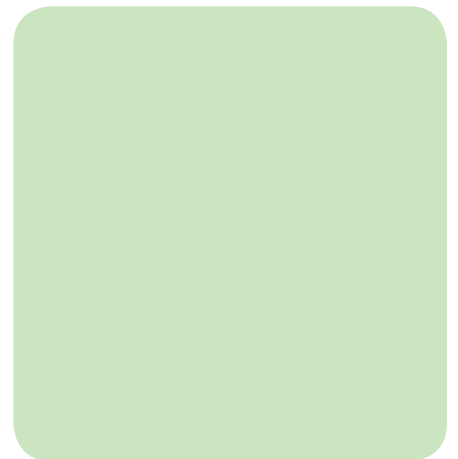
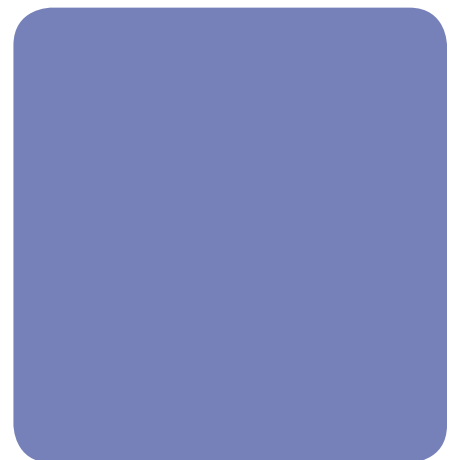


Annual Report

2014 | 15



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Chair and Chief Executive's Report

Welcome to our Annual Report and Accounts for 2014/15, which has been a successful year where we have continued to focus on delivering safe, personal and effective care to the communities we serve.

In July 2014 the Care Quality Commission published their report of the inspection carried out in April and May. The report recognised the strides we have made ensuring that our services were caring and effective although we require improvement in three areas; leadership, safety and responsiveness. We hope that this report will give you a good indication of the progress we have made in all these areas over the course of the year.

Notably we have continued to work with our communities and all our stakeholders to ensure we listen and learn from your feedback, particularly given the challenges the National Health Service will continue to face in coming years.

Now we are facing the future with a focus on developing our services to provide sustainable integrated care pathways that meet the needs of our local community and provide a small number of specialist services in the areas of greatest need for local families.

Essential to our success will be the continued support of our dedicated staff who continually rise to the challenge of the ever increasing demands we have experienced; particularly over the winter. We were particularly delighted to host this year's STAR (Staff Thank You and Recognition) awards which recognised and reflected our staff's commitment to your care.

Reports such as this one can only give a brief snapshot of a life in the year of an organisation, we hope you find it informative, an useful and, as always, would appreciate your feedback.



Professor Eileen Fairhurst



Mr Kevin McGee

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 as well as 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 employ in the region of 7,000 staff, some of whom are internationally renowned and have won awards for their work and achievements. We treat over six hundred thousand patients a year from the most serious of emergencies to planned operations and procedures. We offer care across five hospital sites, and various community sites, using state-of-the-art facilities.

The Trust has a total of 1079 beds, 25 theatres, 2 cardiac catheterisation laboratories, 7 endoscopy rooms and operates across 5 sites.

Our neighbouring acute NHS 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. 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 where patients can access elective procedures. Our patients can also access a range of specialist hospital services which are not provided locally, predominantly in Manchester and Liverpool.

Approximately 94% of the Trust's services are commissioned by the combined commissioning resources of NHS East Lancashire and Blackburn with Darwen Clinical Commissioning Groups 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 specialist providers of hepatobiliary (liver and pancreas), head and neck and urological cancer 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.

Our absolute focus on our patients under the umbrella of our vision “to be widely recognised for providing safe, personal and effective care” was recognised in the Chief Inspector of Hospitals visit which took place in April and May 2014. From this inspection we were removed from “special measures” and rated as “requires improvement”. A health and social care system wide Quality Improvement Plan was developed. Good progress has been made in the delivery of this plan, with a significant focus on how we continue to improve the delivery of our services such that we will improve to a rating of “good” when we are re-inspected at some point in 2015/16.

The Chief Inspector of Hospital team stated that our staff are caring, compassionate and respectful. They are wholeheartedly committed to

the success of the organisation and are passionate about the services we provide. The Trust Board fundamentally believes we have the component parts to be able to provide high quality safe, personal and sustainable services to the local populations.

The underlying performance and position of the Trust has been good in 2014/15 with the exception of our compliance with the four hour treatment target measured in the Emergency Department. Further details of our performance against key national and local access and treatment priorities can be found from page 11.

The Trust has successfully delivered cost savings over the past five years totalling in the region of £85 million. These cost savings have been achieved through robust cost improvement programmes and have allowed us to continue to meet the financial demands of pay inflation, the introduction of new technologies and new services. It is increasingly apparent that the National Health Service will continue to face increasing demands on its services. Therefore the Trust will need to refocus its efforts in safely reducing costs with the development of an ambitious and focussed three year rolling programme, that will support the transformational changes needed to deliver a sustainable health and social care system fit for the future needs of our local population.

Our absolute focus on our patients under the umbrella of our vision “to be widely recognised for providing safe, personal and effective care” was recognised in the Chief Inspector of Hospitals visit which took place in April and May 2014.

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 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 improvement priorities for the year were to:

- Reduce mortality
- Avoid unnecessary admissions
- Enhance communication and engagement
- Deliver reliable care
- Ensure timeliness of care

All our strategic and operational plans have been delivered in the context of this vision and the underlying strategic framework for delivery encapsulated in the objectives, values, operating principles and improvement priorities.

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, 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 which is encapsulated in our Performance Accountability Framework. Our Clinical Divisions are headed by a lead clinician (Divisional Director), lead manager (Divisional General Manager) and a senior Nurse or Allied Health Professional Lead. These individuals are supported by leads from our corporate services assigned to support delivery of the divisional strategies and business plan. These include specialist Human Resources, financial and governance advisers. Performance reporting and improvement plans are a key feature of Trust Board and senior management discussions.

The Royal Blackburn Hospital provides a full range of hospital services to adults and children. This includes general, specialist medical and surgical services along with a full range of diagnostic (e.g. MRI, CT scanning) and support services. In addition to the modern facilities within the hospital, the building includes state of the art in-patient facilities, a centralised out-patients department, new operating theatres, an urgent care centre and the Emergency Department.

Burnley General Hospital provides a full range of hospital services. This includes general, specialist medical and surgical services along with a full range of diagnostic (e.g. MRI, CT scanning)



and support services. It is the East Lancashire Hospitals NHS Trust's site which specialises in planned (elective) treatment. The hospital includes a new purpose built Urgent Care Centre for treatment of minor injuries and illnesses. It does not include an Emergency Department or supporting facilities such as out-of-hours intensive care - these services are provided from the Royal Blackburn Hospital. The site includes the £32 million Lancashire Women and Newborn Centre, a state-of-the-art building housing, the centralised consultant-led maternity unit, as well as a Level 3 Neonatal Intensive Care Unit, a midwife-led birth centre and a purpose-built gynaecology unit. The "Phase 5" development, a £33 million investment in new treatment areas, includes inpatient and outpatient facilities.

Pendle Community Hospital in Nelson provides in-patient intermediate care and medical beds. The hospital

comprises of three wards each accommodating up to 24 patients. The hospital provides medical and nursing care for people with long-term conditions and a rehabilitation service for people following illness or injury.

The Accrington Victoria Hospital is a community hospital providing in-patient services and a Minor Injuries Unit for the local population. The hospital also has access to dedicated specialist services together with a range of out-patient services. Many consultants and specialties use this busy facility which allows local people to be seen within their community.

Services include:

- Audiology Clinics
- In-Patient Services
- Minor Injuries
- Occupational Therapy
- Out-Patient Services
- Physiotherapy
- Renal Services
- X-Ray.

The new state-of-the-art £7.8 million Clitheroe Community Hospital gives the residents of Clitheroe and surrounding areas a hospital fit for the 21st Century. The new building has a 32-bedded inpatient ward on the first floor and outpatient clinics and other services on the ground floor, including a restaurant for visitors. The In-patient and Rehabilitation Day Unit service is available for people 16 years old or over who meet the criteria for admission. The Out-patient facility will see patients of any age as requested by the consultants.

Our outpatient services are also provided at a range of local community settings enabling patients to access care closer to their homes wherever appropriate. The Trust also provides community services such as district nursing and health visiting in patients' homes.



Staff

The Trust is a major local employer. The whole time equivalent (WTE) workforce is 6,783. 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 38 more qualified nurses employed in 2014/15 on top of 118 recruited in the previous year. In addition we have recruited to a further 13 clinical vacancies and have approximately 115 nurses due to start employment in the early part of 2015/16. We have continued to report our safe staffing levels across our wards during the course of the year.

Recognising that in order to provide consistent high standards of safe, personal and effective care means that we have to rely on additional staffing at times of peak demand, the Trust has worked hard to improve its bank staff arrangements to reduce reliance in the future on agency staff. This ensures that our own trained staff who are familiar with our systems, processes and high standards of care, who wish to work additional shifts for personal reasons have the opportunity to care for our patients before calling on agency nurses.

As well as ensuring that we have the appropriate workforce numbers the Trust has worked hard to recognise the importance of employee engagement. Our overall Organisational Development Strategy contains the Employee Engagement Strategy and a focussed staff engagement team is in place. Staff engagement activities, including reinforcing our values and behaviours, "big conversations", listening events, patient safety visits, Executive Team "back to the floor", staff focus groups and driving the "You Said, We Did" message are the mainstay of our engagement plan. We are working hard to ensure that staff engagement opportunities reach the whole workforce regardless of profession, locality or working pattern.

In addition to the information and data from the national NHS Staff Survey, we conduct more focussed "Vital Signs Surveys" among our staff to enable them to confidentially feed back their experience of working for the Trust on a regular basis and then monitor the actions that have been taken in response to improve the staff experience.

Finance

We have delivered consecutive financial surpluses for the years 2007/8 to 2014/15 whilst experiencing activity growth, increases in complex case mix and general cost pressures throughout the period; we achieved a surplus of £1.3m at the end of March 2015, exceeding our revised plan of a surplus of £1.1m.

Pay expenditure was £286.9m which was £5.6m above the £281.3m annual plan (2% of the pay budget). This was due to the excess cost of filling existing vacancies with temporary staff and the costs of the additional wards that have remained open throughout the year.

Financial performance during the course of the year is detailed in the accounts at page 103.

The Trust has been unable to successfully deliver the entirety of its saving programme this year. The 'Safely Releasing Cost Programme' (SRCP) for 2014-15 was £17.4m. Schemes to the value of £10.3m have been delivered of which £7.4m are recurrent schemes and £2.9m are non-recurrent. This leaves a balance of £10.0m unidentified schemes that will

be carried forward into the 2015-16 financial year. To support and engage our staff and other stakeholders in the scale of the financial challenges the Trust is facing, we have identified seven themes under which the SRCP will be delivered in the coming years. They will focus on:

- Service redesign
- Quality Improvement and Reducing Harm
- Efficiency
- Workforce Transformation
- Procurement and Estate optimisation
- Partnering and Collaboration
- Business Process and Redesign

Using these themes, the Divisions are developing key programmes of work which will deliver long lasting transformational change, particularly through eliminating waste, improving the processes and standardisation of delivering high quality care, to assist the organisation in meeting its future financial challenges.

Within the year the Trust invested £13.8m on capital which represents approximately 74% of its annual plan. PFI capital lifecycle costs represent £3.0m of this spend.

Principal Activities of the Trust

The Trust's function is to provide goods and services, including hospital accommodation and community health care. 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, 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.

Delivery of the principal activities is underpinned by our key clinical, performance and financial priorities.

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 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.

We have reviewed the format and supporting processes for the Assurance Framework going forward and have identified the following key risks for 2015/16:

| STRATEGIC RISK | EXECUTIVE DIRECTOR | ASSURANCE TO |
|---|------------------------|---|
| Transformation schemes fail to deliver anticipated benefits | Chief Nurse | Trust Board Finance and Performance Committee Patient Safety and Governance Committee Operational Delivery Board |
| The Trust fails to deliver and develop a safe, competent workforce | Medical Director | Trust Board Finance and Performance Committee Patient Safety and Governance Committee Operational Delivery Board |
| Partnership working fails to support the delivery of sustainable safe, personal and effective care | Chief Executive | Trust Board Finance and Performance Committee Patient Safety and Governance Committee Operational Delivery Board |
| The Trust fails to achieve a sustainable financial position | Director of Finance | Trust Board Finance and Performance Committee Operational Delivery Board |
| The Trust fails to achieve required national and contractual targets and improvement priorities delivering safe, personal and effective care at every opportunity | Director of Operations | Trust Board Finance and Performance Committee Patient Safety and Governance Committee Operational Delivery Board |
| Corporate functions fail to support delivery of corporate objectives | Deputy Chief Executive | Trust Board Finance and Performance Committee Patient Safety and Governance Committee Operational Delivery Board |

Our Improvement Priorities

| | |
|--|-----------|
| Reducing mortality | Safe |
| Avoiding unnecessary admissions | Safe |
| Enhancing communication and engagement | Personal |
| Delivering reliable care | Effective |
| Timeliness of care | Effective |

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.

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.

Overall, performance against the Accident and Emergency four hour standard remains just under the 95% target at 94.54%. However, this performance compares well with other NHS acute providers and peer organisations.

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|-----------------------------------|---------|---------|---------|---------|---------|
| % Patients treated <4 hours | 97.8 | 96.4 | 95.37 | 93.52 | 94.54% |
| Number of patients (non elective) | 60528 | 61884 | 64759 | 63966 | 64763 |



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, 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. We have also introduced a text reminder service to ensure patients are aware of their appointments or have the opportunity to change their appointment in time for alternate patients to be scheduled.

We have also introduced a pilot e-booking system which we will be rolling out during 2015/16 to continue to improve our performance in this important area. The Trust continued to meet the target set by the Trust Development Authority to reduce the number of patients waiting over 18 weeks. The Trust has maintained the aggregate admitted standard for the complete financial year 2014/15 at 91.36%.

| | Target | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|--|--------|---------|---------|---------|---------|---------|
| %age of patients treated within 18 weeks on an admitted pathway | 90% | 92% | 92% | 93% | 91.8% | 91.3% |
| %age of patients treated within 18 weeks on a non-admitted pathway | 95% | 99% | 99% | 99% | 98.86% | 98.4% |
| %age of patients on an ongoing pathway under 18 weeks | 92% | 96% | 95% | 96% | 96.26% | 96.6% |

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.

The national cancer data relating to our surgeons has indicated that there are no issues with 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 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|--|--------|---------|---------|---------|---------|---------|
| %age of patients seen <2 weeks of an urgent GP referral for suspected cancer | 93% | 96% | 95% | 95% | 96% | 96.3% |
| %age of patients seen <2 weeks of an urgent referral for breast symptoms where cancer is not initially suspected | 93% | 96% | 96% | 95% | 96% | 96.1% |
| %age of patients receiving first definitive treatment within 31 days of a decision to treat | 96% | 98% | 98% | 98% | 97.3% | 98.2% |
| %age of patients receiving subsequent treatment for cancer within 31-days where that treatment is Surgery | 94% | 98% | 97% | 97% | 98.5% | 95.1% |
| %age of patients receiving subsequent treatment for cancer within 31-days where treatment is an Anti- Cancer Drug Regime | 98% | 99% | 99% | 99% | 99.5% | 100% |
| %age of patients receiving first definitive treatment for cancer within 62-days of an urgent GP referral for suspected cancer | 85% | 89% | 87% | 87% | 85.57% | 86% |
| %age of patients receiving first definitive treatment for cancer within 62-days of referral from an NHS Cancer Screening Service | 90% | 99% | 93% | 98% | 96.76% | 95.9% |



Stroke

Stroke is a growing issue across the UK yet 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.

