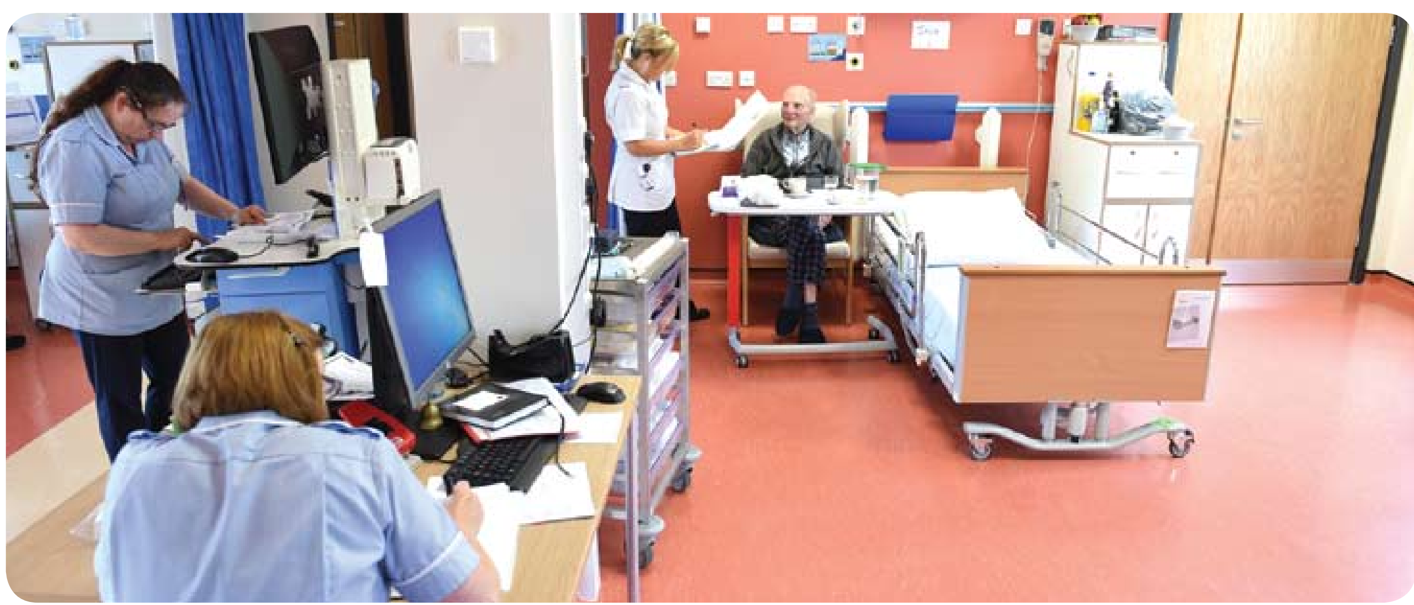
We recognise all major NHS trade unions and support local representatives with appropriate time off facilities. Formal negotiations are undertaken through the Joint Negotiating Committee and the Joint Local Negotiating Committee. In addition, a number of sub groups exist to ensure full consultation and 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.

Staff Composition

Professional Group	WTE	%
Medical and Dental	732	10.1
Nursing and Midwifery	2281	31.6
Scientific, Therapeutic and technical	793	11.0
Clinical Support Staff	1267	17.5
sub-total	5073	70.2
Senior Managers and Board Members	137	1.9
Ancillary and Other	2013	27.9
TOTAL	**7223**	**100.0**



Leadership and Safety Culture

High performing organisations recognise the importance of continuous quality improvement as an essential driver in achieving their organisational goals. Strong leadership is needed from floor to Board with clear, well-communicated organisational values that are shared and owned by all staff within the organisation. Our commitment to developing leadership at all levels within the organisation supports the delivery of safe, personal and effective care through inspirational and transformational leadership at all levels. Our workforce strategy details the investment that has been placed in ensuring that aspiring leaders receive the right training and development opportunities to empower them to make sustainable changes that make a difference to service users.

It is recognised that leadership for quality must be evident at every level within the organisation and that the Trust Board must lead by example. The Board has commenced its journey to demonstrate its commitment to quality through the establishment and encouragement of a strong culture of continuous improvement, a visual and obsessional commitment to supporting staff to deliver excellent patient care, through robust systems and processes, providing the appropriate skills and tools and developing teams. The Chairman and the Chief Executive will ensure the Board has the capacity and capability to deliver the quality agenda though Board self-assessment, education and development and succession planning. This will be supported by accurate accessible and detailed information at specialty line level therefore enabling forensic pursuit of improvement. Quality is the core part of the Board meetings, both as standing agenda items and as an integrated element of all major discussions and decisions. The Board reviews a monthly dashboard of the most important patient care improvement measures.

The Board is working to instil, through the management structure, a philosophy that quality is an integral aspect of every employee's role and responsibility. This is being reinforced through clear delivery plans with measurable objectives, strong leadership and innovative thinking. Specifically, the Board supports Clinical Directors, Business Managers and Matrons to take greater leadership and managerial responsibility through training and development of shared and realistic goals. The Board is working to ensure each speciality has reliable and valid information on which to base decision making and is provided with the appropriate resources to deliver the programme.

All staff are actively encouraged to

Our survey said...

Recent patient comments

" The staff are very dedicated in what they do. For the staff it is not just a job, they show compassion and are always willing to listen. Very dedicated, excellent team work. All areas are cleaned to a high standard "

learn and use an appropriate range of improvement methodologies and tools. Through appropriate workforce planning and succession planning we will generate and sustain the capacity to ensure we achieve safe, personal and effective care at every point of patient interaction.

Education of Undergraduate and Postgraduate doctors, nurses and allied health professionals is a core part of the daily work at ELHT. We provide an excellent environment for training, supported by a range of busy clinical workplaces, where our students and trainees can learn about the presentation, diagnosis, care and management of patients with a wide range of conditions.

Trainees are often seen as the eyes and ears of the NHS in relation to delivery of safe, personal and effective services. They are in a unique position to provide comparative opinion on care, culture and clinical practice, because they move between health care organisations.

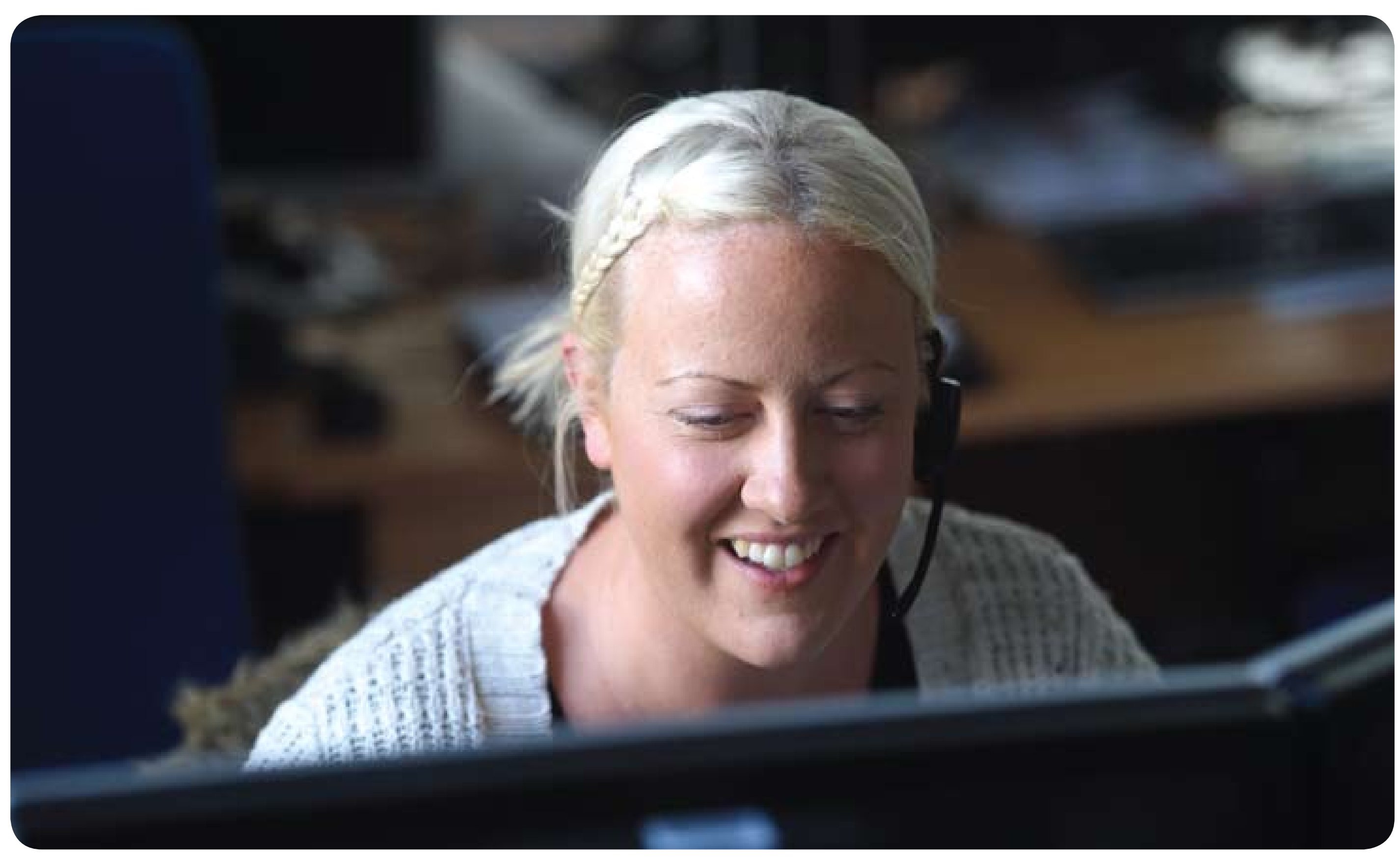
In October 2013, we had our routine NW Deanery biennial monitoring visit. This followed a period of increased scrutiny by the deanery and we were pleased to hear that the visitors saw evidence of improvement. They have scheduled their next routine monitoring visit for April 2015. The divisions and education team are working towards meeting the recommendations made by the visit.