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 perform well in most areas of the “gold standard” but have continued to experience difficulties in meeting the required target that patients attending our services with the signs and symptoms of stroke are admitted to our specialist stroke beds within four hours of arrival. We have 15 dedicated beds in the stroke unit for acute stroke patients and have improved early liaison between clinical staff in the Emergency Department and the Stroke Unit to provide appropriate care for stroke patients and recruited a specialist Stroke Nurse who has a key role in the education of colleagues, patients and carers.

| | Target | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|---|--------|---------|---------|---------|---------|---------|
| %age of stroke patients spending > 90% of their stay on a stroke unit | 80% | 75.3% | 87.4% | 83.7% | 84.17% | 80.18% |
| % stroke patients admitted to a stroke unit within 4 hours | 90% | | | 46.15% | 50.46% | 55.79% |
| %age of patients with TIA at higher risk of stroke seen and treated within 24 hours | 60% | 32.2% | 72.6% | 93.14% | 94.79% | 62.87% |

Infection Prevention and Control

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.

The Trust had a trajectory of a maximum of 23 cases of Clostridium Difficile for 2014/15. Unfortunately there were 32 cases across the course of the year. There was only one case of MRSA which is a continuing improvement trend.

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.

We have continued to reinforce the need for strict hand hygiene protocols across our sites and have introduced detailed monitoring at a directorate and divisional level with the introduction of divisional performance dashboards. Our dedicated infection control meeting is also attended by very senior clinicians in each Division to continue to reinforce the Trust's commitment to delivering safe care at every patient interaction.

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|----------------------------------|---------|---------|---------|---------|---------|
| MRSA | 8 | 6 | 3 | 4 | 1 |
| Clostridium Difficile infections | 65 | 45 | 36 | 24 | 32 |

Cancelled elective patients

We recognise that it is extremely difficult for patients having planned operations to have their procedures cancelled and when this occurs we aim to rearrange the operation within the following 28 days. For April 2014 to March 2015 we reported three patients with an elective admission date that had been cancelled by the hospital and were not provided with another admission date within the 28 day standard. A full root cause analysis took place to understand the reasons for the delay and ensure we share the learning across the Trust.

Delayed transfers of care

Delayed transfers of care occur when a patient who is medically fit to be released from hospital is unable to do so. We continue to work with our partners across the health and social care partners to ensure not only that patients return to their home when they are fit to do so but that beds remain available for those who need our care.

The table below shows our performance across the particularly difficult winter months. We introduced daily meetings with all health and social care partners attending to ensure appropriate packages of care were put in place for some of our most vulnerable patients as soon as possible. Delayed transfers of care have also been a key focus for our mini inspections that have taken place throughout the year.

| | Sep-14 | Oct-14 | Nov-14 | Dec-14 | Jan-15 | Feb-15 | Mar-15 |
|--|--------|--------|--------|--------|--------|--------|--------|
| Number of patients delayed in month | 181 | 169 | 137 | 248 | 232 | 130 | 115 |
| Number of patients delayed on last Thursday of month | 67 | 52 | 34 | 83 | 34 | 25 | 30 |
| Total days lost in month | 1687 | 1657 | 1320 | 1402 | 1655 | 1051 | 1034 |
| % of occupied bed days | 8.36% | 6.37% | 4.11% | 9.92% | 3.96% | 2.98% | 3.56% |
| Average daily bed days lost | 56 | 53 | 44 | 45 | 53 | 38 | 33 |
| Average general and acute occupied beds | 800 | 815 | 825 | 837 | 859 | 840 | 843 |

Mortality

One of our key improvement priorities for the year was to reduce our mortality rates. We pledged to reduce our Summary Hospital Level Mortality Indicator (SHMI) and Hospital Standardised Mortality Rate (HSMR) to within the expected range, the equivalent of saving an additional 150 lives per year. We ensure all deaths are reviewed to ensure any lessons for improvement can be acted upon and more specifically to ensure that patients at risk of clinical deterioration are identified early and appropriate interventions are made. We are in the process of rolling out an electronic Early Warning Score to assist our staff in reacting quickly to these patients as well as improving the reliability of care delivered using standardised care bundles and the adoption of Advancing Quality measures.

In the latest quarterly SHMI figures published by the HSCIC in January 2015, ELHT is reported in the band 2 category, 'as expected' with 1.10

Our weekday mortality has fallen from 109.7 at the end of 2013/14 to 99.18 in 2014/15 with weekend mortality rates falling from 106.09 to 94.16 over the same period.

Complaints

The Trust just failed to achieve the complaints per thousand contacts measure with a performance of 0.41 against the threshold of .40 during 2014/15. We have made significant changes to our complaints procedures during the course of the year ensuring that interventions take place at the earliest possible point of contact to prevent issues from escalating to formal complaints. We have also invited feedback from those raising concerns about how they found our complaints handling processes so that we can continue to ensure we provide the answers to their concerns in a compassionate and understanding way.

We hope to continue to improve our complaints process with added emphasis on patient and relative feedback and contribution to how the process works. Our Friends and Family Test scores indicate that we are making improvements not only in the level of care we provided but also in reducing the number of incidences where our care fails to meet the standards expected in line with our Patient and Carer Experience Strategy. The strategy is supported by a comprehensive action plan which is overseen by the Patient Experience Committee with representation from our local partners including Healthwatch.

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 continues to prepare its accounts on an on-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.

| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|----------------------------------|---------|---------|---------|---------|---------|
| Capital Absorption Rate met | ✓ | ✓ | ✓ | ✓ | ✓ |
| External Financing Limit met | ✓ | ✓ | ✓ | ✓ | ✓ |
| Capital Resource Limit met | ✓ | ✓ | ✓ | ✓ | ✓ |
| Better Payment Practice Code met | ✓ | ✓ | ✗ | ✓ | ✗ |

Staff indicators

A considerable amount of work has taken place to focus on staff engagement, listening and learning from 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:

| | 2012/13 | | 2013/14 | | 2014/15 | |
|---|---------|--------|---------|--------|---------|--------|
| | Target | Actual | Target | Actual | Target | Actual |
| Sickness absence % | 3.75 | 4.20 | 3.75 | 3.98 | 3.75 | 4.71 |
| Staff in post (WTE) | 5,935 | 6,233 | 7,043 | 6,680 | 7,273 | 6,784 |
| Turnover (%) | 9.00 | 8.76 | 12.00 | 8.14 | 12 | 9 |
| Temporary and agency staff spend (£000) | 800 | 11,095 | 6,761 | 18,989 | 5,478 | 20,378 |

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 81.

The Trust reports its sustainability in the following categories:

- Energy and carbon management
- Procurement and food
- Low carbon travel, transport and access
- Water
- Waste
- Designing the built environment
- Organisational and workforce development
- Role of partnerships and networks
- Governance
- Finance

Together with our partners at Blackburn with Darwen and Lancashire County Councils we have put a significant effort into highlighting alternatives to single occupier car journeys and we will be installing electric car charging points across the estate.

The Sustainable Development Committee are responsible for reporting against the sustainability action plan.

| | 2012/13 | | 2013/14 | | 2014/15 | |
|--------------------------------------|---------|--------|---------|---------|---------|--------|
| | Target | Actual | Target | Actual | Target | Actual |
| Total energy consumption (GJ/100m3) | 64.0 | 73.3 | 60.0 | 73.9 | 303 | 287 |
| Clinical Waste (@£402/T) | 703T | 745T | 668 T | 728 T | 736 | 760 |
| Domestic waste to landfill (@£208/T) | 601T | 725T | 571T | 1,036 T | 780 | 851 |

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, the Five Year Forward View and specialist services commissioning. | <p>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.</p> <p>We have established a baseline assessment of which of our services provides 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 continue to work to ensure we are able to achieve the standards by the required timescales recognising that we have particular need to develop our Diagnostic infrastructure at pace over the next 18 months.</p> <p>We have been successful in 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.</p> <p>The national direction for specialised services is to rationalise or reconfigure the current provision to ensure quality is enhanced through centres delivering higher volumes of activity surrounded by "networks" of care. Whilst our services are compliant against the majority of associated service specifications, this direction of travel could pose some significant risks given our size and clinical infrastructure.</p> |
| Local Commissioning Intentions | Local commissioning intentions are generally in line with our own strategic direction but do represent some threats to the provision of our elective services. | Our lead commissioners have shared a number of their commissioning intentions for 2015/16 and beyond which focus on unscheduled care, integrated care and scheduled care work streams. We have mitigated this as far as possible through close collaboration with commissioning colleagues to work to develop co-designed models of care. |

| | | |
|-----------------------------|---|---|
| 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 Safely Reducing Costs Programme has been developed using a well-developed and refined 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 has delivered savings on a non-recurrent basis and will need to improve performance against its planned 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. In meeting this financial challenge the Trust will need to drive ever higher quality standards with robust performance delivery. Quality, performance and finance are mutually inclusive. |
| 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. 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 the needs of our service users. We will continue to work closely with our local communities, commissioners and local authorities to address the health needs of the local population. |
| Changing demography | Future demand for services will be influenced by the ageing population profile | <p>We have also developed our Market Assessment to better understand the demography and ethnic composition of our local population and therefore service users.</p> <p>This will drive the type and structure of our intended service developments. For example the ageing profile of our population influenced our work 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.</p> <p>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.</p> |
| 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 have worked hard to 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 supported by our public, staff and patient engagement. strategies. |

| 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. | <p>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.</p> <p>We have commenced a review of our five year Information Management and Technology (IM&T) Strategy to ensure that we can continue to improve our Information Technology Infrastructure and use new technology both to support delivery of care at the front line and use new technology to innovate the way in which we deliver and record the delivery of safe, personal and effective care.</p> |
| LEGAL | | |
| Factor | Impact | Actions and Initiatives |
| 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 BRE Environmental Assessment Method (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 health economy. Similarly we recognise the need to invest in our IM&T to enable significant organisational change.

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.

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 particularly on the Burnley General Hospital site, 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 of 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 Trust has in recent years undertaken a significant level of capital investment to support the reconfiguration of services.

Plans for the Future

The past year has been one focussing on the quality of the services we deliver and this report reflects many of the significant achievements we have made with the support of our staff, patients and partners. We recognise however that we can go further in delivering improved services and ensuring we deliver increasingly personalised care at a convenient location for our patients. We recognise that we need to eliminate variability in the delivery of care in order to progress from a rating of "requires improvement" to "good" across all our services. This must be delivered within reducing resources and an imperative to continue to deliver a challenging savings programme.

By far the greatest progress we have made in this year is the embedding of the Trust's vision to be widely recognised for providing safe, personal and effective care. This simple message is widely used by staff and has been better understood over the last year. The vision statement is now used and discussed in an increasing number of day to day practices including all official Trust correspondence, adverts, recruitment activity and development courses.

Progress has been made in ensuring that where possible in relation to key Organisational Development deliverables a number of related scorecards and action plans are in place, are produced regularly and are capable of being scrutinised within the Trust's governance and performance structures.

The Trust has made significant progress on its Quality Improvement Plan particularly with regard to reducing pressure ulcers, improving mortality, developing bereavement services,

improving the complaints process, introducing continuous learning activities, improving communication and enhancing staff engagement and involvement.

Our vision is supported by clear strategic plans including a 5 year forward plan, a quality strategy, clinical strategy, nursing strategy, an organisational development strategy and a two year workforce strategy including a recruitment and retention plan.

We want to continue to encourage a participative, listening and open culture through modelling our values in a variety of ways such as Big Conversation listening events, reviewing our Raising Concerns Policy including taking part in the Speak Out Safely Campaign, and giving simple messages to staff such as "if you see something, say something" with the aim that staff at all levels of the organisation feel empowered to openly discuss concerns about patient care or the environment in which they are working.

The Trust is developing a more patient focused culture of caring and compassion by regularly reviewing and learning from our complaints, inviting patient stories at Board meetings, embedding our "share to care" arrangements and responding appropriately to results from national and local inpatient and staff surveys. We have introduced staffing safety huddles three times a day to ensure that we are able to support those areas where our patients have the highest acuity, require one to one care or where there are unplanned staff shortages. Our tailored education

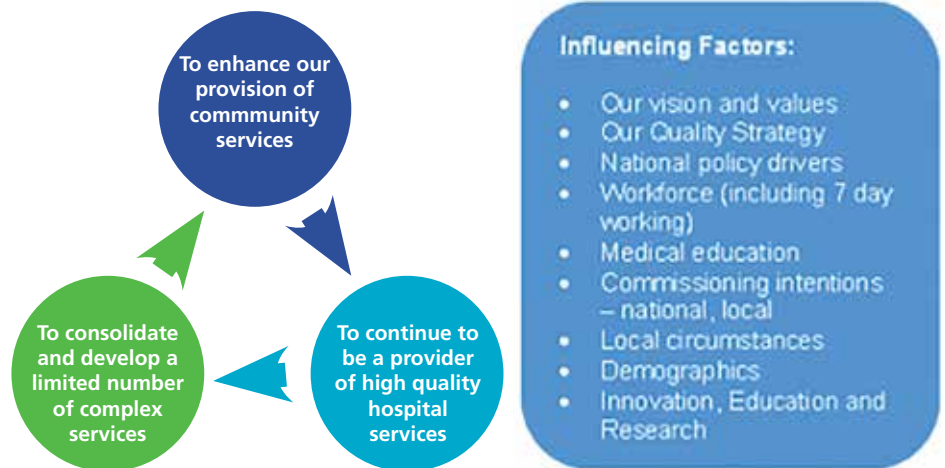
and training programmes have been refined to take into account feedback from patients and areas where there are clusters of adverse feedback from patients or their families are targeted for specific development. We have also worked hard to put processes in place to recognise and reward innovation in patient centred care through our STAR awards, talent management strategy and internal promotions.

Our leadership strategy has focussed on ensuring our senior staff become more visible both internally to staff and patients and externally to our stakeholders. A clinical leadership programme has been developed for ward managers and a recent review of the capacity and capabilities of our Clinical Directors has taken place with greater clarity of their roles to ensure greater accountability within the organisation. There is a consultant leadership programme focussing on those senior medical staff due to apply for a consultant role and a development programme for staff grade and associate specialist doctors. A range of internal leadership development opportunities are available for middle managers and the Trust works closely with the North West Leadership Academy to offer external opportunities.

We have contributed to and signed up to the Sign Up to Safety Campaign and the Making Safety Visible Collaborative as an organisation and our Quality Strategy reflects the aims and pledges made in these programmes. They are also reflected in our Quality Account published alongside this Annual Report and Accounts and summarised from page 26 of this report.

Our Plans for 2015/16

Our Clinical Strategy described in Our Plans for 2015/16 encapsulates three elements which are shaped by a number of influencing factors as indicated in the diagram on the right:



Our Clinical Strategy considers the key influencing factors for the future success and sustainability of our organisation which must be achieved in the near future. As part of our business planning processes we have identified a range of aspirations to:

- Deliver integrated care pathways across acute and community services with a particular emphasis on the emergency/ urgent pathway and patients with long term conditions;
- Significantly redesign some key scheduled care services;
- Develop our Women and Newborn services, particularly gynaecology;
- Develop our diagnostic infrastructure, including the future provision of Pathology services.

Service Integration

We will work with our local commissioners to reform the urgent/ emergency care pathway with the development of a new Acute Medical Model. A new integrated larger Acute Medical Unit with up to a 72 hour length of stay will be established over the course of the next two years. This will include a dedicated facility for frail elderly patients with specialist doctors “in reaching” to provide appropriate support and care. A comprehensive seven day ambulatory care service designed to prevent unnecessary admissions to hospital will be a strong element of the new Medical Model

building on our positive experience of the virtual ward concept.

The effective functioning of the larger Acute Medical Unit will allow a reduction in the number of medical specialty beds required in the rest of the Royal Blackburn Hospital. This will enable efficiencies to be released. In line with the content of the local Better Care Fund submission and in partnership with the Blackburn with Darwen Clinical Commissioning Group, a comprehensive home intensive support service will be developed across the wider health and social care system to improve discharge processes in the form of an integrated discharge hub. The aim of this development is to enable as much as possible for our patients to recover in a non acute hospital setting.

Integral to this model of care, is that our Integrated Care Group delivers across the whole patient pathway, between home centred, intermediate and hospital based care. We will work with local commissioners to ensure that functional Integrated Neighbourhood Teams begin to operate in 2015/16 to provide non specialist preventative care. This will be particularly beneficial for patients with long term conditions such as diabetes and respiratory conditions.

We will reconfigure our stroke services across the Trust, expanding the provision of community services. This will involve the resource of a combined stroke unit, providing acute care and in patient rehabilitation

across two adjacent wards with common management and multi disciplinary teams working to deliver greater integration in the delivery of care. The existing links with the Emergency Department will be further strengthened to ensure the rapid assessment of patients and administration of thrombolysis prior to transfer to a dedicated stroke bed for ongoing care and recovery. An enhanced community team will provide seven day access to therapeutic services such as Physiotherapy.

Scheduled Care Redesign

We will build on the significant work undertaken to transform some scheduled care services and deliver community based service models in Dermatology, the Musculoskeletal service, Pain Management, Ophthalmology and Rheumatology. New models of care have been co-designed with Primary Care and Commissioning colleagues and most importantly have incorporated comprehensive patient feedback. The new Musculoskeletal service incorporates a single point of access across the whole system, allowing the most effective care to be delivered by the right clinician, in the right care setting. Our Ophthalmology service will similarly deliver and enhance capacity in secondary care through maximising the appropriate care that is provided by local Optometrists.



Specialist Services

We will continue to be a main provider of specific specialist services as agreed with Specialist Commissioners. We will target developments in Level 3 NICU, head and neck cancer surgery, urological cancer surgery, hepatobiliary surgery and HIC services using the latest technology to innovate.

We will continue to consolidate the progress made in becoming a specialist arterial vascular centre in the Lancashire and South Cumbria network and aim to become fully compliant with the Specialist Commissioner's requirements to continue to deliver this service by the end of the year.

Over the course of 2014/15 we became the lead provider for the Telestroke service across Cumbria and Lancashire. We will maintain and develop the service and link this to the improvement of our pathways for stroke services as detailed above.

Development of Women and Newborn Services

We aim to be at the forefront of delivering modern, advanced gynaecology services. The recent implementation of an integrated

theatre on the Burnley General Hospital site will be a vehicle for innovation in providing state of the art laparoscopic gynaecology surgery. We aim to become the provider of choice across a wider geographical footprint and believe that the changes we make will ensure the service is attractive to patients while being as efficient as possible.

We will continue to build on the quality of our maternity services, which were nationally recognised in 2014 as the "Service of the Year" and our level 3 NICU services to continue to provide specialist care for local families while further developing our partnership working with other providers.

Diagnostic Infrastructure

In 2015/16 we will continue to invest in our diagnostic capacity and infrastructure particularly in interventional radiology. With commissioners we aim to address the gaps we have identified against the NHS England clinical standards for seven day services in our locality. We will invest in innovation and equipment and move the location of our CT scanners which is integral to our becoming a fully compliant vascular arterial centre.

Our Pathology services will continue to deliver a stand-alone service while taking advantage of collaborative opportunities on a Lancashire wide footprint while implementing new service models. Our investment in technology will improve quality, enhance efficiency and in some cases allow full automation of processes while improving communication to ward areas and GPs.

Innovation, Research and Education

We will continue to play a significant role in the Greater Manchester Academic Health Science Network, and through our clinicians we will continue to influence the work of both Strategic Clinical and Operational Delivery Networks,

We will also continue to work with the Deanery and UCLAN to develop and deliver medical education with a particular focus on the clinical supervision provided to postgraduate trainees. We aim to make the delivery of clinical education a core activity across the organisation and to provide the best educational experience for undergraduate students from overseas who will be attending the new medical school at UCLAN.



Quality and Safety

Our determination is to deliver safe, personal and effective care. We have made a number of commitments in our Quality Strategy including to:

- **Safe** – Reduce the episodes of harm experienced by our patients by 500 per annum
- **Personal** – Have 75% of patients recommending us to their friends and family
- **Effective** – Ensure that patients get the right care at the right time in order to save an additional 150 lives per year.

Underpinning these commitments are a range of initiatives designed to deliver effective change and drive up the standards of our clinical care and supporting processes which facilitate our interactions with patients. We are part of the Health Foundation's "Making Safety Visible" learning collaborative across the North West of England, which will support us in delivering against these pledges into the future.

Safe Care

We pledged to:

- reduce harms graded moderate and above by 15%:
- reduce our SHMI and HSMR to within the expected range; the equivalent of saving an additional 150 lives per year:
- ensure that we have adequate numbers of staff on duty who are appropriately trained and supervised to deliver the care required:
- ensure that we learn from safety incidents we will continue to encourage staff to report incidents and to remain in the top quartile of Trust's reporting to the National Reporting and Learning System with appropriate actions taken

Personal Care

We have focused on our complaints procedures to improve the speed and efficiency of our responses but more importantly to make our responses more compassionate and responsive to the actual issues raised.

We will continue to improve our end of life care and the support offered to bereaved families. We have developed a Board approved Bereavement Strategy, appointed a Bereavement Facilitator and have a comprehensive bereavement action plan in place.

Effective Care

The organisation has reviewed the function and delivery of its Quality and Safety Unit to establish a team and resource to support Clinical teams in the delivery of improved Clinical Effectiveness and Quality Improvement. Improved outcomes will be delivered through reliable delivery of best practice.

Delivering Safe Care

We have pledged to reduce harms graded moderate or above by 15% through our Harms Reduction Programme facilitated by the Sign Up to Safety Programme and our collaborative work with our “buddy” organisation Salford Royal Foundation Trust. The Harms Reduction Programme focusses on:

- Pressure ulcer reduction using a collaborative approach
- Reducing falls with harm using a collaborative approach
- Reducing health care associated infections in partnership working with the Trust Development Authority Infection Control Team
- Reducing medicine related incidents with active monitoring by the Medicines Safety and Optimisation Group
- Reducing Hospital Acquired venous thromboembolism

During 2014/15 The Trust has achieved a 98% reduction in avoidable grade 2 pressure ulcers. The Trust has not recorded any grade 3 pressure ulcers since February or any grade 4 pressure ulcers since August 2014.

During 2014-15 the Trust has embarked on a comprehensive review of falls prevention and management to support the planned target reduction of harm from falls. Metrics to monitor this reduction are under development following the completion of a range of “tests of change” which have initially been trialled on a small number of wards.

The Trust has recorded one attributable MRSA bacteraemia in year and continues to further improve compliance with hand hygiene, antimicrobial prescribing and aseptic non touch technique

The table below sets out the data made available to the Trust by the Health and Social Care Information Centre with regard to the rate per 100,000 bed days of cases of C.difficile infection reported within the Trust amongst patients aged 2 or over during the reporting period. The table also provides comparative data with other NHS Trusts nationally:

| | CDI rate (for year to Nov 13) | CDI rate (for year to Nov 14) |
|---------------------------------------|-------------------------------------|-------------------------------------|
| National rate (Ordinary Acute Trusts) | 14.9 CDI cases per 100,000 bed days | 13.1 CDI cases per 100,000 bed days |
| ELHT rate | 8.0 CDI cases per 100,000 bed days | 9.6 CDI cases per 100,000 bed days |
| Best performing nationally | 2.4 CDI cases per 100,000 bed days | 3.6 CDI cases per 100,000 bed days |
| worst performing nationally | 37.5 CDI cases per 100,000 bed days | 43.8 CDI cases per 100,000 bed days |

The Trust is within the top 10 Trusts nationally in relation to the percentage of patients risk assessed for venous thromboembolism. Systems and processes are in place to risk assess all appropriate patients utilizing the National VTE assessment tool on admission. This now involves both adult inpatient admissions and day cases. The Trust monitors quarterly VTE performance figures using an electronic system with real time capture of data on

admission. Each of the Trust’s Divisions participates in a rolling programme of clinical audit to ensure effective compliance with VTE assessment. VTE performance has consistently been in excess of 97.5% since July 2014.

We also pledged to reduce our mortality rates, measured by SHMI and HSMR to within the expected range; the equivalent of saving an additional 150 lives per year. We have achieved this by ensuring all deaths are reviewed to ensure any lessons for improvement can be acted upon and more specifically ensuring patients at risk of clinical deterioration are identified early and appropriate interventions are made, use of our ‘early warning score’ system as well as improving the reliability of care delivered using care bundles and adoption of Advancing Quality measures.

We have worked hard to ensure we have adequate numbers of staff on duty who are appropriately trained and supervised to deliver the care required. This includes all staff; Medical (and Doctors in training), Nursing and Allied Health Professionals. Nurse staffing levels are monitored on a daily basis through safe staffing teleconferences coordinated by the Chief Nurse. To ensure that we learn from safety incidents we continue to encourage staff to report incidents and to remain in the top quartile of Trust’s reporting to NRLS.

We have introduced a Serious Incidents Requiring Investigation (SIRI) Panel to review and disseminate learning from incidents that cause harm to our patients including pressure ulcers, and continue to monitor and report the outcomes both at our Patient Safety and Governance Committee and to the Trust Board.

Each of the Trust’s Divisions participates in a rolling programme of clinical audit to ensure effective compliance with VTE assessment.

Delivering Personal Care

We pledged to:

- Investigate 90% of formal complaints within Trust approved timescales:
- Ensure 80% of complainants are satisfied with the overall complaints process:
- Improve our end of life care and the support offered to bereaved families

In response to stakeholder feedback we have focused on making our services more responsive to patient needs and we achieved our aim to have 75% of Friends and Family survey respondents recommend our services, achieving 98% for inpatients and 81% for emergency services.

We have focused on our complaints procedures to improve the speed and efficiency of our responses but more importantly to make our responses more compassionate and responsive to the actual issues raised. We will continue to improve our complaints process with particular emphasis on patient and relative feedback and contribution to how the process works. We have seen a significant

reduction in the number of complaints received in year and have introduced a survey for complainants to promote feedback about the way we handle concerns.

We will continue to improve our end of life care and the support offered to bereaved families. We have appointed a Bereavement Facilitator and have a comprehensive bereavement action plan in place. The Bereavement Steering Group reports to our End of Life Steering Group which is monitored through the Trust's Patient Experience Committee. The Trust's bereavement care services and facilities have been expanded and improving as follows:

- Dedicated Bereavement Care Suite at The Royal Blackburn Hospital and Burnley General Hospital:
- Blackburn with Darwen Registrar to provide on-site registration of death service (Royal Blackburn Hospital):
- Improvements to the Mortuary Viewing room (Royal Blackburn Hospital):
- Coroner's Officer on site service (Royal Blackburn Hospital):

- Improved security equipment to protect the personal belongings of deceased patients:
- Comfort Bags of toiletries for relatives who stay in hospital overnight to be with a loved one approaching their end of life:
- Bereavement care education for frontline staff.

The Trust has spent almost a year working with hospital staff, bereavement experts, local hospices and other NHS hospitals to improve its bereavement care, including the appointment of a full-time Bereavement Care Senior Nurse.

From a patient experience point of view we have a Family, Patient and Carer Experience Strategy which will ensure that as a Trust we put patients first and respect individuals during the provision of their care. A supporting comprehensive action plan has been developed with implementation overseen by the Patient Experience Committee which includes representation from our local partners e.g. Health Watch.

Delivering Effective Care

The Trust has reviewed the function and delivery of its Quality and Safety Unit to establish a team and resource to support clinical teams in the delivery of improved Clinical Effectiveness and Quality Improvement. Improved outcomes will be delivered through reliable delivery of best practice. This is illustrated in the figure below and will be achieved by further strengthening:

Decision support - through

- Supporting development of agreed health economy clinical pathways:
- Strengthening governance for guidelines, pathways and care bundles:
- Improving access to best practice guidance, with a single point of access using information technology

Measurement and assurance - through

- Moving the emphasis of measurement from past harm, to real time monitoring and predictive technology and prevention

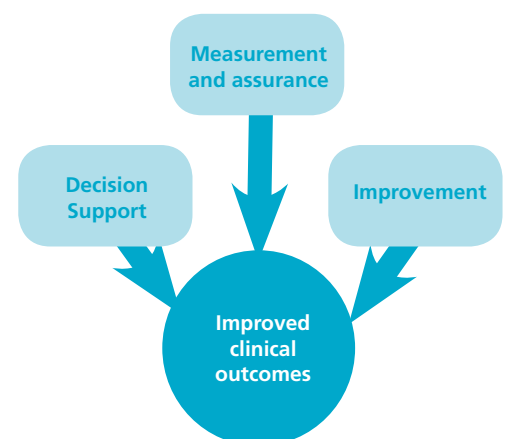
- Automation in measurement
- Smaller audit samples measuring small tests of change over time
- Multi-professional audit
- National audit and benchmarking
- Measuring reliability of best practice by Advancing Quality compliance, and a similar approach to other care bundles

Improvement - through

- A dedicated Quality Improvement Team and Resource
- Supporting clinical teams with the development of skills and knowledge in improvement methodology based on our '7 Steps to Safe Personal Effective Care'
- Developing a central register of improvement programmes and projects
- The development of a quality improvement projects framework with Doctors and other professionals in training
- Delivery of quality improvement initiatives through ward and department Share to Care meetings
- Improved data and information analysis and presentation

These developments are helping to increase the number of patients who receive evidence based care and we continue to closely monitor timeliness of care with specific improvement plans for particular access and treatment targets.

We also have an excellent record of patient recruitment for clinical trials and our Research and Development Strategy has continue to ensure that as many patients as possible are able to participate in appropriate clinical research studies. Further detail is provided in our Research and Development Report at page 63.





Workforce plans

Our workforce plan aims to strike a balance between demand for staff and their supply to estimate the future demand for staff required to deliver services and to try to ensure that a sufficient number of appropriately qualified personnel is available to meet this demand.

There are a number of workforce supply issues that the Trust has experienced, and these tend to match the areas where there are national shortages. We have a variety of workforce strategies, including international recruitment where required, to continue to address these issues while working hard to grow talent locally and provide jobs for our local workforce.

The Trust has an ageing workforce but actively monitors the age profile and provides information to Directorates that enables them to have conversations with their staff about their future plans. The Trust has continued to promote flexible retirement and other retention strategies

to ensure the number of staff in post supports the delivery of safe, personal and effective care.

2015/16 will see a focus on workforce transformation as doing more of the same is not an option to deliver sustainable services over the next 5 years. We are taking a system wide approach to collaborate with external stakeholders to agree new models of care, new pathways for patients to access services and new competencies for our staff in some non-traditional roles. We will support the development of Assistant and Advanced Practitioners within the services and commission new roles e.g. Physicians Associates. The Trust will take a whole workforce approach to its plans ensuring we are able to maximise the talents of volunteers, administration teams and key support services staff in delivering the right care at the right time.