As a prelude to the Deanery visit, there was also a visit undertaken by the Junior Doctors Advisory Team where contractual and support issues were examined. Many of these have been addressed including expansion of car parking, development of trainee forums, improved advice regarding duty hours monitoring, re-introduction of bleeps for all junior trainees and from this month, the removal of all rotas which contain more than four consecutive duty nights.

In order to further develop the monitoring and quality assurance of medical education in ELHT, the Postgraduate Education department developed an education strategy in early 2013. This included the appointment of Divisional Educational Leads who are now responsible for the delivery of educational outcomes in their divisions, supported by a range of sub-specialty and professional leads.

Part of our health care workforce strategy is to ensure that the right job or task is done by the most appropriate person. The jobs traditionally done by junior doctors are changing and there is a move to improve the skills of nurses, non-registered staff and allied health professionals so that they can take up these duties in a more patient-centred way. ELHT has recently invested in the expansion of the phlebotomy service on the wards.

The Trust is also supporting the development of advanced nurse practitioners who will take on new roles when they have completed their training. For the second year running, ELHT has the second highest number of Health Education England funded posts.



Organisational Development Strategy

Our staff are our greatest asset and improvements in quality, safety and the patient experience will depend largely on them. The Organisational Development (OD) Strategy builds on our vision, values, organisational philosophy and our improvement aims. Within the OD Strategy there are a number of key deliverables, for example, a Workforce Strategy, a Leadership Strategy and a Training and Education Strategy.

A well-trained, highly motivated workforce is needed to ensure the delivery of the quality objectives. As well as highly competent practitioners giving the best available evidence-based care, service users value friendly compassionate staff, and these qualities have a significant impact on how people rate our services. Excellent communication is central to staff being able to demonstrate these qualities, and we have committed the organisation to ensuring that staff are suitably prepared with the right skills to support service users through their health care experience.

Effective deployment of the Organisational Development Strategy will ensure that all staff have the required skills, attitudes and behaviours to continuously improve the delivery of safe, personal and effective care, This is supported by a comprehensive appraisal and personal development programme.

We have adopted a Personal Development Review approach that integrates the key elements of the national Knowledge and Skills Framework which each member of staff participates in. Discussions at the Personal Development Review focus on the organisational context within which an individual performs their role taking into account organisational, departmental and team objectives. A review of the individual's objectives for the previous year and their learning is undertaken mapping their development to the Knowledge and Skills Framework national and local outline for their role. The review incorporates the agreement of specific, measurable, achievable and realistic objectives for the forthcoming year and the identification of any further learning and development needs that will assist the individual in meeting those objectives. The Board closely monitors the level of appraisals and Personal Development Reviews that have been undertaken by staff on a monthly basis as part of its Integrated Performance Report.

National Staff Survey 2013

Invitations to complete the 2013 National Staff survey were sent to 1747 staff this year, the largest group ever surveyed at the Trust and the response rate was 46%, slightly below the national average. The survey reports on 28 key findings and the Trust's results show that we are in the best 20% of Trusts in 4 areas, above average in 12 areas, average in 5 areas, below average in 5 areas and in the worst 20% of Trusts in 2 areas. The overall staff engagement score was just below the average of other acute Trusts.

The Trust was in the **top 20%** for
- Staff feeling able to contribute towards improvements at work
- Effective team working
- Staff not working extra hours
- Staff not suffering work related stress.

The Trust was **better than average** in
- Staff motivation
- Staff satisfaction staff experiencing bullying or harassment from other staff

The Trust was **worse than average** or in the worst 20% of Trusts for
- Staff witnessing potentially harmful error, near misses or incidents
- Staff experiencing harassment, bullying or abuse from patients, relatives or the public
- Staff reporting error, near misses or incidents witnesses
- Staff receiving health and safety training in the last 12 months
- Staff recommending the Trust as a place to work or receive treatment.

In response to the survey findings the Trust developed an action plan for Divisions to address the top 5 concerns highlighted in the responses in their areas. This has been approved by the Board and will be monitored by the Patient Safety and Governance Committee and the Divisional Performance Meetings in 2014/15. The Trust has also launched a new staff engagement approach "Engage to Make a Difference" with a series of "Big Conversations" designed to give staff in all areas a chance to share their views and ideas.

The Trust has also developed a quarterly "Vital Signs" mini survey that will be conducted on a quarterly basis throughout 2014/15 to regularly take the temperature of the organisational culture and rapidly address any issues that arise. We are working to ensure that as many staff as possible can participate in a way that is most effective for them whether by on line responses or text messaging. The vital signs survey has been developed using NHS employer's measure of engagement, Friends and Family test and the 7 areas of concern from the National Staff Survey. The initial response rate to the first survey undertaken was 27% and the responses are being used to supplement the action plans from the National Staff Survey and design targeted interventions in particular areas of need. The vital signs findings have indicated that the actions we are taking to improve and increase staff engagement are already having a positive effect.

Equality and Diversity Report

At East Lancashire we take Equality, Diversity and Human Rights seriously and want to ensure they are part of every aspect of our work. We believe that at every level within the organisation Equality, Diversity and Human rights should impact the provision and delivery of services, the employment of staff, the management of the workforce, the development of policies and functions and how we engage and interact with our local community. We recognise that the population we serve and our workforce is extremely diverse and is becoming even more so. For this reason, we have a moral and ethical, as well as a legal duty, to treat everyone fairly and without discrimination. We are a prominent employer and service provider in East Lancashire and the diversity of our workforce and people who access our services bring a richness of cultures and lifestyles. This also brings a number of challenges and opportunities that our business of health and wellbeing needs to be ready to tackle to support us to continue to deliver a safe, personal and effective service. Over the last year we have welcomed the arrival of the Equality Delivery System within the Trust which can measure and assess our Equality performance against Goals and Outcomes that are most relevant to our staff and service users.