Signed

Kevin McGee
Chief Executive

Dated 3rd June 2015

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 10 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. Gillian Simpson, Director of Operations and Kevin McGee, Chief Executive, have been the only substantive Executive Director post appointed to in the year under review.

The Trust Board meets 10 times per year and meetings are open to the public except when confidential information is being discussed.


Professor Eileen Fairhurst, Chairman February 2014 to date

| | Experience | Qualifications |
|--|--|--|
|  | <p>Eileen Fairhurst was appointed to the Trust on 9th February, 2014. She is a highly experienced Chair and has chaired a number of large, complex public and third sector organisations.</p> <p>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.</p> | <p>BA (Econ) PhD DSc Fellow of the Royal Society of Medicine</p> |


Mr James Birrell, Interim Chief Executive January 2014 to September 2014

| | Experience | Qualifications |
|---|--|--|
|  | <p>Jim has worked in the public sector for over 40 years, the last 31 of which have been in the NHS.</p> <p>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.</p> <p>Since that time he has undertaken a number of interim Chief Executive assignments, latterly at University Hospitals Leicester and University Hospital North Staffordshire.</p> | <p>MPhil Member of the Chartered Institute of Public Finance and Accountancy</p> |


Mr Kevin McGee, Chief Executive, September 2014 to present

| | Experience | Qualifications |
|---|---|--|
|  | <p>Kevin is a qualified accountant with over 20 years' experience of working within healthcare with 15 years experience at executive level. Prior to joining East Lancashire Hospital NHS Trust, he held a range of roles including Chief Executive of George Eliot Hospital NHS Trust, Director of Finance and Chief Operating Officer in large acute hospitals and Director of Commissioning and Performance Management at a Teaching Primary Care Trust.</p> | <p>BA (Hons) MSc Member of the Chartered Institute of Public Finance and Accountancy</p> |


Mr Jonathan Wood, 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 |
|--|---|-----------------------|
|  | <p>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.</p> <p>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.</p> <p>She moved to Salford Royal in April 2011 as Deputy Director of Nursing</p> | MSc BA (Hons) |


Mrs Gillian Simpson, Director of Operations, October 2014 to present

| | Experience | Qualifications |
|---|--|-----------------------|
|  | <p>Beginning October 2014, Gill Simpson took up the reins as the Trust's Executive Director of Operations, taking responsibility for the day-to-day operations at the Trust's five hospitals, including emergency and urgent care.</p> <p>Born at Queens Park Hospital and educated at St. Wilfrid's School in Blackburn, Gill completed her nurse training at Burnley General Hospital and has a Bachelor of Science (BSc) degree in Nursing Studies.</p> <p>Gill's 30-year NHS career began as a staff nurse and Ward Sister before health service management roles with responsibility for hospital and community services and her most recent work as Divisional General Manager at the Trust since December 2010.</p> | BSc (Hons) |


Dr Ian Stanley, Interim Medical Director, February 2014 to present

| | Experience | Qualifications |
|---|--|---------------------|
|  | <p>Dr Ian Stanley was appointed as Interim Medical Director in February 2014. Ian has been a Consultant in Anaesthetics and critical care at East Lancashire Hospitals NHS Trust since 2002 and was Deputy Medical Director from 2012.</p> <p>Ian qualified from the University of Cambridge in 1991 and he started anaesthetic training at Blackburn Royal Infirmary in 1996. From there he completed specialist anaesthetic training in the North West Deanery before taking up consultant post at ELHT.</p> | <p>BChir MB</p> |


Mr Martin Hill, Vice Chairman, 2007 to January 2015

| | Experience | Qualifications |
|---|--|---------------------------------------|
|  | <p>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.</p> <p>He holds and has held a wide range of Non-Executive posts including voluntary positions as Chairman of East Lancashire Careers Service Ltd (1995-2002), Chairman of the Ribble Valley Enterprise Agency (1991-present), Vice Chair and Chair of Finance and General Purposes Committee of Accrington and Rossendale FE College (1990-2002), East Lancashire Training and Enterprise Council (1996-1998), Business Link East Lancashire (1996-1998) and has been Trustee for Brathay Hall Trust since September 2006. He has also been a Non-Executive Director for the Marsden Building Society.</p> <p>Martin was previously Chairman of Ribble Valley Primary Care Group (1998-2001) and Chairman of Hyndburn and Ribble Valley PCT (2001 to 2006).</p> <p>He was also awarded an MBE (Member of the Order of the British Empire) in 1994 for services to the community in the fields of enterprise and education.</p> | <p>Degree in Chemical Engineering</p> |


Mr Peter Rowe, Non-Executive Director, 2013 to present, Vice Chairman February 2015 to present

| | Experience | Qualifications |
|---|---|---|
|  | <p>Peter Rowe was appointed on 1st April, 2014. He qualified as a pharmacist in 1974 and has held posts in hospitals, the community and in Health Authorities in most regions in England. 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.</p> <p>Peter was a Non-Executive Director of Skills for Health until March 2013</p> <p>Peter's appointment will expire in 2015.</p> | <p>Member of the Royal Pharmaceutical Society</p> |

Mr Paul Fletcher, Non-Executive Director, 2006 to December 2014

| | Experience | Qualifications |
|---|--|---|
|  | <p>Paul was formerly a Non-Executive Director with the Lancashire Ambulance Service where he served for nine years, until it was amalgamated into the 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.</p> | <p>HND Business Studies (Distinction)</p> |

Mrs Elizabeth Sedgley, Non-Executive Director, 2009 to present

| | Experience | Qualifications |
|--|---|---|
|  | <p>Elizabeth was appointed in January 2009 and is a self-employed accountant with 16 years' experience of industry and general practice. Her client-base has included companies and unincorporated businesses across a wide range of industries such as the construction trade, chemical sales and web-based retailers. Elizabeth is Chair of the Audit Committee.</p> <p>Liz's appointment will expire in 2017</p> | <p>Fellow of the Association of Chartered Certified Accountants</p> |

Mr Mohammed Sarwar, Non-Executive Director, 2013 to present

| | Experience | Qualifications |
|---|--|--|
|  | <p>Shazad Sarwar is currently Chief Executive of a youth charity and Trustee of a Local Trust.</p> <p>He has held previous non executive roles with Lancashire Police Authority, BBC Children in Need North West Committee and Government Office North West.</p> <p>He has significant experience of corporate governance, organisational re-design, community consultation, strategic diversity, performance management and driving change. He also has strong experience of strategic management, charity mergers and financial and social investment planning in the charitable sector.</p> <p>Shazad's appointment will expire in 2017</p> | <p>Bar Vocational Course, BTEC HND Business and Finance, Law LL.B (Hon),</p> |


Mr David Wharfe, Non-Executive Director, 2013 to present

| | Experience | Qualifications |
|---|--|--|
|  | <p>David was appointed in May, 2013. He is an experienced Finance Director, having held a number of senior and Board level posts in NHS across the country since 1990.</p> <p>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.</p> <p>David joined the Trust in 2013 and his appointment will expire in 2017.</p> | <p>BA (Hons) Member of the Chartered Institute of Management Accountants</p> |

Mr Stephen Barnes, Non-Executive Director, January 2015 to present

| | Experience | Qualifications |
|---|---|--|
|  | <p>Stephen Barnes was appointed to the Trust Board on 1 January 2015.</p> <p>He has been a Local Government Chief Executive in Lancashire for the past 22 years and prior to that was a Director of Finance in Local Government for a further six years.</p> <p>Stephen is an accountant by profession, a past President of the North West and North Wales region of the Chartered Institute of Public Finance and Accountancy and a past Examiner of the final part of the Professional Accountancy Examination.</p> <p>During his time in Local Government, Stephen has gained broad experience in strategic leadership, partnership working and joint venture initiatives across the private sector, including economic development and regeneration services and community development and engagement.</p> <p>Stephen's appointment will expire in 2017</p> | <p>Member of the Chartered Institute of Public Finance and Accountancy</p> |

Mr Richard Slater, Non-Executive Director, January 2015 to present

| | Experience | Qualifications |
|---|--|-------------------------------|
|  | <p>Richard leads the Northpoint Media group of businesses which includes magazine publishing, event management and PR and marketing arms.</p> <p>He is a journalist and has worked on regional and national publications whilst also lecturing in journalism working in the music industry.</p> <p>He was the private sector lead on Fuse Fund, which attracted a £4m funding commitment from government to support young businesses in Lancashire.</p> <p>Richard was a director of East Lancashire Chamber of Commerce and a past president of the East Lancashire Junior Chamber.</p> <p>Richard's appointment will expire in 2017.</p> | <p>BSc(Hons) Cert Ed.</p> |

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 with one remaining interim post, the Medical Director, where the new appointee is expected to commence in July 2015. Mrs Simpson, Director of Operations, was the only Executive Director.

In relation to Non-Executive Directors, both Mr Martin Hill and Mr Paul Fletcher reached the end of their terms of appointment during 2014/15. Mr Stephen Barnes and Mr Richard Slater were appointed as their successors in January 2015 following a competitive appointments process conducted by the Trust Development Authority on behalf of the Secretary of State.

Among the Non-Executive Directors there is felt to be a balance of skills, expertise and experience with three 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.

No external independent evaluation of the Board as a whole has taken place during the course and it is anticipated that this will be undertaken in 2015/16 following the appointment to the last substantive Executive Director post of Medical Director. In anticipation of this appointment the Board has commissioned external reviews of Board Governance to inform the evaluation process.

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 have not met collectively on a regular basis without the Executive Directors in attendance. 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 Health and Social Care Act 2008 (Regulation of Regulated Activities) (Amendment) Regulations 2014.

Each Director is:

- of good character:
- 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:
- 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:

- 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:
- 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:

| Surname | First Name | Position in Trust | Declaration Type | Position/ Work/ Received | Organisation | Tenure |
|------------------|------------------|---------------------------------|--------------------------|----------------------------------|---|-------------------------------|
| Barnes | Stephen | Non Executive Director | Interest | Chairman | Nelson & Colne College | Ongoing |
| Birrell | Jim | Interim Chief Executive | Interest | Director | J Birrell Ltd | Left the Trust September 2014 |
| Fairhurst | Eileen | Chairman | Interest | Professor of Public Health | University of Salford | Ongoing |
| | | | | Trustee | Ben Johnson Foundation | Ongoing |
| | | | | Commissioner and Deputy Chairman | Greater Manchester Poverty Commission | Ongoing |
| Fletcher | Paul | Non Executive Director | Interest | Independent Member | Blackburn with Darwen Council Standards Committee | Left the Trust November 2014 |
| Hodgson | Martin | Director of Service Improvement | Positive nil declaration | | | |
| McGee | Kevin | Chief Executive | Positive nil declaration | | | |
| Moynes | Kevin | Director of HR and OD | Interest | Governor | Nelson & Colne College | Ongoing |
| Pearson | Christine | Chief Nurse | Positive nil declaration | | | |
| Rowe | Peter | Non Executive Director | Positive nil declaration | | | |
| Sarwar | Mohammed | Non Executive Director | Interest | Chief Executive | Whitlefield Youth Association | Ongoing |
| | | | | Associate Consultant | HMIC | Ongoing |
| | | | | Chair | Walverden Action Group | Ongoing |
| | | | | Consultancy | Alzheimer Society | To October 2014 |
| | | | | Trustee | Local Trust | Ongoing |
| Sedgley | Elizabeth | Non Executive Director | Interest | Accountant | Various local firms | Ongoing |
| Simpson | Gillian | Director of Operations | Interest | Family member declaration | Local furniture firm supplying NICU | Ongoing |
| Slater | Richard | Non Executive Director | Positive nil declaration | | | |
| Stanley | Ian | Medical Director | Positive nil declaration | | | |
| Wharfe | David | Non Executive Director | Positive nil declaration | | | |
| Wood | Jonathan | Director of Finance | Positive nil declaration | Family member declaration | Lancashire Area Team | |

Board Meetings and Attendance of Members

| | Chairman (100%) | Chief Executive (100%) | Director of Finance (100%) | Director of Operations (100%) | Medical Director (100%) | Chief Nurse (100%) | Mr Sarwar (63%) | Mr Wharfe (90%) | Mr Rowe (72%) | Mrs Sedgley (100%) | Mr Slater (80%) | Mr Barnes (80%) | Mr Hill (100%) | Mr Fletcher (57%) |
|--------|-----------------|------------------------|----------------------------|-------------------------------|-------------------------|--------------------|-----------------|-----------------|---------------|--------------------|-----------------|-----------------|----------------|-------------------|
| May-14 | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | # | # | Y | Y |
| Jun-14 | Y | Y | Y | Y | Y | Y | Y | Y | A | Y | # | # | Y | A |
| Jul-14 | Y | Y | Y | Y | D | Y | A | A | Y | Y | # | # | Y | A |
| Sep-14 | Y | Y | Y | Y | Y | Y | Y | Y | A | Y | # | # | Y | Y |
| Oct-14 | Y | Y | Y | Y | D | Y | A | Y | Y | Y | # | # | Y | Y |
| Nov-14 | Y | Y | Y | Y | D | Y | Y | Y | Y | Y | # | # | Y | Y |
| Jan-15 | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | # | # |
| Feb-15 | Y | Y | Y | Y | Y | Y | A | Y | A | Y | Y | Y | # | # |
| Mar-15 | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | A | # | # |

Key:

Y = Attended meeting

D = Deputy attended

A = Apologies tended

= Not on the board

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, Monitor's Code of Governance and the Well Led Framework.

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 five formally constituted committees;

- Audit Committee
- Remuneration Committee
- Charitable Funds Committee
- Patient Safety and Governance Committee
- Finance and Performance 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.

Operations delivery is overseen through the Operational Delivery Board. The membership of this Board consists of the Executive team, senior Divisional teams and key 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.

Audit Arrangements

Constitution

The Audit Committee is a Non-Executive Committee of the Board and has no executive powers, other than those specifically delegated in the terms of reference. It is the high level risk committee operating on behalf of the Board and concerns itself with the function and effectiveness of all committees: It brings all aspects of governance and risk management together.

The Committee is established with a membership of three Non-Executive Directors and is chaired by Mrs E Sedgley, who is a self-employed accountant with over 20 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. As a practicing qualified accountant for a number of local businesses the Board believes she has the relevant and recent financial experience required to Chair the Committee. Mr DWharfe is a qualified accountant with significant experience in NHS organisations at a Board level as a former Finance Director. Mr P Fletcher was a member of the Audit Committee until his retirement in December 2014 and was formerly a Non-Executive Director of the local Ambulance Trust. He held a senior role with BAE systems and has a special interest in governance systems and processes. On his appointment to the Trust Mr S Barnes was asked to join the Audit Committee, who previously was Chief Executive of Pendle Council for 22 years and prior to that was a Director of Finance in Local Government for six years. Stephen is an accountant by profession, a past President of the North West and North Wales region of the Chartered Institute of Public Finance and Accountancy. He was also an Examiner of the final part of the Professional Accountancy Examination.

The Director of Finance, Medical Director, Chief Nurse, Associate Director of Quality and Safety and the Company Secretary are, by the Terms of Reference, normally in attendance at meetings. The Committee has the authority to direct the attendance at meetings of any individual or agent employed by the Trust to assist Committee members in discharging their duties.

Representatives from the Trust's internal and external auditors and the local Counter Fraud Specialist also attend meetings. The Non-Executive members of the Committee have the opportunity to meet in private with these external representatives at each meeting to discuss any issues of concern arising from their enquiries or impacting on their ability to deliver the agreed annual work plans for these bodies.

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. This has been assisted by the Chair of the Committee also being a member of the Patient Safety and Governance Committee.

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

The Committee meets five times per year as a minimum. There have been five meetings in 2014/15. The attendance of members is shown in the table below. Each meeting has been quorate.

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.

| Member | Role | Attendance Rate |
|---------------|------------------------|-----------------|
| Mrs E Sedgley | Chair of the Committee | 100% |
| Mr D Wharfe | Non-Executive Director | 80% |
| Mr P Fletcher | Non-Executive Director | 75% |

External Audit

External audit services were provided by Grant Thornton UK LLP who 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 independent examination of the Charitable Funds Accounts and Annual Report.

The fees for these services are detailed in the tables below:

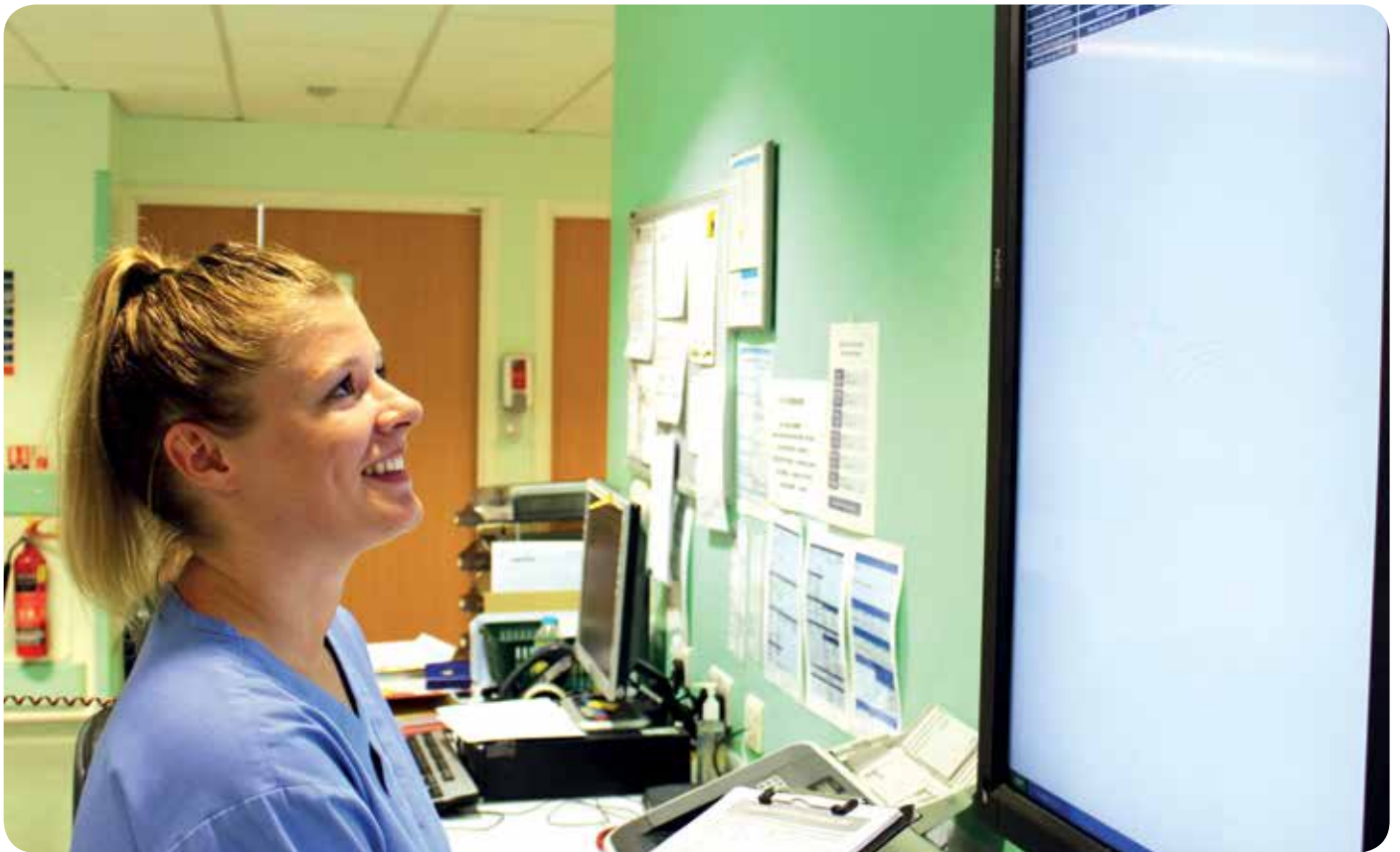
| Audit Fees | Per Audit plan | Actual fees |
|-------------------------|----------------|-------------|
| | £ | £ |
| Trust audit | 86,583 | 86,583 |
| Charitable Funds | 5,000 | 5,000 est |
| Total audit fees | £86,583 | £86,583 |
| Other Service Fees | | |
| Quality Account £10,000 | | |

Internal Audit

The Internal Audit service was provided by Mersey Internal Audit. 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.



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 Emergency Preparedness Resilience and Response (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.

Core standards for EPRR provision in all NHS organisations are published by NHS Commissioning Board (NHS England) each year. This year (2014/15), there were 45 core standards relating to NHS provider organisations.

| Standard groups relating to areas of practice | No of standards in the sub-group | Full compliance | Partial compliance with action plans | Non compliance |
|---|----------------------------------|-----------------|--------------------------------------|----------------|
| Governance | 4 | 4 | 0 | 0 |
| Duty to assess risk | 3 | 3 | 0 | 0 |
| Duty to maintain plans | 7 | 3 | 4 | 0 |
| Command and control arrangements | 6 | 5 | 1 | 0 |
| Duty to communicate with the public | 2 | 1 | 1 | 0 |
| Information sharing | 1 | 1 | 0 | 0 |
| Cooperation | 5 | 5 | 0 | 0 |
| Training and exercising | 4 | 3 | 1 | 0 |
| Hazardous materials / CBRN response | 5 | 2 | 3 | 0 |
| Decontamination equipment | 5 | 2 | 3 | 0 |
| Decontamination training | 3 | 0 | 2 | 1 |

At audit, the Trust was able to show full compliance with 29 of these standards; partial compliance without risk to the organisation or with an action plan in place with 15 of these standards. There was only one standard with which we were non-compliant with risk to the organisation. This was immediately addressed. It was around the preparedness of Emergency Department staff to decontaminate patients involved in an incident involving contamination by Hazardous Materials (HazMat) or Chemical, Biological, Radiological and Nuclear materials (CBRN).

The core standards form the basis of an annual workplan, which is in place for the year 2015/16. The plan has been accepted by both NHS England and East Lancashire/Pennine CCG. These organisations require quarterly updates on the progress made against action planning.

The main area of development for the Trust is in the area of business continuity planning. The workplan demonstrates the activity needed to align the Trust to the current British and International Standard for Business Continuity. This will be continuous development over the next two to three years.

As a Trust, we are able to provide training in house for the main staff roles in a major incident or business continuity incident, representing a saving to the Trust over sourcing the training externally. The training is peer reviewed to ensure that it meets National Occupational Standards. To meet our legal and statutory duties to exercise the major incident and business continuity plans, we also have in house capability. In order to provide the statutory live exercise, required every three years, we have secured Department of Health funding to purchase the Public Health England EMERGO package. This is an internationally recognised standard exercise format.

Resources have been agreed to upgrade the signage and storage for major incident response in the Emergency Department.

During 2015/16 the Trust will:

- Update its Major Incident Plan, separate Business Continuity from the Major Incident process with a stand-alone Business Continuity Plan aligned to International Standards Organisation (ISO) 22301, alongside development of an accelerated discharge plan:
- Invest in CBRN/HazMat equipment and training to bring the capability of our Royal Blackburn site up to the requisite standard for a mass contamination response:
- Bring spending on preparedness under a defined budget or a ring-fenced portion of departmental budgets, separate from a response budget code to be used in incidents:
- Subscribe at all levels, across all departments to a preparedness agenda:
- Maintain training records for key staff in response roles, introducing basic awareness of the preparedness agenda to the core mandatory training programme.

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.

The current composition of the Shadow Council of Governors is shown below:

| | Title | First Name | Last Name | Constituency |
|---|-------|------------|------------|-----------------------|
|  | Mrs | Feroza | Patel | Blackburn with Darwen |
|  | Mrs | Audrey | Foy | Blackburn with Darwen |
|  | Mrs | Marion | Ramsbottom | Blackburn with Darwen |
|  | Mrs | Christina | Yates | Burnley |
|  | Mr | Tony | Harrison | Burnley |

| | Title | First Name | Last Name | Constituency |
|---|-------|------------|-----------|--|
|  | Mrs | Jennifer | Slater | Hyndburn |
|  | Mr | David | Whyte | Hyndburn |
|  | Mrs | Vicky | Bates | Pendle |
|  | Mr | Graham | Parr | Pendle |
|  | Mrs | Yvonne | Ratcliffe | Pendle |
|  | Canon | James | Duxbury | Ribble Valley |
|  | Mrs | Brenda | Redhead | Ribble Valley |
|  | Mr | Brian | Parkinson | Rossendale |
|  | Mr | Mike | Gibson | Rossendale |
|  | Mr | Andrew | Driver | Administration, Estates and Volunteers |

| | Title | First Name | Last Name | Constituency |
|---|-------|------------|-----------|---------------------------------------|
|  | Mr | Gary | Knighton | Administration, Estates & Volunteers |
|  | Mr | Karl | Cockerill | Healthcare Assistants & Support Staff |
|  | Mr | Peter | Dales | Managers, Senior Managers & Others |
|  | Mr | Bertie | Fernando | Medical & Dental |
|  | Mrs | Wendy | Higginson | Nursing Midwives and Health Visitors |
|  | Mrs | Carol | Horne | Nursing Midwives and Health Visitors |
|  | Mrs | Lee | Barnes | Scientific, Therapeutic & Technical |

Activities of the Shadow Council of Governors

| Title | First name | Last name | Event name | Date |
|------------|------------------|------------------|---|------------|
| Mrs | Brenda | Redhead | MEMBER EVENT: Urology | 24/10/2014 |
| | | | Trust Board | 29/10/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| | | | Stakeholder Event: Part 2 | 01/07/2014 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 11/04/2014 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 10/04/2014 |
| | | | Dementia Ward Opening (ward 5) | 09/04/2014 |
| | | | Surgery Division Meeting | 16/04/2014 |
| | | | AGM/member event | 24/09/2014 |
| | | | Mock inspection | 03/12/2014 |
| | | | Trust Board | 25/03/2015 |
| | | | Trust Board | 28/01/2015 |
| | | | Trust Board | 25/02/2015 |
| Mr | Brian | Parkinson | Trust Board | 29/10/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| | | | MEMBER EVENT: Urology | 24/10/2014 |
| | | | AGM/member event | 24/09/2014 |
| | | | ICG Inspection Visit | 24/07/2014 |
| | | | Sponsor group - big conversations | 19/06/2014 |
| | | | Dementia Ward Opening (ward 5) | 09/04/2014 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 11/04/2014 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 10/04/2014 |
| | | | Stakeholder Event: Part 2 | 01/07/2014 |
| | | | Trust Board | 25/02/2015 |
| Mrs | Vicky | Bates | ICG Inspection Visit | 24/07/2014 |
| | | | Sponsor group - big conversations | 19/06/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| | | | Mock inspection | 04/12/2014 |
| | | | sponsor group committee | 21/11/2014 |
| | | | STAR Awards judging | 13/03/2015 |
| Mrs | Christina | Yates | Consultant Leadership Programme | 22/10/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| | | | DCS Tour part 2 | 02/05/2014 |
| | | | Computer Session | 15/07/2014 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 11/04/2014 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 10/04/2014 |
| | | | Dementia Ward Opening (ward 5) | 09/04/2014 |
| | | | DCS: Governor Tour | 14/04/2014 |
| | | | Computer Session 2: Email and File Management | 29/09/2014 |
| | | | AGM/member event | 24/09/2014 |

| Title | First name | Last name | Event name | Date |
|--------------|-----------------|-------------------|--|------------|
| | | | Mock inspection | 04/12/2014 |
| Mrs | Feroza | Patel | Trust Board | 26/11/2014 |
| | | | Medicines Management Board | 22/04/2015 |
| | | | Medicines Management Board | 18/03/2015 |
| | | | Medicines Management Board | 18/02/2015 |
| | | | Medicines Management Board | 21/01/2015 |
| | | | Medicines Management Board | 17/12/2014 |
| | | | Medicines Management Board | 19/11/2014 |
| | | | Medicines Management Board | 22/10/2014 |
| | | | Medicines Management Board | 15/09/2014 |
| | | | DCS Tour Part 2 | 17/07/2014 |
| | | | Stakeholder Event: Part 2 | 01/07/2014 |
| | | | OPPG Members - Clinical Outpatient and Administration Services Meeting | 22/05/2014 |
| | | | CEO Interviews | 29/05/2014 |
| | | | MEMBER EVENT: Urology | 24/10/2014 |
| Mr | Anthony | Harrison | DCS: Governor Tour | 14/04/2014 |
| Mrs | Marion | Ramsbottom | Trust Board | 29/10/2014 |
| | | | Mock inspection | 03/12/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| | | | Stakeholder Event: Part 2 | 01/07/2014 |
| | | | AGM/member event | 25/02/2015 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 11/04/2014 |
| | | | Trust Board | 25/02/2015 |
| Mr | Graham | Parr | Dementia Ward Opening (ward 5) | 09/04/2014 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 10/04/2014 |
| | | | AGM/member event | 24/09/2014 |
| | | | Trust Board | 29/10/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| | | | MEMBER EVENT: Urology | 21/11/2014 |
| | | | Trust Board | 25/02/2015 |
| | | | Trust Board | 25/03/2015 |
| Mrs | Audrey | Foy | AGM/member event | 24/09/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| Mrs | Jennifer | Slater | Formal Governor Meeting | 31/10/2014 |
| | | | AGM/member event | 24/09/2014 |
| | | | DCS: Governor Tour | 14/04/2014 |
| | | | DCS Tour part 2 | 02/05/2014 |
| Mr | David | Whyte | Dementia Ward Opening (ward 5) | 09/04/2014 |
| | | | AGM/member event | 24/09/2014 |
| | | | ICG Inspection Visit | 24/07/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| Mrs | Yvonne | Ratcliffe | Computer Session | 15/07/2014 |
| Canon | James | Duxbury | MEMBER EVENT: Urology | 24/10/2014 |
| | | | Formal Governor Meeting | 31/10/2014 |
| Mr | Karl | Cockerill | Formal Governor Meeting | 31/10/2014 |
| | | | Chief Inspector of Hospitals Pre-Inspection Visit | 11/04/2014 |
| | | | Stakeholder Event: Part 2 | 01/07/2014 |
| | | | AGM/member event | 24/09/2014 |
| | | | Trust Board | 25/02/2015 |
| Mrs | Lee | Barnes | Chief Inspector of Hospitals Pre-Inspection Visit | 10/04/2014 |

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 particularly with our Trust.

During the course of the year we have undertaken development sessions on a six weekly basis to cover such topics as governance arrangements, our regulatory regime, the Fit and Proper Person test, Duty of Candour, the role of the Council of Governors, working with the public and the media and developing the skills of Governors.. In 2015/16 we will further develop the work of the Shadow Council; to ensure they are involved in the co-production of strategies and operational plans, to ensure they have an understanding of both the internal and external context in which healthcare providers exist, which will involve focussing on the financial regime, governance, plus 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.