Diversity and equality remains high on the list of Trust priorities and a lot of work to improve the areas that require most attention has already taken place in 2013/14 including;

- Successful implementation of the NHS Equality Delivery System (EDS);
- To date over 2500 staff have completed E&D master-class workshops;
- Increased communication and involvement with the refugee/ asylum seeker and deaf communities;
- Developed good links with Healthwatch and key community and voluntary sector organisations to gain further insight into patient/ carer needs;
- Patient and carer feedback is utilised from its user involvement network, patient surveys and in-house ‘real-time’ patient/carer surveys alongside complaints and PALS. This information is used to inform strategies e.g; Dementia strategy, patient experience, etc. The information is used by divisions to reflect on practice and make improvements to services;
- The Dementia assessment is automatically generated for every person admitted over the age of 75yrs and asks a question about memory function, and the appropriate pathway is followed from there. Red dots on the bedside and red trays are used to indicate patient needs support with feeding;
- The patient admission assessment takes into account equality and human rights issues, medical, physical, social, emotional, cultural and spiritual aspects of the patient;
- The Learning Disabilities (LD) Liaison Nurse continues to lead on the implementation of the Trust’s improvement plan for learning disabilities; A hospital passport has been developed and is being used at the Trust to assist people with learning disabilities to provide hospital staff with important information about them and their health when they are admitted to hospital;
- The virtual ward project was introduced, allowing people with chronic conditions to be cared for in their homes, rather than being admitted to hospital – This project has been welcomed by patients using the service;
- There is a proactive approach to developing service improvement projects and active participation of people from the local community, this currently includes ‘conversations with the community leaders’ through its community engagement activities including the Community Leaders Forum chaired by the Medical Director;
- Maternity service was given the best scores in the North West in a patient survey; and midwives received a major national award from the Royal College of Midwives;
- More than 3,000 women have a home-from-home birth at Blackburn’s midwife-led unit. It offers a calm, personal alternative to the traditional maternity ward. The centre has birthing pools, beautiful grounds and unlimited access for visitors plus birth preparation classes, hypnotherapy advice and baby yoga classes. Experts say birthing centres can reduce the need for caesarean sections by providing a comfortable and natural environment;
- Recruitment and Selection - Monitoring continues of our recruitment processes and an annual report detailing this information is published on the hospital website. The Trust Management Team also considers a comprehensive workforce report on a quarterly basis. Posts continue to be assessed and monitored against national terms and conditions of employment, supported by local employment policies;
- 15 disabled and minority ethnic staff have completed the Diverse Leaders of Tomorrow leadership development programme;
- Staff are well informed about equality, diversity and human rights issues via regular briefings, reports, training, newsletter, message of the day and all user emails;
- Customer Service training has been rolled out across the Trust;
- Zero Tolerance Towards abuse, discrimination, harassment, bullying, violence - Developed the ‘Fair Treatment Champions’ initiative a confidential staff support service;
- Routine use of Equality Impact assessments in policy revision and approval;
- Buildings are accessible via PEAT inspections; implementation of signage at all hospital sites, complete review of parking at all Hospital sites, Disabled/adult changing facilities, Zones Project to simplify ward identification at Burnley General Hospital and the main entrance at Royal Blackburn Hospital has also undergone major refurbishment. Most areas are now fitted with hearing loops;

- A reasonable adjustment tool has been developed and utilised within the Trust to support the identification of reasonable adjustments required by each individual with a disability

The Public Sector Equality Duty strategic equality objectives for the Trust are:

- To implement the EDS (Equality Delivery System) for 2014/5, ensuring all divisions implement the 2014/5 improvement plan and provide appropriate evidence and in a timely manner against the goals;
- Objective 1: To review key areas of improvement through feedback from engagement and rating days inviting participation of protected characteristic groups.
- Objective 2: To work with protected and disadvantaged groups to identify specific needs and to ensure patients are aware of services available to eliminate any inequalities and improve access and experience.
- Objective 3: A requirement for ELHT to provide mandatory Equality & Diversity (E&D) training face to face and or online. This must be for all staff at all levels to ensure all staff are trained & skilled to deliver safe, personal, effective, fair and diverse services competently with dignity and respect.
- Objective 4: To ensure that equality is everyone's business by embedding E & D throughout the organisation to support improved equality in health outcomes and workforce diversity.
- Continue improving workforce & patient data, high percentage of undefined data due to lack of information historically for disability, religion or belief and sexual orientation.
- To train our staff appropriately in order to treat and work with different groups better;
- To devise a positive action strategy to address current and predicted future issues in under representation of protected groups;
- Improving staff engagement, progressing our Trust-wide initiative to improve patient care through improving the quality of working lives for staff; the aim is for our service users to have the best possible experience every time they have contact with our staff;
- To work with and engage with different communities more in order to gain a clearer picture of their needs and preferences;
- Develop a new EQIA framework (covering the new duties under the Equality Act 2010), with guidance notes and supporting training, to be rolled out to all divisions in 2014.

Our staff profile in relation to race and ethnicity continues to grow (2.8% increase) at 15.83%, this is marginally lower than the target which is based on local population data which stand at 20%. We will continue to monitor equality indicators and take positive action to ensure we employ a workforce that represents the population we serve. It is recognised as an area for improvement and is included in our equality objectives.

In relation to disability our staffing profile is relatively low with 3.18% of staff declaring a disability. 42.62% of our monitoring indicates a 'not known' response in relation to disability however we have been working to reduce this missing information, with some success through the data cleansing exercise, but clearly this still needs to improve. The representation of disabled staff in pay band 5 and above requires improvement from the current figure of 0.2%.

Gender representation continues to show significant under representation of men in the workforce compared to general population statistics. Currently women make up 82.63% of the workforce and men 17.37% – no change to last year's figures.

We have recently been producing reports in relation to sexual orientation and religion and belief. Religion and belief information indicates 72.54% of staff report a positive affiliation. In terms of sexual orientation 0.8% of staff identifies themselves as bisexual, gay or lesbian but we recognise that there is some further work to be done to ensure we collate all information and 12.27% do not wish to disclose.

Monitoring continues of our recruitment processes and an annual monitoring report detailing this information is published on our website. Posts continue to be assessed and monitored against national terms and conditions of employment, supported by local employment policies. Research has been undertaken and recommendations made for actions to improve our ability to attract a diverse mix of suitable applicants for job vacancies.

	All White	Black or minority ethnic	Mixed	Asian or Asian British
England	85%	15%	2%	8%
North West	90%	10%	2%	6%
Blackburn with Darwen	69%	31%	1%	28%
East Lancashire	88%	12%	1%	10%
Pennine Lancashire	83%	17%	1%	15%

STAR (Staff Thank You and Recognition) Awards

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

The winners and awards were:

- Clinical Worker of the Year – Nadine Scott-Lindo, Neonatal Intensive Care Nurse
- Non Clinical Worker of the Year – Cindy Murray, Decontamination Team Leader
- Rising Star Award, Katie Cain, Clinical Skills Tutor in the Clinical Activities Support Team and Coronary Care Unit Sister
- Learner of the Year – Chantelle Hartley, Cadet Nurse, Children's Outpatients
- Quality Innovation and Research Award – Outpatient Parenteral Antibiotic Outreach Team
- Outstanding Achievement Award – Barbara Lubomski, Respiratory Lead
- Community Leadership Award - Fiona Lamb, Emergency Department Sister
- Team of the Year – Holly House Child Development Centre
- Unsung Hero Award – Dot O'Meara, Healthcare Assistant on Ward C3
- Chairman's Choice Award – Jill Gray, Pharmacist, and Patricia Knight, Voluntary Infant Feeding Coordinator

Sickness Absence

The Trust has steadily improved its sickness absence rates and improved year on year for the last five years. The Trust again improved performance from 4.16% in the previous year to 3.98% in year. The Trust now has a sickness absence rate which compares very favourably both against national and regional sickness absence figures. The cost of sickness absence to the Trust therefore continues to fall on a yearly basis and is detailed below for the year under review.

The Trust monitors sickness absence rates on a monthly basis in the workforce scorecard element of the integrated performance report.