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.

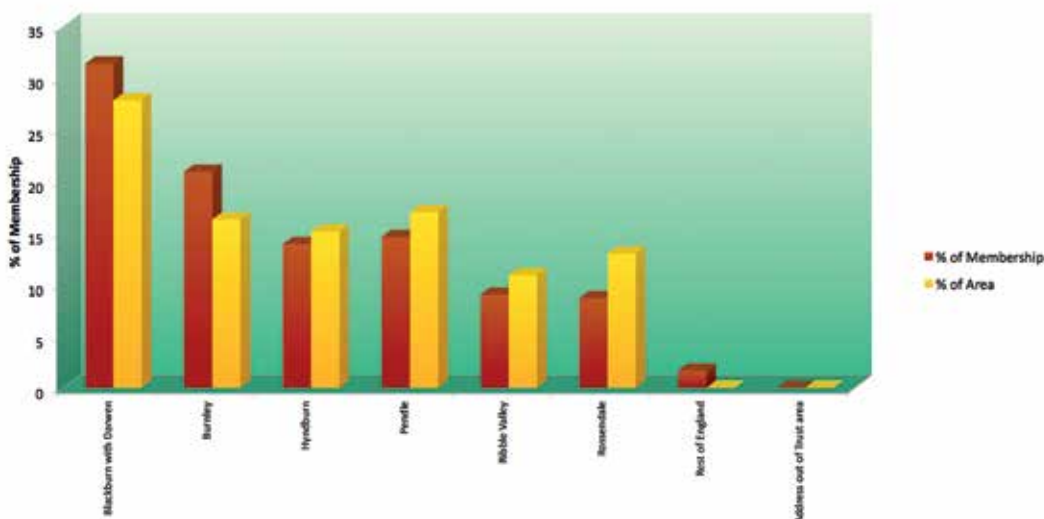
We want to involve members in influencing the future of our Trust and members are invited to attend meetings and events on a regular basis. It is up to individual members how involved they are - they can be involved as little or as much as they want and may opt just to receive a newsletter to keep up 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 10,071 public members with the highest numbers in the Blackburn and Burnley constituencies. 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.

Local Population Distribution Chart
Filters: None



Source: 2014 Population Projections, CACI Ltd

Remuneration report

The Trust's Remuneration Committee has overarching responsibility for the remuneration, arrangements for the appointment and agreement of termination packages for Executive Directors. The members of the Committee are the Non-Executive Directors of the Trust, the members are:

Professor Eileen Fairhurst
Mr P Rowe
Mr R Slater
Mr S Barnes
Mr S Sarwar
Mr D Wharfe.

They are appointed by the Trust Development Authority by delegated authority of the Secretary of State and the Remuneration Committee is chaired by the Trust Chairman. Information on the term of office of each of the Non-Executive Directors is provided at page 34 of this Annual Report. The interests and details of the Non-Executive Directors are disclosed in the Directors' Register of Interests at

page 39 of this Annual Report

The Trust's Remuneration Policy is that we do not make awards based on performance criteria. Performance in the role of Directors 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.

Directors' Remuneration

| Post Held | From / Started | To / Left | 2014/15 | | | | 2013/14 | | | |
|--|----------------|-------------|--|--|--|---------------------------------------|--|--|--|--|
| | | | Salary (bands of £5,000) £000 | Expense payments (taxable) (to nearest £100) £00 | All pension- related benefits (bands of £2,500) £000 | TOTAL (bands of £5,000) £000 | Salary (bands of £5,000) £000 | Expense payments (taxable) (to the nearest £100) £00 | All pension- related benefits (bands of £2,500) £000 | TOTAL (bands of £5,000) £000 |
| Non Executive Directors | | | | | | | | | | |
| Chair Prof E Fairhurst | 1/02/14 | | 20 - 25 | 4 | 0 | 20 - 25 | 0 - 5 | 0 | 0 | 0 - 5 |
| Non Executive Director (and Acting Chair in 2013/14) Mr M Hill | | 31/12/ 2014 | 0 - 5 | 0 | 0 | 0 - 5 | 10 - 15 | 0 | 0 | 10 - 15 |
| Non Executive Director Mr E P Fletcher | | 14/11/ 2014 | 0 - 5 | 0 | 0 | 0 - 5 | 5 - 10 | 0 | 0 | 5 - 10 |
| Non Executive Director Mrs E Sedgley | 1/01/09 | | 5 - 10 | 0 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 5 - 10 |
| Non Executive Director Mr M S Sarwar | 1/05/12 | | 5 - 10 | 0 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 5 - 10 |
| Non Executive Director Mr P Rowe | 1/04/13 | | 5 - 10 | 4 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 5 - 10 |
| Non Executive Director Mr D Wharfe | 9/05/13 | | 5 - 10 | 1 | 0 | 5 - 10 | 5 - 10 | 0 | 0 | 5 - 10 |
| Non Executive Director Stephen Barnes | 01/01/2015 | | 0 - 5 | 0 | 0 | 0 - 5 | n/a | | | |
| Non Executive Director Richard Slater | 01/01/2015 | | 0 - 5 | 0 | 0 | 0 - 5 | n/a | | | |
| Executive Directors | | | | | | | | | | |
| Interim Chief Executive Mr J Birrell~ | 06/01/2014 | 04/09/ 2014 | 140 - 145 | 0 | 0 | 140 - 145 | 65 - 70 | 0 | 0 | 65 - 70 |
| Chief Executive Mr K McGee | 08/09/2014 | | 95 - 100 | 0 | 87.5 - 90 | 180 - 185 | n/a | | | |
| Interim Medical Director Dr I Stanley* | 27/01/2013 | | 65 - 70 | 0 | 27.5 - 30.0 | 90 - 95 | 5 - 10 | 0 | 0 | 5 - 10 |
| Director of Finance Mr J Wood | 5/08/09 | | 140 - 145 | 0 | 0 - 2.5 | 140 - 145 | 135 - 140 | 0 | 5.0 - 7.5 | 140 - 145 |
| Chief Nurse Mrs C Pearson | 6/01/14 | | 115 - 120 | 0 | 342.5 - 345.0 | 460 - 465 | 25 - 30 | 0 | 30.0 - 32.5 | 55 - 60 |
| Interim Director of Operations Mr P Orwin | 01/04/2014 | 26/09/ 2014 | 105 - 110 | 0 | 0 | 105 - 110 | n/a | | | |
| Director of Operations Mrs G Simpson | 01/12/2014 | | 25 - 30 | 0 | 30.0 - 32.5 | 60 - 65 | n/a | | | |

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

~ Pay does not include VAT and fees payable to the agency.

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.

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 2014/15 was £200-205k (2013/14: £200-205k). This was 8.5 times (2013/14 restated: 9.6 times) the median remuneration of the workforce, which was £23k (2013/14: £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.

| | 2014/15 | 2013/14 |
|--|---------------------|---------------------|
| | Total | Total |
| Band of Highest Paid Director's total remuneration | £200,000 - £205,000 | £200,000 - £205,000 |
| Median Total Remuneration | £23,805 | £21,184 |
| Ratio | 8.5 : 1 | 9.6 : 1 |

In 2014-15 5 employees (2013-14, 1 employee) received remuneration in excess of the highest-paid director. Remuneration ranged from £153 to £328,136 (2013-14 £121 to £202,746). The median has increased in line with the average salary increase of £3,000

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.

| | Real Increase in pension at age 60 (bands of £2,500) | Real Increase in Lump sum at age 60 (bands of £2,500) | Total accrued pension at age 60 at 31 March 2015 (bands of £5,000) | Lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5,000) | Cash Equivalent transfer Value at 31 March 2015 | Real Increase in Cash Equivalent Transfer Value | Cash Equivalent Transfer Value at 31 March 2014 |
|---------------|---|--|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Mr J Birrell | N/A | | | | | | |
| Mr K McGee | 2.5 - 5.0 | 12.5 - 15.0 | 55 - 60 | 170 - 175 | 1,128 | 98 | 929 |
| Mr J Wood | 0 - 2.5 | 0 - 2.5 | 35 - 40 | 110 - 115 | 608 | 28 | 565 |
| Dr I Stanley | 0 - 2.5 | 5.0 - 7.5 | 35 - 40 | 115 - 120 | 636 | 49 | 572 |
| Mrs C Pearson | 15.0 - 17.5 | 45.0 - 47.5 | 50 - 55 | 155 - 160 | 1,005 | 325 | 662 |
| Mrs G Simpson | 0 - 2.5 | 2.5 - 5.0 | 40 - 45 | 125 - 130 | 792 | 36 | 667 |
| Mr P Orwin | N/A | | | | | | |

As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members. No pensionable remuneration was paid to Mr J Birrell or Mr P Orwin as both were engaged under non NHS contracts via external employment agencies

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.

Signed



Dated 3rd June 2015



Quality report

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.

Chief Executive's statement on Quality

"The Trust has made considerable progress in the last couple of years, and this has been the result of an absolute focus on improving quality to achieve better outcomes and an enhanced experience for our patients. Whilst this focus has been maintained throughout the Trust, I can assure you that continuing to improve quality is my own personal priority, as well being the overriding priority of the Trust Board.

As a direct result of the Trust's first ever Quality Strategy (published in 2014) there has been a considerable emphasis on safety measures. Efforts to increase the use of care bundles, prevent falls and eliminate pressure ulcers have had a significant impact.

It is rewarding to see a welcome and sustained reduction in mortality rates, putting us firmly back to within expected ranges.

Of course, there is more to do and you can be sure that we are not complacent. The Trust will be relentless in its pursuit of the best quality safe, personal and effective care for all of our patients, all of the time."

Performance against our quality improvement aims for 2014/15

| No | Subject | Quality Priority Aim | Progress and achievement during 2014-15 |
|----|-----------------------------------|--|--|
| 1 | Mortality Reduction | Reduce HSMR and SHMI ratios to the national average or below | <p>The Trust's SHMI figure is 1.10 which is as expected.</p> <p>The Trusts HSMR figure is 106.07 which is within expected range.</p> <p>The Trusts indicative HSMR is within expected range and below national average.</p> |
| 2 | MRSA | Achieve zero MRSA bacteraemias | <p>The Trust has recorded one attributable MRSA bacteraemia in year therefore narrowly missing this target.</p> <p>The Trust continues to further improve compliance with hand hygiene, antimicrobial prescribing and aseptic non touch technique.</p> |
| 3 | Falls reduction | Reduce harm from falls by 15% | <p>During 2014-15 the Trust has embarked on a comprehensive review of falls prevention and management to support the planned target reduction of harm from falls.</p> <p>Metrics to monitor this reduction are under development following the completion of a range of "tests of change" which have initially been trialed on a small number of wards.</p> |
| 4 | Complaints | <p>Investigate 90% of formal complaints within Trust approved timescales</p> <p>Ensure 80% of complainants are satisfied with the overall complaints process</p> | Full year effect data will not be available for inclusion in this report until mid-May 2015 |
| 5 | Early warning scores (EWS) | <p>Implement an electronic system for EWS</p> <p>Further improve early warning scores on identifying deteriorating patients and the escalating response to the deteriorating patient</p> | <p>The Trust has embarked on a comprehensive review of EWS management and this has included:</p> <ul style="list-style-type: none"> • A scoping exercise to identify a range of electronic system solutions: • Appointment of a clinical lead for the deteriorating patient work programme: • Appointment of a dedicated band 8a post to facilitate the implementation phase of the programme: • Improved the use of the paper forms prior to the implementation of the electronic solution: • Introduced a more robust audit process which has identified 'hot spots'. This has enable targeted and specific training to improve these areas |
| 6 | Pressure ulcers | <p>Reduce avoidable grade 2 pressure ulcers by 15%</p> <p>Achieve zero tolerance for avoidable grade 3 and grade 4 pressure ulcers</p> | <p>The Trust has achieved a 98% reduction in avoidable grade 2 pressure ulcers.</p> <p>The Trust has not recorded any grade 3 avoidable pressure ulcers since February 2015 or any grade 4 since August 2014.</p> |



Our improvement aims for the coming year are:

| No | Quality priority aim | How the quality priority achievement will be measured | How the quality priority achievement will be monitored |
|----|---|---|--|
| 1 | Reduce the risk of malnutrition and dehydration through improvements in the assessment of patient's needs, access to and choice of food and increased support for patients at mealtimes | Achievement will be measured by way of a risk and performance assessment framework which will include a ward level scorecard system | Regular report to the Trust's Nutrition and Hydration Steering Group |
| 2 | Increase compliance with the sepsis care bundle to improve the recognition and timely management of severe sepsis and sepsis shock | Achievement will be measured by way of assessment of compliance against the National Advancing Quality sepsis target and sepsis CQUIN | Bi Monthly report performance report to the Clinical Effectiveness Committee |
| 3 | Reduce medication incidents that cause moderate or more harm by 20% | Achievement will be measured by way of a trajectory based upon the starting baseline position and the end point target | Bi monthly performance report to the Patient Safety and Risk Assurance Committee |

Further details of our performance against local and national standards can be found in our Quality Account which accompany this Annual Report or on request from the Company Secretary.

Our Quality achievements and outcomes in 2014-15

● Hospital Children's Diabetes Service 'Best in North West'

East Lancashire Hospitals NHS Trust Children's Diabetes Service has been rated equal best in the North West.

Changing the face of diabetes care for children and young people with type 1 diabetes in East Lancashire, the Trust was one of just 13 children's diabetes services in England to score 100% for their hospital service, in the inspection carried out by the National Diabetes Peer Review Programme. The children's multidisciplinary team was also highly commended, receiving the highest score in the North West.

Rated 4th in the country for the performance of its Multi-Disciplinary team, the review highlighted innovation by the hospital Children's Diabetes Service in reducing clinic waiting times and introducing evening educational sessions to make it easier for patients and families to attend together.

The Children's Diabetes service was also commended for the quality of psychological support they provide to children and families who battle diabetes on a daily basis.

The Children's Diabetes Service, including two consultants, five paediatric specialist nurses, two dieticians and a psychology practitioner, was specially commended for its work with schools which includes school clinics which facilitate peer support and educational sessions for children with diabetes when they start secondary education

● Quality Mark attainment

Staff on Ward C5 at the Royal Blackburn Hospital have been recognised for their hard work and commitment to patient care by being awarded a prestigious Quality Mark.

The Quality Mark is run by the Royal College of Psychiatrists and has been established to encourage hospital wards

to become involved in improving the quality of essential care of older people and to recognise good care provision, as identified by patient feedback.

Ward C5 was awarded the Quality Mark for the care given based on reviews submitted by patients. The reviews examined patient's level of comfort, support from staff and receiving of appropriate help amongst other criteria.

Assessment feedback marked out staff on C5 as giving excellent care to their patients. This ranged from senior managers having a strategic view of the patient's requirements to ward staff delivering high quality care on a daily basis – culminating in patients having a positive experience when admitted to the ward.

● Community Equipment Service Achieves BSI 9001 Quality Standard

East Lancashire Community Equipment Service which is the area's largest provider of equipment and aids for daily living is proud to announce it has become the first service of its kind in the region to achieve BSI 9001 certification, the international benchmark for quality management.

British Standards Institute (BSI) 9001:2008, the world's most popular standard for Quality Management, recognises that the policies, practices and procedures of the East Lancashire Community Equipment Service delivers consistent quality in the equipment and services provided for the people of East Lancashire.

The service offers a wide range of loan equipment to support the care and independence needs of East Lancashire residents, from mobility, bathing and toileting equipment to pressure relieving mattresses, hoists and specialist seating.