Cumulative Absence (FTE)	Cumulative Estimated Cost
94,463.50	7,586,200.40

Gender Profile

As detailed in our Equality and Diversity report above the Trust continues to monitor the gender profile of the workforce along with a number of other indicators. We are working to ensure that our recruitment activities encourage applicants from across all communities to ensure that the needs and preferences of all our patients can be met and the Trust continues on its journey to become a model employer in the local community. This will ensure that we retain the staff we have invested in to deliver safe, personal and effective care to our local communities

Gender	Headcount	%
Female	6090	82%
Male	1183	18%
Grand Total	7273	100%

Our survey said...
Recent patient comments

" C5 is the nicest ward my mum been in we was very happy that she came to this ward they took good care of her more than any other ward shes been in thankyou C5 for looking after my mum "

Sustainability report

Introduction

The Trust monitors it's sustainability against the Sustainable Development Management Plan (SDMP). The SDMP adopts the ten thematic areas from the NHS Carbon Reduction Strategy against which we will continue to report.

Energy and Carbon Management						
	Target 2011/12	Actual 2011/12	Target 2012/13	Actual 2012/13	Target 2013/14	Actual 2013/14
Total consumption (GJ/100m3)	68.5	74.7	64.0	73.3	60.0	73.9

The Trust has maintained a similar level of energy consumption as in previous years but has unfortunately not been able to make the reductions necessary to achieve the targets identified in the Estates Strategy. Continued high levels of activity and the difficulties encountered in de-escalating beds have added to the problems as has the introduction of more electrically powered equipment generally.

The second phase of the building management system replacement at Royal Blackburn Hospital (RBH) and the improved building quality of the Integrated Urgent Care Centre at Burnley General Hospital (BGH) should help improve the results for 2014/15. The impact of the addition of new Clitheroe Community Hospital (CCH) and the older Accrington Victoria Hospital (AVH) are likely to have a net negative effect on the 2014/15 consumption.

Update on existing initiatives

- 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
- Heat recovery system to RBH steam raising plant - complete
- Intelligent lighting installation to corridor areas at BGH - complete
- Replacement Building Management System (BMS) at RBH - phase 2 on-going
- Energy initiative funding from DoH for replacement pumps BGH - complete
- BGH Integrated Urgent Care Centre BREEAM rating "very good"

Proposals

- Continue to replace inefficient lighting at all sites
- Installation of energy efficient pumps to heating systems when replacement is required
- Pursue capital investment for improvements to Wilson Hey building and new Ophthalmology unit BGH
- Work with IM&T to implement auto-shutdown of PC's where it is safe to introduce

Procurement and food

The Trust continues to follow guidance in 'P4CR: Procuring for Carbon Reduction' as reported in the Procurement Strategy.

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

The Trust's Head of Procurement is an integral part of the Sustainable Development committee.

Low carbon travel, transport and access

The Trust continues to run a car-sharing website with help from our local councils and operates a salary sacrifice car lease scheme which encourages members of staff to use modern, lower emission vehicles.

We have struggled to improve the use of bus services as an alternative to the single occupancy car journey in part due to reductions in local bus services.

Our shuttle bus continues to provide a regular service for patients, visitors and members of staff between our two main sites. After a review of the service, we have been able to better match the timetable to demand and reduce the number of runs with low occupancy.

Within the Estates and Facilities directorate we have established a video link between departments to reduce the travel demands generated by some of our larger meetings.

Water

We have established the suitability of the water supply from a test borehole and will be working with Consort to provide costs for the final scheme.

Our capital programme continues to specify water-saving sanitary ware on all new schemes including refurbishments.

Waste

Waste	Target 2011/12	Actual 2011/12	Target 2012/13	Actual 2012/13	Target 2013/14	Actual 2013/14
Clinical	740 T	701 T	703 T	745 T	668 T	728 T
Domestic	632 T	722 T	601 T	725 T	571T	1,036 T

The provision of new waste receptacles across the Trust has reduced the clinical waste tonnage which demonstrates the required downward trend but remains slightly above target. Set against a background of consistently high clinical activity this figure is promising.

The domestic waste figure shows a disappointing increase largely attributable to two significant spikes in the figures when clearing vacated buildings for demolition. Increased activity and rising workforce numbers inevitably increase domestic waste. Worth noting is the 122 Tonnes of waste which was recycled through our contractor's dry mixed waste recycling plant.

Designing the built environment

The Integrated Urgent Care Centre at BGH finally achieved a BREEAM rating of "very good". The target of "excellent" could have been achieved but would have required significant additional capital expenditure to capture the few extra points needed. It was considered prudent to invest this capital more wisely in other parts of the estate.

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.

Our capital plan includes an allocation for energy-saving initiatives which stands at £70k for 2014/15 which will be used to improve the insulation of the Wilson Hey building roof at BGH. We are planning for further investment in the Wilson Hey building to improve the external elevations and internal fabric.

A Strategic Outline Case has been prepared for a new Ophthalmology unit at BGH which would allow us to remove older building stock from the estate in line with the site development control plan.

Organisational and workforce development

The Trust understands the value of its most important asset, its staff, and continues to deliver Personal Development Reviews for all members. The Trust's Learning and Organisational Development division have implemented the learning hub which holds individuals' training records and personal development plans. The system allows the Trust Board to receive assurances as to the training and development status of the workforce.

Role of partnerships and networks

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

For example, our colleagues at Wrightington Wigan and Leigh NHS Foundation Trust continue to provide our cooked chilled meals and we are exploring shared contract opportunities through our Estates Directors forum.

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

The new Integrated Urgent Care Centre at BGH has been delivered through the NHS ProCure21+ initiative based around the NEC3 partnering form of contract.

Governance

The reporting of sustainability issues is as outlined in the Sustainable Development Management Plan. The Sustainable Development committee minute progress made against the sustainability action plan.

Quarterly up-dates of Estates performance are received by the Executive Management Board and are supported by a monthly dashboard of Estates indicators.

Finance

Estate rationalisation continues 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 contain the cost of delivering the Estates and Facilities services.

Summary

Our sustainability journey is starting to change the things we do. The Sustainable Development Management Plan and the sustainability action plan have demonstrated that there is much good practice on which can build for the benefit of our patients, visitors, members of staff and the wider local community.

Patient Environment Management

Maintaining the hospital environment is crucial to the patient experience. Providing services in a safe, clean environment promotes pride in our hospitals and is essential for infection prevention and control. We aim to ensure our sites promote:

- Patient and staff wellbeing
- Respect for patient needs and preferences in that they are designed for the effective and safe delivery of treatment, care or a specific function
- Provide as much privacy as possible and
- Are well maintained and are cleaned to optimise health outcomes for patients.

The Enhancing the Healing Environment (EHE) principles identified within our Dementia Strategy are being embedded within statutory and lifecycle plans for the Trust over the next 5 years. We have started the journey of innovation and change around the built environment to benefit all patients accessing the acute Hospital sites and services. Key principles have been implemented around social seating, furniture colour, toilet signs, clocks, handrails and toilet seats and handrails across the Trust.

Capital developments have and will continue with EHE innovation embedded in the design and commissioning stages.

Internal patient environment audits will be carried out through the year to inform our continuous improvement. The audit team is multi disciplinary clinical and non clinical to ensure that full care pathway and environmental management is asse3sseed in line with required compliance standards. Key learning from the audits are shared cross divisionally and monitored in accordance with performance standards for the area and the Trust.

The Patient Led Assessment of the Care Environment (PLACE) was introduced in April 2013 to ensure that the assessment process is impartial and based on patients' perspective and experience. This has replaced the former PEAT assessment process and offers a non technical view of the building and non clinical services provided across all hospitals providing NHS funded care. The national PLACE assessments are shared with the Care Quality Commission who use the information for monitoring and reporting of Trust performance.

The PLACE Group monitors progress against key objectives and targets set out in a PLACE Strategy Plan, identified from the outcomes and recommendations of the National PLACE Assessments in year ensuring that any corrective action is undertaken within agreed timescales.

Partnership working between the PLACE lead, Estates and Facilities Directorate, Infection Prevention and Control, PFI partners, patient assessors, HealthWatch and Matrons is providing a stronger pathway for safe, personal and effective care within the organisation.

Annual Governance Statement

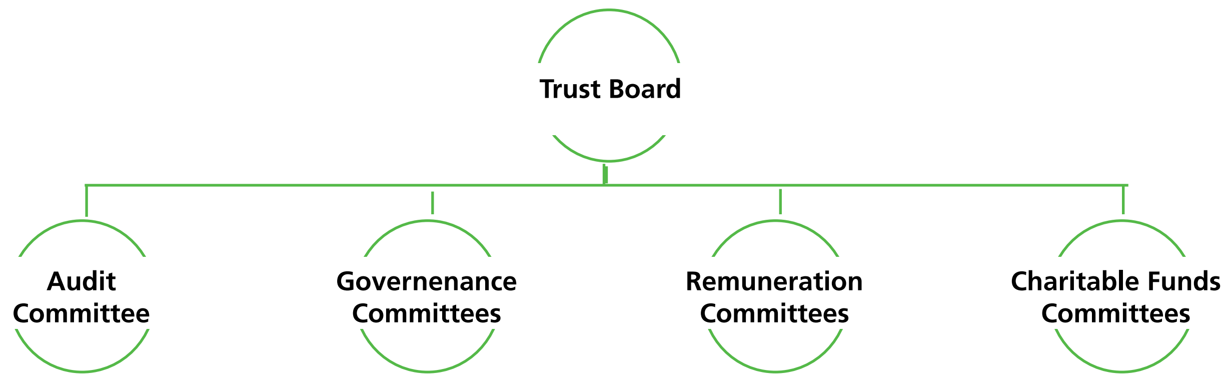
Scope of responsibility
As Accountable Officer and Chief Executive of East Lancashire Hospitals NHS Trust, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's strategies, policies, aims and objectives. I also have responsibility for safeguarding the Trust's quality standards and the public funds which are available to support the on-going operations of the organisation. In carrying out these obligations, the Board adheres to the Codes of Conduct and Accountability and I am guided by the responsibilities set out in the Accountable Officer Memorandum.

In 2013-14 the Trust was placed in 'Special Measures' by the NHS Trust Development Authority as the result of a number of organisational weaknesses which were identified by the Keogh review in June 2013 (see review of the effectiveness of risk management and internal control). The Trust has worked hard to address these weaknesses and has strengthened the Board-to-floor assurance processes. The Trust will be inspected by the Chief Inspector of Hospitals in early May 2014 and it is anticipated that the Trust will leave special measures later in 2014-15.

The governance framework of the organisation

The governance framework of East Lancashire Hospitals NHS Trust comprises of Standing Orders, Standing Financial Instructions, a Scheme of Delegation, Trust Risk Management framework and Trust Board structure with clear established accountability arrangements.

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 to the committees identified below:



Scrutiny by the Trust's 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.

To further strengthen our governance structures, the Trust will introduce a Finance and Performance Committee in 2013-14 and the Governance Committee will be renamed as the Patient Safety and Governance Committee. To improve oversight of the breadth of our governance framework this latter committee will be supported by four sub committees:

- Patient Experience Committee
- Patient Safety and Risk Assurance Committee
- Clinical Effectiveness Committee
- Serious Incident Requiring Investigation Panel

Operations delivery is overseen through the Executive Management Board. The membership of this Board consists of the Executive team, Divisional Directors (senior clinicians) and other senior members of the Corporate team.

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 on-going 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.

☆ can confirm that where I have arrangements in place for the discharge of statutory functions these 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 2014.

Risk assessment

Key risks

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. The Trust's key risks are as follows:

- Managing the emergency pathway
- Workforce, staffing levels and recruitment
- Junior doctors
- Variability in aspects of our care
- Reputation management
- Delivering a safe and sustainable cost improvement programme

The risks associated with reputation management have been escalated in 2013-14 as a result of the Trust entering special measures further to the range of weaknesses identified in a number of our services. The Trust is working hard to regain the confidence of its stakeholders by ensuring it systematically addresses the weaknesses and improves the effectiveness of its governance processes.

Risk management

The Medical Director has the lead responsibility for the development and implementation of the Board Assurance Framework, risk management strategy and associated plans. The Trust Board has approved these arrangements and associated documents. A lead Executive Director has been identified within the Assurance Framework for each area of risk. These risks are mapped to the Care Quality Commission's Essential Standards of Quality & Safety and the NHS Trust Development Authority's Compliance Framework. The frameworks are subject to on-going, iterative review by the Executive Directors and Trust Board. Newly identified risks are reported through to the Board via the Patient Safety and 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 areas, 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 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 endeavours to ensure that controls are in place to identify and manage any risks to the delivery of key performance targets. National priorities highlighted either by the NHS Trust Development Authority, NHS England or the Care Quality Commission have been systematically reported to the Trust Board and are monitored through the Assurance Framework.

Information security

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 2013/14.

The risk and control framework

A risk management process 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 plans are reviewed annually and provides the Trust with a process of risk identification, evaluation, treatment planning and monitoring that has formed an assurance framework. Equality impact assessments are integrated into our assurance processes. The Trust's Board 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 and 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.

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 given as to whether the Trust assumes, shares or transfers the cost attached to those identified risks with commissioners and/or other providers. 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 the risk is raised at the appropriate risk management group 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 years.

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's key stakeholders, including staff, shadow Governors and Members, Healthwatch, Clinical Commissioning Groups 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 2013/14 these related to 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.

The Trust tests for gaps in assurance via the following actions:

- independent assurance can be requested from the Audit Committee (who will feed these gaps into the internal audit programme). Similarly external assurance can be provided where specific professional or independent reviews are required;
- review by internal departments such as the Governance Unit with 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 Service Level Agreements in line with the Trust's business plans;
- continued work with the Postgraduate Deanery to improve aspects of our medical training and supervision for junior medical staff;
- continued focus and action towards reducing mortality;
- continued focus and action towards improving patient experience and outcomes;
- continued focus and action following the outcome of the Keogh inspection which is independently monitored by the Clinical Commissioning Groups and the NHS Trust Development Authority
- an independent review has informed the review of governance arrangements within the Trust.

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 at the 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.

Controls measures are in place to ensure that all the organisations obligations under equality, diversity and human rights legislation are complied with.

NHS Pensions

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.

Climate change

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.

Regulatory action

Care Quality Commission

The Trust has been notified by Care Quality Commission that they have taken enforcement action against East Lancashire Hospitals NHS Trust during 2013-14 with regard to two standards that the Trust has failed to meet. The standards relate to:

- the care and welfare of people who use services at the Royal Blackburn Hospital (outcome 4);
- assessing and monitoring the quality of service provision at the Royal Blackburn Hospital (outcome 16).

The CQC also directed that East Lancashire Hospitals NHS Trust should take action to improve compliance with the following standards:

- safeguarding people who use services from abuse at the Royal Blackburn Hospital (outcome 7);
- assessing and monitoring the quality of service provision at Burnley General Hospital (outcome 16).

The CQC reassessed the work the Trust had undertaken to achieve compliance with Outcome 4 in December 2013 and the Royal Blackburn Hospital is now compliant with this standard.

The Trust has implemented an action plan to secure compliance with Outcome 16 at the Royal Blackburn Hospital. The objectives within the action plan involved a review of incident reporting and risk management processes, a revised system to restrict patient access to theatre areas and a review of the management of patients in escalation areas. The work associated with incident reporting processes is significant and to achieve the desired outcomes, the Trust anticipates the implementation phase will be incremental over the coming months.

An action plan to address deficiencies associated with outcome 7 at Royal Blackburn Hospital has been developed by the Trust. The action plan includes objectives associated with the use of systems to identify children who are potentially at risk of harm and staff uptake of child safeguarding training. Implementation of the action plan is progressing well; however it is acknowledged that the complexity of developing effective systems across the interface with other agencies may impact on the desired timescale for completion.

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 weaknesses in the design and inconsistent application of controls put the achievement of particular system objectives at risk'.

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 both internal and external information as outlined below:

- detailed reports from the Trust's internal auditors (Mersey Internal Audit Agency, previously Audit North West) and external auditors (Grant Thornton);
- performance and financial reports to the Trust Board;
- NHS Trust Development Authority performance management reports;
- NHS England Area Team performance management reports;
- Clinical Commissioning Groups performance management reports;
- Governance reports to the Audit and Governance Committees and Trust Board;
- compliance action plans as part of the Governance programme;
- Patient Led Assessments of the Care Environment (PLACE);
- Care Quality Commission inspections and visits;
- Royal College/Post Graduate Deanery inspections/accreditations;
- Information Governance risk assessments against the Information Governance Toolkit,
- external assessments/assurances covering a range of operational areas, for example the Grant Thornton review into the configuration of Pathology services and the Picker Patient and Staff Surveys;
- during 2013/14 the recommendations from the Post Graduate Deanery review were implemented and the work of the Trust Mortality Steering Group review was progressed.