● Improvements to Bereavement Care

Reflecting its commitment to ensure better end of life care, the Trust's bereavement care services and facilities have been expanded and improving as follows:

- Dedicated Bereavement Care Suite at The Royal Blackburn Hospital and Burnley General Hospital:
- Blackburn with Darwen Registrar to provide on-site registration of death service (Royal Blackburn Hospital):
- Improvements to the Mortuary Viewing room (Royal Blackburn Hospital):
- Coroner's Officer on site service (Royal Blackburn Hospital):
- Improved security equipment to protect the personal belongings of deceased patients
- Comfort Bags of toiletries for relatives who stay in hospital overnight to be with a loved one approaching their end of life:
- Bereavement care education for frontline staff.

The Trust has spent almost a year working with hospital staff, bereavement experts, local hospices and other NHS hospitals to improve its bereavement care, including the appointment of a full-time Bereavement Care Senior Nurse.

"We understand that we have one chance to get things right at this very difficult time," says the Trust's Chief Nurse Christine Pearson. "and we want to get things right every time."

"Bereavement care is now very much a priority and the improvements made in recent months have a single purpose: to offer better facilities and support for family members and loved ones after the death of someone close."

In January, ELHT introduced new End of Life guidelines for staff caring for dying people. Based on 5 Priorities for Care, the guidance emphasises the needs and wishes of the dying person and those close to them.

● Homely hospital ward

Patients and carers of people with dementia and cognitive impairments will now find a 'Home in Hospital' environment on Ward C5 at Royal Blackburn Hospital.

Acute Medical Ward C5 has been awarded £1.4m from the Kings Fund under the 'enhancing the healing environment' project to provide an enhanced dementia friendly environment for a cohort of elderly medical patients.

The pioneering ward is an exemplar physical environment for people with dementia and their carers in a general hospital. The creative enhancements seen within the ward and the calming and comfortable environment will help people with dementia, improve the working environment for staff and provide an improved setting for all patients.

John Dean, Associate Medical Director at the Trust, said: "There is increasing evidence that the physical environment where we deliver care has a major impact on outcomes for people with dementia. It also improves the experience of care for them and their carers as well as being more rewarding for staff.

"We have developed a programme of simple changes to ward and communal areas across all Trust sites, whilst introducing the dementia friendly principles from the very beginning of the refurbishment on Ward C5.

"These enhancements will help people with dementia, improve the environment for staff and generally provide a more comfortable, calm and relaxing setting for all patients."

The ward has had a complete overhaul and includes a number of innovative details that set it apart from a normal hospital ward to ensure a relaxing environment for all patients, but especially those with dementia. Introduction of intelligent LED lighting systems to set the mood for individual patients have been installed, along with

specialist signage systems using words, icons and symbols. The wards also use bright colours as well as appropriate flooring and handrails.

Sandra Nuttall, Clinical Dementia Nurse Lead at East Lancashire Hospitals NHS Trust, said: "The number of people who develop Dementia is set to double over the next 15 – 20 years. Knowledge of dementia is the responsibility of all health and social care staff and I am pleased to be part of this project to continue to improve environments across all hospital sites to make them more accessible and friendly for people with dementia and their carers, families and friends."

Dr Nick Roberts, Consultant Physician and Geriatrician at the Trust, said: "The ward has been refurbished to a high standard to provide supervised reception and a large open social area that enables a calm, caring, homely environment, maximising safety and dignity."

"The new ward provides a mix of single and small communal bed areas (14 beds in total) with identifiable wet rooms, bathrooms and toilets all providing suitable provision on the basis that all patients matter and each patient receives safe, personal and effective care."

● Falls reduction

Patient falls are one of the most common patient safety incidents reported across the NHS.

Within the Trust's Quality strategy and Quality Account 2014-15, reducing patient falls resulting in harm has been identified as a specific harm reduction area with a goal of achieving a 15% reduction. As part of achieving this goal, tests of change have been developed and 4 wards across the Trust have been identified to trial these tests in view of them having the highest numbers of falls with harm.

The outputs of the tests of change trial are set out below:

A high number of patients were falling in the toilet or by the bedside on getting up from the commode when unattended. As such a change to existing clinical practice has been implemented to support safe toilet / commode supervision for those patients who were assessed as being at high risk of falls. The Trust recognises that effective communication and maintaining privacy and dignity are important elements of this particular change.

A review of falls incidents indicated that patients were slipping because they were mobilising bare footed, in unsuitable footwear or in bed socks. Research undertaken in other NHS Trusts indicated that issuing slipper socks with grips had reduced falls incidence.

The Trust commenced a focussed trial of red multi grip slipper socks which enabled staff to easily identify those patients at high risk of falls as well as increasing the safety of patients during mobilisation.

It was identified that a significant number of patient falls were occurring overnight. As part of the trial the Acute Falls Lead has engaged with ward managers to review the layout of the ward environment and has advised on how staff might reposition themselves on the ward when they are writing notes or updating care plans to enable better vision and observation of patients during the night.

The impact of the implementation of these interventions is under review and to date, the results have been very positive with an overall reduction in falls and also a reduction in harm cause to patients who have suffered a fall.

Work is now underway to spread this work across a wider footprint within the Trust

● Pressure ulcer reduction

During 2014-15, the Trust embarked on a comprehensive review of pressure ulcer incidence, prevention and management. The review was led by the Deputy Chief Nurse and was supported by a dedicated steering group. The steering group developed and implemented a Trust wide action plan which was populated by the outputs of investigations into pressure ulcers that patients acquired whilst under the care of ELHT.

Further work was undertaken to improve the reporting, grading and verifying as well as the investigations of pressure ulcers. A more focused approach to education and training was also implemented.

Through the advance of the pressure ulcer collaborative a number of “test of changes” were trialled on several wards, further supporting the reduction in acquired pressure ulcers.

Work was also undertaken to increase the compliance with the SKIN care bundle which aims to ensure that patients receive a pre-determined series of interventions to prevent pressure ulcers from developing. The results of the Trust’s 2014-15 care bundle audit is set out below:

| Standard | Q1 | Q2 | Q3 | Q4 |
|--|-----|-----|-----|-----|
| All Sections of the SKIN care bundle completed | 56% | 63% | 87% | 81% |

In summary, the interventions that the Trust has put into place has significantly reduced the incidence of pressure ulcers for in patients and those that we care for in the community. The table below sets out the data associated with this reduction throughout the year:

| Acquired Pressure Ulcers at ELHT | 2014 | | | | | | | | | | | | Grand total |
|--|------|----|----|----|----|----|------|----|---|----|---|---|-------------|
| | 2014 | | | | | | 2015 | | | | | | |
| | A | M | J | J | A | S | O | N | D | J | F | M | |
| Grade 2 – Inpatient and community beds | 19 | 5 | 21 | 17 | 20 | 30 | 17 | 18 | 6 | 3 | 2 | 1 | 165 |
| Grade 3 - Inpatient and community beds | 0 | 1 | 1 | 5 | 2 | 2 | 1 | 2 | 1 | 1 | 0 | 0 | 16 |
| Grade 4 - Inpatient and community beds | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| Totals | 19 | 7 | 22 | 22 | 23 | 32 | 18 | 20 | 7 | 4 | 2 | 1 | 183 |
| Grade 2 – Community | 49 | 39 | 33 | 49 | 40 | 52 | 42 | 23 | 9 | 12 | 1 | 0 | 347 |
| Grade 3 – Community | 3 | 6 | 2 | 8 | 4 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 26 |
| Grade 4 – Community | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Totals | 54 | 45 | 35 | 57 | 45 | 54 | 43 | 23 | 9 | 12 | 1 | 0 | 376 |

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 is supported by the Quality and Safety Support Unit, comprising 3 specific portfolios of patient safety/clinical risk, patient experience and clinical effectiveness and is developing to include the 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 2015/16 are detailed on page 10 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 Quality and Safety Support 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.

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.

Research and Development

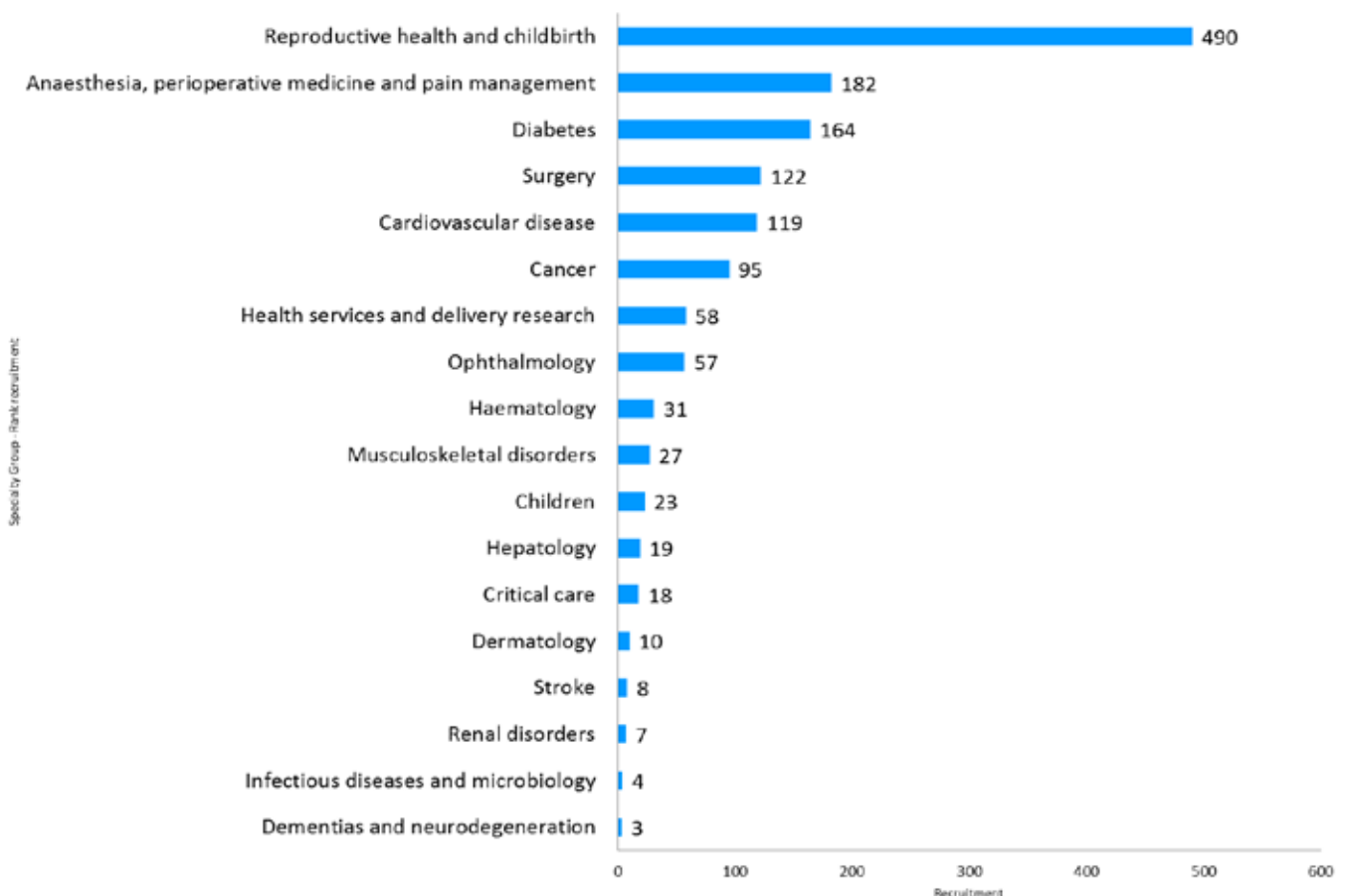
The Trust recognises the value of Research and Development in informing the quality of care delivered to patients. As part of the Greater Manchester Clinical Research Network our research strategy is to continue to develop a high quality research culture which will underpin the development and provision of safe, personal and effective healthcare and appropriate services relevant to the population we serve. At East Lancashire Hospitals we look for the safest and most effective ways of caring for patients and treating disease. We design and carry out clinical research studies and work with our university and industry partners to help develop the treatments of the future. We're grateful to all our patients who volunteer to help design or take part in a clinical research study.

Our priorities are:

- To host and support high quality research with the potential to improve patient care and contribute to the achievement of the Trust's objectives to provide safe, personal and effective care:
- 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:
- To develop collaborative/consultative partnerships with patients, carers & public to prioritise research meeting clinical needs and quality of life for patients/health of population:
- To transparently measure all research activity
- To develop collaborative/consultative partnerships with regional/national Higher Education Institutions and other NHS Trusts:
- To identify and prioritise areas exceptional research activity within Trust to further develop/support individual department/ divisional strategies:
- To ensure recognition for local researchers in collaborative research:
- To continue to direct research training support at a number of individuals from a range of disciplines who would be expected to become proficient in research methods

During the course of the year we have recruited 1,168 participants to research programmes across the following specialties:

East Lancashire Hospitals NHS Trust Portfolio Activity *Recruitment by Specialty Group FY 2014/15*



188 studies were on-going throughout 2013/14 of which:

- **44** studies were processed and granted Research and Development approval
- **13** studies reached completion
- **18** studies were commercial studies

The Trust operates within a streamlined research governance system utilising the National Central Permissions System for approving studies on the National Institute for Health Research (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

During 2014-15 the Trust will work with the Research Network and Health Research Authority on any developments to take place during this period on systems changes to streamline governance approvals for research. The Trust will also work with the Greater Manchester Local Clinical Research Network to identify an appropriate Local Management System that will connect with the required Central Management System for the network.

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

The Trust has also collaborated with the University of Central Lancashire and three local NHS Trusts to develop the role of 'Support Statistician'. This role will provide training sessions for statistics across the four Trusts as well as being available for statistical advice for research studies not being submitted to grant funding schemes. This is a new role that will be

evaluated over the coming year.

The Research Networks are to pilot a new training scheme for Principal Investigators during 2014-15.

In early 2014, the Research and Development team facilitated an introductory session for new research staff and lay volunteers. This session evaluated well and repeat sessions are planned for wider groups of Trust staff to increase overall research awareness for those staff not already engaged with research activity.

To comply with the Research Governance Framework for Health and Social Care (2nd Edition) has committed to ensure that there is involvement of the public and service users in the development and execution of research projects, where appropriate, and systems to inform service users and members of the public about research being undertaken in the organisation.

Good examples have been the support of volunteers from the Women's Health Directorate in numerous projects both as advisors and lay researchers. The experience and expertise gained by the Trust is now recognised by other Trusts and held in high esteem. This is thanks to the leadership of Cathie Melvin (Midwifery Research Co-ordinator). This work continues to grow in strength bringing benefits to the research conduct as well as supporting developments within the service itself. Cathie Melvin is also a national lead for Public Involvement for the national speciality group for Reproductive Health for the NIHR.

During 2013-14 a pilot Social Media project commenced to ascertain if communicating via social media

platforms can improve awareness, engagement with research by patients, families and public, as well as supporting the development of research ideas when research proposals are being developed by Trust members and academic collaborators. The pilot project is being undertaken within the area of Family Care via a lay support group. This project will report its findings on impact on activity and engagement on a regular basis to the Trust Strategic Group.