Through these reports I have been advised 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 report have been reported through the Audit Committee.

The Board and the Audit and Governance Committees have been actively engaged in the on-going development and monitoring of the Assurance Framework. These bodies will continue to shape the iterative development of the Assurance Framework for 2014/15 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 is proactive in commissioning reviews 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 Trust Board provides the overriding 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.

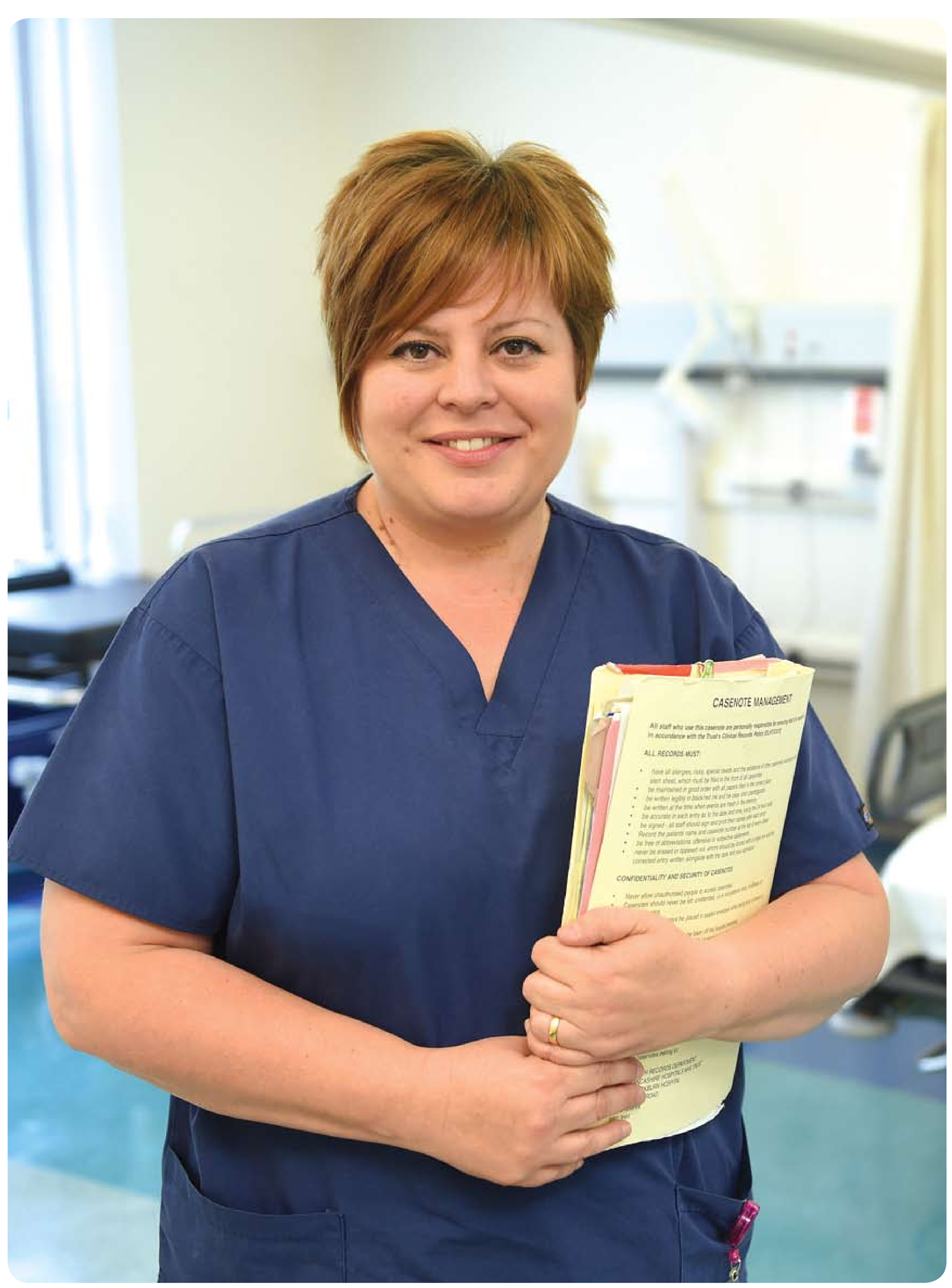
My review of the effectiveness of the systems of internal control has taken account of the work of the Executive Management team within the organisation, who have responsibility for the development and maintenance of the internal control framework within their portfolios.

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 Lancs Hospitals NHS Trust has a generally sound system of governance and stewardship that supports the achievement of its policies, aims and objectives.
Accountable officer:

James Birrell

James Birrell
Interim Chief Executive
East Lancs Hospitals NHS Trust
Date 4th June 2014


CASENOTE MANAGEMENT
ALL RECORDS MUST:
CONFIDENTIALITY AND SECURITY OF CASENOTES

Financial statements and report

Financial review for the year ending 31 March 2014

Financial duties

The Trust ended 2013-14 with a retained loss of £0.458 million, including some technical items. After removing these technical items, the Trust's underlying surplus was £6.600 million which equates to 1.5% of turnover. This surplus is retained by the Trust and in the short term will help to improve the Trust's liquidity. In the medium to long term this cash will be available to support capital investment.

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

	2013-14	2012-13
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% +/- 0.5%	✔	✔

Summary financial position

In 2013-14 the Trust reported a year end revenue surplus of £8.091 million including technical adjustments. The reported revenue position excluding these technical adjustments was £6.600 million. The revenue break even position is reported as:

	2012-13	2011-12
	£000	£000
Total loss / (surplus) for the year	£458	(£4,665)
Add back exceptional items:		
Impairments reversals/(charge) to Statement of comprehensive income	(£6,962)	(£3,191)
Adjustments in respect of donated asset reserve	(£96)	(£155)
Underlying in year surplus	(£6,600)	(£8,011)

Impairment charges

During the year the Trust incurred impairments and reversals of previous impairments as a result of demolishing parts of its redundant estate. 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 land and property assets was an overall increase of £5.4 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 2013-14. The Trust undershot its External Financing Limit (EFL) by approx £1.3 million and therefore stayed within the overall cash limit set by the Department of Health.

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 2013-14 the CRL set by the Department of Health was £28.373 million. This represents the total value that the Trust could invest in capital in 2013-14. The Trust under spent against this target by £3.5 million, which represents the underspend on its capital programme. This cash associated with this underspend will be carried forward to 2014-15.

Better Practice Payments 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. The Trust has improved upon last years performance by improving the systems for how it processes payments and also from its overall strengthened financial position.

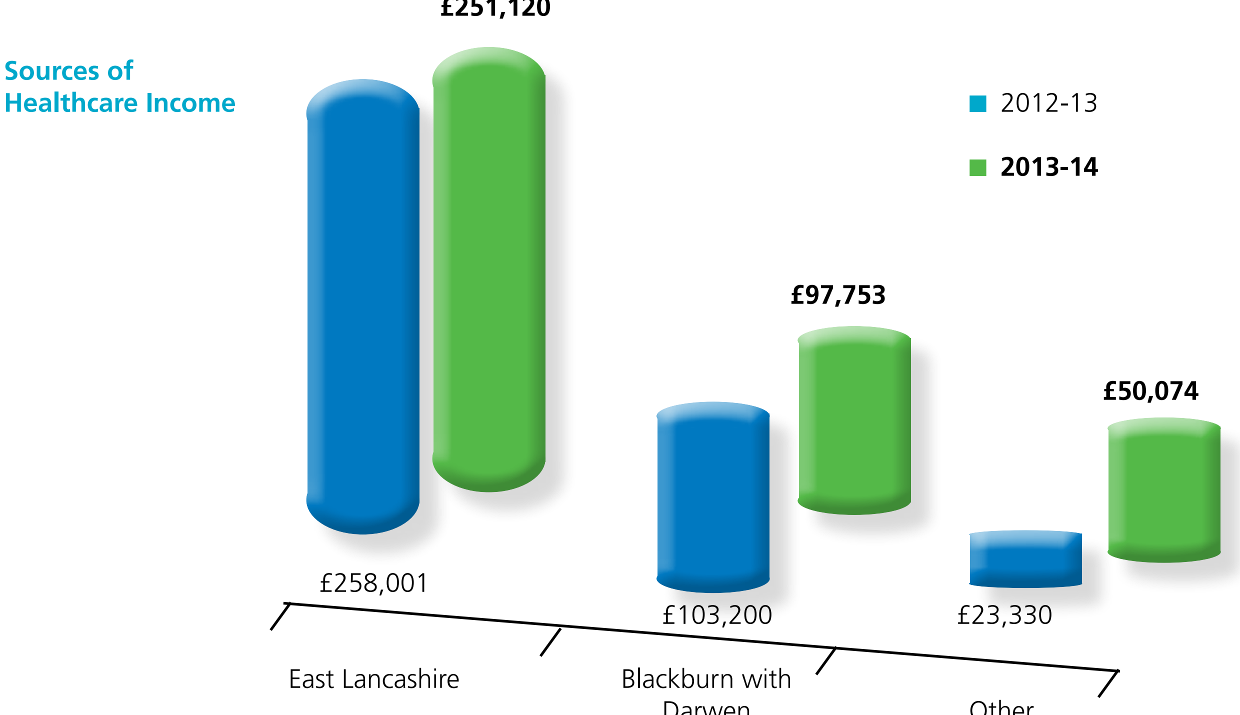
Payments made to non NHS organisations (value)		
	2013-14	2012-13
	£000	£000
Total invoices paid	£131,975	£117,479
Total invoices paid in target	£127,038	£112,721
Percentage achievement	96%	96%

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 receivable in 2013-14 amounted to £215,000 compared with £121,000 earned in 2012-13. This still remains remains relatively low compared with historic years due to the low interest rates available to investors.

Where our money comes from
In 2013-14 the Trust received total income of £420 million compared with £405 million in the previous year. Most of the Trust's income came from CCGs who purchase healthcare on behalf of their local populations. The Trust negotiates an annual contract with its CCGs for the payment of services. Much of this contract is driven by a nationally determined tariff.

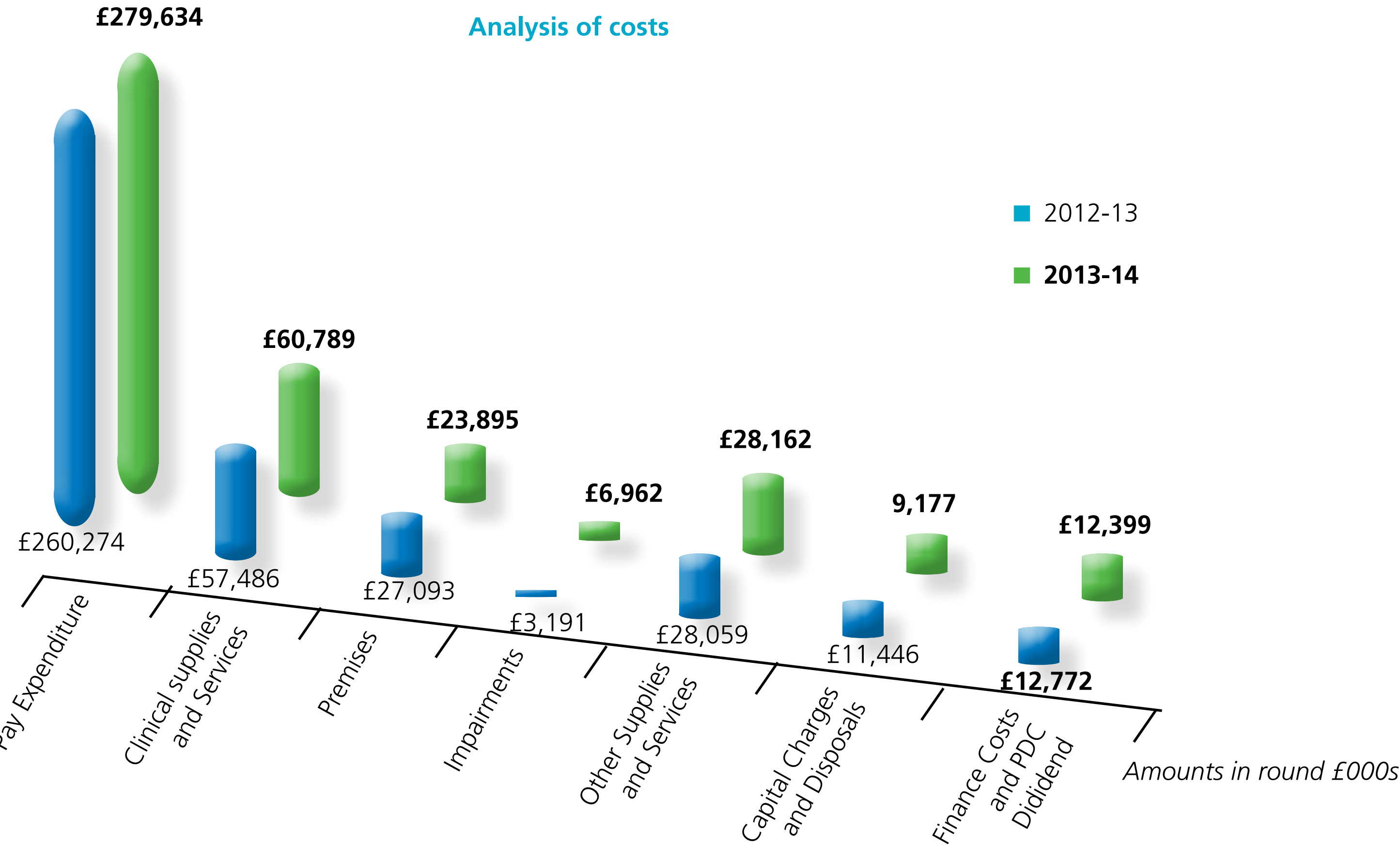
For healthcare services provided to people living in East Lancashire and Blackburn with Darwen the Trust received £349 million in 2013-14, with a further £50million received for services to people from elsewhere.



Amounts in round £000s

Where our money goes
From a total spend of £421 million in 2013-14, £279 million or 67% was spent on the cost of salaries and wages. Throughout the year the Trust employed an average of 6,966 staff including 718 doctors, 2,180 nurses, 1,217 healthcare assistants and 771 scientific and technical staff.

A further £60 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 £24 million on running and maintaining its premises.



The Trust has continued to invest in its healthcare facilities on all sites including the completion of the Urgent Care Centres on both 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 £19.334 million in new building works, improvements and equipment across all its sites. This expenditure was financed from the Trust's internally generated resources (depreciation) plus £16.601m from the Department of Health mainly to fund the Burnley Urgent Care Centre and the new Clitheroe Hospital build. A summary is provided below:

	£m
Estate infrastructure and environmental improvements	19.334
PFI lifecycle costs	3.369
Information Technology Equipment	1.660
Medical equipment	2.989
Other expenses including fees	0.675
Total	28.027

In addition to the capital expenditure above, the Trust received a number of properties as part of the legacy transfers from the former PCTs. The total value of assets transferred to the Trust was £10.047m.

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 2013-14 accounts. The audit services provided in 2013-14 included the audit of the Trust's financial statements. The cost of these audits was £116,000. The firm also undertook a financial review of the three options being considered by the Trust for the provision of pathology services at a cost of £19,000.

Financial Outlook for 2014-15
The financial outlook for the National Health Service and the Trust continues to be extremely challenging. The effect of the wider economic position, combined with service pressures from increasing demand for services and public expectation means that trusts must continue to drive efficiency savings. For 2014-15 it is anticipated that the Trust will have to release 4% of total resources.

Over the next twelve months the Trust will look 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 Emergency, Ambulatory Care, Paediatric and Rehabilitation services where patients will benefit from more streamlined and integrated care.

The Trust will continue to develop and improve its sites and facilities.
The Trust will re-visit its Foundation Trust application during 2014-15. Integral to this process is the Trusts ability to deliver against its medium and long term plans. 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 2013-14. 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 audited the financial statements of East Lancashire Hospitals NHS Trust for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

We have also audited the information in the Remuneration Report that is subject to audit, being:

the table of salaries and allowances of senior managers and related narrative notes

the table of pension benefits of senior managers and related narrative notes

the table of pay multiples and related narrative notes.

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 44 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2014. 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

As explained more fully in the Statement of Directors' Responsibilities in respect of the accounts, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards also require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

2013-14 Annual Accounts of East Lancashire Hospitals NHS Trust

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Trust Development Authority. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the trust;

- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; and

- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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

Signed.. 4th June 2014

Mr James Birrell
Interim Chief Executive

Statement of comprehensive income for year ended 31 March 2014

	2013-14 £000s	2012-13 Restated* £000s
Gross employee benefits	**(279,572)**	(260,212)
Other operating costs	**(130,844)**	(126,898)
Revenue from patient care activities	**398,947**	384,531
Other operating revenue	**21,632**	20,455
Operating surplus	**10,163**	17,876
Investment revenue	**215**	121
Other gains and (losses)	**1,778**	(439)
Finance costs	**(9,318)**	(9,281)
Surplus for the financial year	**2,838**	8,277
Public dividend capital dividends payable	**(3,296)**	(3,612)
Retained (loss)/surplus for the year	**(458)**	4,665
Other comprehensive income	**2013-14**	2012-13
	£000s	£000s
Transfers under modified absorption accounting	**9,795**	0
Net gain on revaluation of property, plant & equipment 1	**17,622**	1,407
Impairments and reversals taken to the revaluation reserve 2	**(5,248)**	(3,912)
New PDC received	**16,601**	1,115
New PDC received - PCT legacy items paid for by Department of Health	**252**	0
Total comprehensive income for the year	**38,564**	3,275
Financial performance for the year		
Retained (loss)/surplus for the year	**(458)**	4,665
IFRIC 12 impairments and reversals	**(5,946)**	1,145
Non IFRIC12 impairments	**12,908**	2,046
Adjustments in respect of donated government grant asset reserve elimination	**96**	155
Adjusted retained surplus	**6,600**	8,011

* Other comprehensive income has been restated to include new PDC received in 2012-13

1 This represents gains in the value of assets which are taken to the revaluation reserve
2 This represents reductions (impairments) in the value of assets for which there is a previously accumulated revaluation reserve

Statement of financial position as at 31 March 2014

	31 March 2014 £000s	31 March 2013 £000s
Non-current assets:		
Property, plant and equipment	**278,888**	248,102
Intangible assets	**2,578**	922
Trade and other receivables	**2,213**	1,522
Total non-current assets	**283,679**	250,546
Current assets:		
Inventories	**2,171**	1,818
Trade and other receivables	**22,343**	13,104
Other financial assets	**147**	118
Other current assets	**10**	10
Cash and cash equivalents	**29,462**	31,656
Total current assets	**54,133**	46,706
Non-current assets held for sale	**0**	2,820
Total current assets	**54,133**	49,526
Total assets	**337,812**	300,072
Current liabilities		
Trade and other payables	**(44,907)**	(43,266)
Provisions	**(1,367)**	(1,029)
Borrowings	**(3,830)**	(2,774)
Capital loan from Department of Health	**(1,300)**	(1,300)
Total current liabilities	**(51,404)**	(48,369)
Net current assets	**2,729**	1,157
Non-current assets plus net current assets	**286,408**	251,703
Non-current liabilities		
Trade and other payables	**(1,460)**	0
Provisions	**(2,659)**	(2,853)
Borrowings	**(117,044)**	(120,869)
Capital loan from Department of Health	**(650)**	(1,950)
Total non-current liabilities	**(121,813)**	(125,672)
Total assets employed:	**164,595**	126,031
Financed by:		
Taxpayers' equity		
Public dividend capital	**177,320**	160,467
Retained earnings	**(50,037)**	(60,143)
Revaluation reserve	**37,312**	25,707
Total taxpayers' equity:	**164,595**	126,031

Statement of changes in taxpayers' equity for the year ended 31 March 2014

	Public dividend capital	Retained earnings	Revaluation reserve	Total reserves
	£000s	£000s	£000s	£000s
Balance at 1 April 2013	**160,467**	**(60,143)**	**25,707**	**126,031**
Changes in taxpayers' equity for 2013-14				
Retained deficit for the year	0	(458)	0	(458)
Net gain on revaluation of property, plant, equipment	0	0	17,622	17,622
Impairments and reversals	0	0	(5,248)	(5,248)
Transfers between reserves	0	2,228	(2,228)	0
New PDC received - cash	16,601	0	0	16,601
Transfers from PCTs under modified absorption accounting	0	9,795	0	9,795
New PDC received - PCT legacy items paid for by Department of Health	252	0	0	252
Net recognised revenue for the year	**16,853**	**11,565**	**10,146**	**38,564**
Transfers between reserves in respect of modified absorption accounting	0	(1,459)	1,459	0
Balance at 31 March 2014	**177,320**	**(50,037)**	**37,312**	**164,595**
Balance at 1 April 2012	**159,352**	**(65,400)**	**28,804**	**122,756**
Changes in taxpayers' equity for the year ended 31 March 2013				
Retained surplus for the year	0	4,665	0	4,665
Net gain on revaluation of property, plant, equipment	0	0	1,407	1,407
Impairments and reversals	0	0	(3,912)	(3,912)
Transfers between reserves	0	592	(592)	0
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**

Statement of cash flows for the year ended 31 March 2014

	2013-14 £000s	2012-13 £000s
Cash flows from operating activities		
Operating surplus	**10,163**	17,876
Depreciation and amortisation	**10,955**	11,007
Net impairments and reversals	**6,962**	3,191
Donated assets received credited to revenue but non-cash	**(137)**	(62)
Interest paid	**(9,248)**	(9,052)
Dividend paid	**(3,105)**	(3,726)
(Increase)/decrease in inventories	**(353)**	1,599
(Increase)/decrease in trade and other receivables	**(7,361)**	837
Decrease in other current assets	**0**	18
Increase in trade and other payables	**3,621**	13,968
Provisions utilised	**(451)**	(622)
Increase in provisions	**525**	660
Net Cash inflow/(outflow) from operating activities	**11,571**	35,694
Cash flow from investing activities		
Interest received	**178**	121
Payments for property, plant and equipment	**(26,859)**	(9,524)
Payments for intangible assets	**(1,947)**	(637)
(Payments) for/proceeds from other financial assets	**(29)**	23
Proceeds of disposal of assets held for sale and PPE	**2,108**	1,501
Net cash (outflow) from investing activities	**(26,549)**	(8,516)
Net cash (outflow)/inflow before financing	**(14,978)**	27,178
Cash flows from financing activities		
Public dividend capital received	**16,853**	1,115
Loans repaid to DH - capital investment loans repayment of principal	**(1,300)**	(1,300)
Capital element of payments in respect of on-SoFP PFI	**(2,769)**	(2,734)
Net cash inflow/(outflow) from financing activities	**12,784**	(2,919)
Net (decrease)/increase in cash and cash equivalents	**(2,194)**	24,259
Cash and cash equivalents at beginning of the period	**31,656**	7,397
Cash and cash equivalents at year end	**29,462**	31,656

Off-Payroll Engagements
The Trust employs the services of some staff through invoicing arrangements, rather than through payroll. The numbers of these staff falling under the following crieria are shown below.

All off-payroll engagements as of 31 March 2014, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2014	**44**
Of which, the number that have existed:	
for less than one year at the time of reporting	**26**
for between one and two years at the time of reporting	**8**
for between 2 and 3 years at the time of reporting	**2**
for between 3 and 4 years at the time of reporting	**2**
for 4 or more years at the time of reporting	**6**

From 2014-15, all staff paid through this arrrangement will be subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

All new off-payroll engagements between 1 April 2013 and 31 March 2014, for more than £220 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014	**28**
Number of new engagements which include contractual clauses giving East Lancashire Hospitals NHS Trust the right to request assurance in relation to income tax and National Insurance obligations	**0**
Number for whom assurance has been requested	**0**

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	**0**
Number of individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	**10**

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.

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

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