The Trust celebrated International Clinical Trials day in May 2014, by hosting a number of stands across East Lancashire Hospitals sites. These stands promoted the range of research activity taking place within the Trust to educate members of the public and staff alike by undertaking a 'mock clinical trial'. A survey was undertaken of all members of the public who took part in the trial. A 100% rate was achieved for those participating suggesting they had increased their knowledge of research. The Trust supported the 'OK to Ask' Campaign that is being led by the NIHR that aims to promote clinical research as the way in which we improve treatments in the NHS. In many cases doctors will tell patients about research, but this campaign aimed to encourage patients and their carers across the country to ask their family doctor or consultant about clinical research. Wider communications were also undertaken in local press and social media campaigns. This work will be developed as part of the Trust Research and Development Strategy in 2014-15 as well as the development of the Trust research web pages that aims to promote research but also list all open, recruiting research studies.

A snapshot of their year in pictures is given opposite:



Research team says thanks

The Research Teams at Burnley General and Royal Blackburn Hospitals would like to say a huge thank you to everyone who helped them with SNAP-1 (Sprint National Anaesthesia Project) and ISOS (International Surgical Outcome Study).

Cathie Melvin, Midwifery Research Co-ordinator said: "The staff here at Burnley couldn't have been more helpful and accommodating. It's been a great opportunity for collaboration and for raising awareness of research."



Pioneering eye team

The National Institute of Health Research has recognised the work done by Mrs Salwa Abugreen, Consultant in Ophthalmology and her Macular Team for surpassing her target of involving patients in a research study by over five-fold.

Mrs Abugreen and her team surpassed the study's target of involving 20 patients in the Luminous™ programme. The programme aims to improve understanding of retinal vascular diseases which cause vision loss, including wet Age-related Macular Degeneration (AMD).

Highlights of 2014/15



New support for research in the Pharmacy

The Pharmacy Clinical Trials Team would like to congratulate Susan Rushton and Ricci Pettit on being the first to complete the Pharmacy Clinical Trial Assistant Technical Officer training programme.

The training programme was introduced to increase the Pharmacy Department's capacity to dispense and receive clinical trial medication, particularly at the Burnley General Hospital site.

Key appointments for Trust researchers

Two researchers at the Trust have been appointed as Specialty Leads for the newly formed National Institute for Health Research (NIHR) Greater Manchester Clinical Research Network.

Anton Krige, Specialty Lead for Anaesthesia



Anton Krige, Chief Investigator for the TERSC trial, Consultant in Intensive Care Medicine and Anaesthesia and Director of Research and Development at the Trust, will take up the role of Specialty Lead for Anaesthesia.

Cathie Melvin, Specialty Lead for Reproductive Health and Childbirth



Cathie Melvin, Midwifery Research Co-ordinator at the Trust, has been appointed as Specialty Lead for Reproductive Health and Childbirth. These important appointments will enable Cathie and Anton to fully integrate East Lancashire into the heart of the new Research Network. They'll be working to maximise opportunities to undertake research studies in their specialist areas and for patients to take part in these studies.



It's OK to Ask about clinical research

Last year, to celebrate International Clinical Trials Day, the National Institute for Health Research (NIHR) launched a publicity campaign to highlight clinical research amongst patients and the wider public.

The campaign was called 'It's OK to ask' and it's still running today.

Clinicians routinely approach their patients to discuss the possibility of taking part in a research study. But the 'It's OK to ask' campaign encourages patients to ask clinicians about research and whether it might be right for them.

Clinical Audit and Confidential Enquiries

Clinical Audit involves improving the quality of patient care by reviewing current practice and modifying it where necessary. The Trust takes part in Regional and National Clinical Audits, and also carries out local audits. Sometimes there are also National Confidential Enquiries which investigate an area of health care and recommend ways of improving it. The Trust also takes part in these Confidential Enquiries. During 2014-15, 39 National Clinical Audits / Programmes and 5 National Confidential Enquiries covered NHS services that East Lancashire Hospitals NHS Trust provides. During that period East Lancashire Hospitals NHS Trust participated in 95% of National Clinical Audits and 100% of National Confidential Enquiries of the National Clinical Audits and National Confidential Enquiries which it was eligible to participate in. The National Clinical Audits and National Confidential Enquiries that East Lancashire Hospitals NHS Trust participated in, and for which data collection was completed during 2014-15 appears in the table below alongside the number of cases submitted to each audit or enquiry as a percentage of the number or registered cases required by the terms of that audit or enquiry.

National Audits

| Audit Topic | Coordinator | Frequency | Participation | Required Sample Submission |
|--|---|--------------|---------------|----------------------------|
| Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP) | NICOR | Continuous | Yes | 100% |
| Adult Community Acquired Pneumonia | BTS | Intermittent | Yes | 100% |
| Bowel cancer (NBOCAP) | RCS | Continuous | Yes | 100% |
| Care of dying in hospital (NCDHAH) | RCP | Intermittent | Yes | 100% |
| Case Mix Programme (CMP) | ICNARC | Continuous | Yes | 100% |
| Coronary Angioplasty/National Audit of PCI | NICOR | Continuous | Yes | 100% |
| Diabetes (Adult) | HSCIC | Continuous | Yes | 100% |
| Diabetes (Paediatric) (NPDA) | RCPCH | Continuous | Yes | 100% |
| Falls and Fragility Fractures Audit Programme (FFAP) | BOA | Continuous | Yes | 100% |
| Fitting child (care in emergency departments) | CEM | intermittent | Yes | 100% |
| Fractured neck of femur (care in emergency departments) | CEM | intermittent | Yes | 100% |
| Inflammatory Bowel Disease (IBD) programme | RCP | Intermittent | Yes | 100% |
| Lung cancer (NLCA) | RCP | Continuous | Yes | 100% |
| Major Trauma: The Trauma Audit & Research Network (TARN) | TARN | intermittent | Yes | >65% |
| Mental health (care in emergency departments) | CEM | intermittent | Yes | 100% |
| National Audit of Intermediate Care | NHS Benchmarking Network | | | |
| Intermittent | No | 100% | | |
| National Cardiac Arrest Audit (NCAA) | ICNARC | Continuous | Yes | 100% |
| National COPD Audit Programme | RCP | Intermittent | Yes | 100% |
| National Comparative Audit of Blood Transfusion programme | NHSBT | Intermittent | Yes | 100% |
| National Complicated Diverticulitis Audit (CAD) | Yorkshire Surgical Research Collaborative | Intermittent | No | 100% |
| National Emergency Laparotomy Audit (NELA) | RCA | Continuous | Yes | 100% |
| National Heart Failure Audit | NICOR | Continuous | Yes | 100% |
| National Joint Registry (NJR) | HQIP | Continuous | Yes | 100% |
| National Prostate Cancer Audit | BAUS | Continuous | Yes | 100% |
| National Vascular Registry | Vascular Society | Continuous | Yes | 100% |

| | | | | |
|---|---------|--------------|-----|------|
| Neonatal Intensive and Special Care (NNAP) | RCPCH | Continuous | Yes | 100% |
| Oesophago-gastric cancer (NAOGC) | RCS | Continuous | Yes | 100% |
| Older people (care in emergency departments) | CEM | Intermittent | Yes | 100% |
| Pleural Procedure | BTS | Intermittent | Yes | 100% |
| Rheumatoid and Early Inflammatory Arthritis | BSR | Continuous | Yes | 100% |
| Sentinel Stroke National Audit Programme (SSNAP): Post-Acute Organisational Audit | RCP | intermittent | yes | 100% |
| Sentinel Stroke National Audit Programme (SSNAP): Clinical Audit | RCP | Continuous | yes | >75% |
| BSUG Audit Database | BSUG | Continuous | Yes | 100% |
| BAUS cancer registry: Surgery relating to the urinary tracts | BAUS | Continuous | Yes | 100% |
| BAETS national audit: Surgery on the endocrine glands to achieve a hormonal or anti-hormonal effect in the body | BAETS | Continuous | Yes | 100% |
| Head and Neck Oncology (DAHNO) | HSCIC | Continuous | Yes | 100% |
| Epilepsy 12 audit (Childhood Epilepsy) | RCPCH | Intermittent | Yes | 100% |
| Heavy Menstrual Bleeding (HMB) | RCOG | Intermittent | Yes | 100% |
| Learning disabilities - feasibility study (1 year) | RCPsych | Intermittent | Yes | 100% |

| Key to Audit Coordinator abbreviations | |
|--|---|
| BAETS | British Association of Endocrine and Thyroid Surgeons |
| BAUS | British Association of Urological Surgeons |
| BOA | British Orthopaedic Association |
| BSR | British Society for Rheumatology |
| BSUG | British Society for Uro-Gynaecologists |
| BTS | British Thoracic Society |
| CEM | College of Emergency Medicine |
| COPD | Chronic Obstructive Pulmonary Disorder |
| DAHNO | Data for Head and Neck Oncology |

| Key to Audit Coordinator abbreviations | |
|--|---|
| DAHNO | Data for Head and Neck Oncology |
| FFFAP | Falls and Fragility Fractures Audit Programme |
| HQIP | Health Quality Improvement Partnership |
| HSCIC | Health & Social Care Information Centre |
| ICNARC | Intensive Care Audit & Research Centre |
| MINAP | Myocardial Infarction National Audit Project |
| NAOGC | National Audit of Oesophago-Gastric Cancer |
| NBOCAP | National Bowel Cancer Audit Project |
| NCDAH | National Care of the Dying in Acute Hospitals |
| NHSBT | NHS Blood & Transplant |

National Confidential Enquiries

| Audit Title | Coordinator | Frequency | ELHT Participated | Data collection completed 2014-15 | Sample Submission |
|---|----------------|------------|-------------------|-----------------------------------|-------------------|
| Gastrointestinal Haemorrhage | NCEPOD | Once | Yes | Yes | 100% |
| Sepsis | NCEPOD | Once | Yes | Yes | 100% |
| Acute Pancreatitis | NCEPOD | Once | Yes | Study in progress | 100% |
| Elective surgery (National PROMS Programme) | Quality Health | Continuous | Yes | Yes | 100% |
| Maternal, infant and new born programme | MBRRACE-UK | Continuous | Yes | Yes | 100% |

| Key to Audit Enquiry Coordinator abbreviations | |
|--|--|
| NCEPOD | National Confidential Enquiry into Patient Outcome and Death |
| PROMS | Patient Recorded Outcome Measures |
| MBRRACE-UK | Mothers and Babies - Reducing Risk through Audits - United Kingdom |

The final or interim reports of 32 National Clinical Audits were received and reviewed by the East Lancashire Hospitals NHS Trust in 2014-15. Of the 16 intermittent audits participated in, 12 National Clinical Audit reports have been reviewed by the Trust, one is awaiting review and data collection is on-going for two audits. Of the 22 continuous audits, annual and quarterly reports are reviewed at Audit or Multi-Disciplinary Team meetings / relevant forums and committees for discussion and action where identified.

Following the review of National Clinical Audit reports, East Lancashire Hospitals NHS Trust intends to continue to implement the following actions to improve the quality of healthcare provided:

- All audit activity is to be presented at specialty/multi-specialty audit or other appropriate forums. It is at these meetings that recommendations and action plans will be decided so that practice and quality of care can be improved. These action plans will form part

of the Clinical Audit annual report which will be presented to the Clinical Effectiveness Committee for on-going assurance and monitoring.

- We are also working collaboratively with East Lancashire Clinical Commissioning Group (CCG) and associated commissioners to use audits to ensure that key patient safety and quality aims that are aligned to the CQUIN are reviewed and reported in order to set revised aims for 2015-16.

363 local clinical audits were completed by East Lancashire Hospitals NHS Trust in 2014-15. The results of which were presented / scheduled to be presented at specialty/ multi-specialty audit or other appropriate forums and the Trust intends to take the following actions to improve the quality of healthcare provided:

- All audits will be presented and discussed at specialty/multi-specialty audit meetings and/or appropriate forums where action plans will be agreed:
- Lessons learned will be included in

audit meeting discussions alongside any actions required and captured for sharing:

- Monitoring of action matrices will occur at subsequent audit or designated meetings to ensure that actions are implemented to agreed timescales:
- All specialty audit meeting minutes and action matrices will be reviewed at Divisional / Directorate Quality / Effectiveness meetings with assurance on completion of Trust Forward Audit plans monitored at the Trust's Clinical Effectiveness Committee:
- Compliance with the Trust Policy on undertaking Clinical Audit Activity will be audited and reported at the Trust's Clinical Effectiveness Committee:
- We will collate all Clinical Audit activity into an annual report as a record of all activity and actions undertaken and lessons learned as a result of audit to improve quality and patient care. This report will be received by the Trust Clinical Effectiveness Committee



Workforce report

Our Approach to Staff Engagement

Our Employee Engagement Strategy (Engage to Make a Difference)

We are going through a period of significant change. Change has the potential to either motivate or demotivate staff, to either encourage or undermine willingness to go the extra mile for improved patient experience, safety and quality of care. Staff will choose whether to support or resist change processes.

Results from the national staff survey show that we have made some progress in employee engagement from the previous year's scores. It is important we continue to make a concerted effort to make an impact with engagement levels

Our employees are our greatest asset and we all have a part to play in setting and achieving our vision, values and key priorities. At East Lancashire Hospitals NHS Trust we are committed to improving employee engagement and empowerment. This strategy will help to take the organisation forward by highlighting the importance of employee engagement as well as offering practical recommendations on how levels of engagement will be enhanced.

We want to create and embed a systematic approach to engage and empower our employees in order to support our vision 'to be widely recognised for providing safe, personal and effective care'. The successful realisation of the East Lancashire Hospitals NHS Trust vision as well as the ability to meet the requirements of achieving foundation trust status will only be acquired by having a workforce that is truly involved and

motivated, working together towards a shared and meaningful purpose.

This strategy has been designed to establish a shared understanding of what employee engagement means and how engagement can be improved at East Lancashire Hospitals NHS Trust. 10 key enablers have been identified to enhance levels of employee engagement. In addition 3 behaviour indicators have been highlighted which demonstrate high employee engagement levels.

Suggestions from employees will be converted into specific actions to bring the strategy to life. The agreed actions will form the employee engagement implementation plan that will be devised and agreed by the employee engagement sponsor group which will follow and support this strategy.

Vision Statement

The employee engagement strategy will integrate with our core values and link with national objectives set out in the NHS Constitution 2010. East Lancashire Hospitals NHS Trust will be exemplar of best practice for employee engagement in the United Kingdom. The strategy will support our Trust vision and help us to become one of the top ten high performing NHS Trusts in the country.

Mission Statement

We will create a culture in which employees feel and demonstrate the three key emotions and behaviours of engaged employees:

Advocacy: Employees will recommend East Lancashire Hospitals NHS Trust as a place to work & receive care

Involvement: Employees will feel listened to and involved at every level

Motivation: Employees will feel committed and go the extra mile for their patients & the Trust

Addressing the 10 key Enablers for Employee Engagement

In 2014, the engagement team led a number of 'Big Conversations' with all the Directorates. The team have themed staff responses under the 10 key enablers and have already put in place a number of staff suggestions/ ideas, e.g. introduce 'rumour buster', extend 'back to the floor' and introduce a weekly 'blog' for the Chief Executive. The full themes with all the ideas generated from our staff together with the action plan and actions done to date, can be made available if required.

In 2015, a full set of proposed actions will be agreed by the sponsor group and will form the implementation plan that will accompany this strategy. The prioritisation of actions will be agreed by the sponsor group overseeing the development and implementation of the employee engagement strategy.

The key to successful delivery of the strategy will be to ensure employees are involved and informed about decisions and that there is shared ownership across the organisation to shape the employee engagement approach moving forward.

Measurement and Continuous Improvement

To assess if the strategy is being effectively applied and implemented it is essential to measure and monitor our performance prior and during the implementation process.

One key means of measuring engagement is via performing a regular mini employee survey aligned to the national annual staff service to assess the vital signs of engagement covering advocacy, involvement and motivation scores.

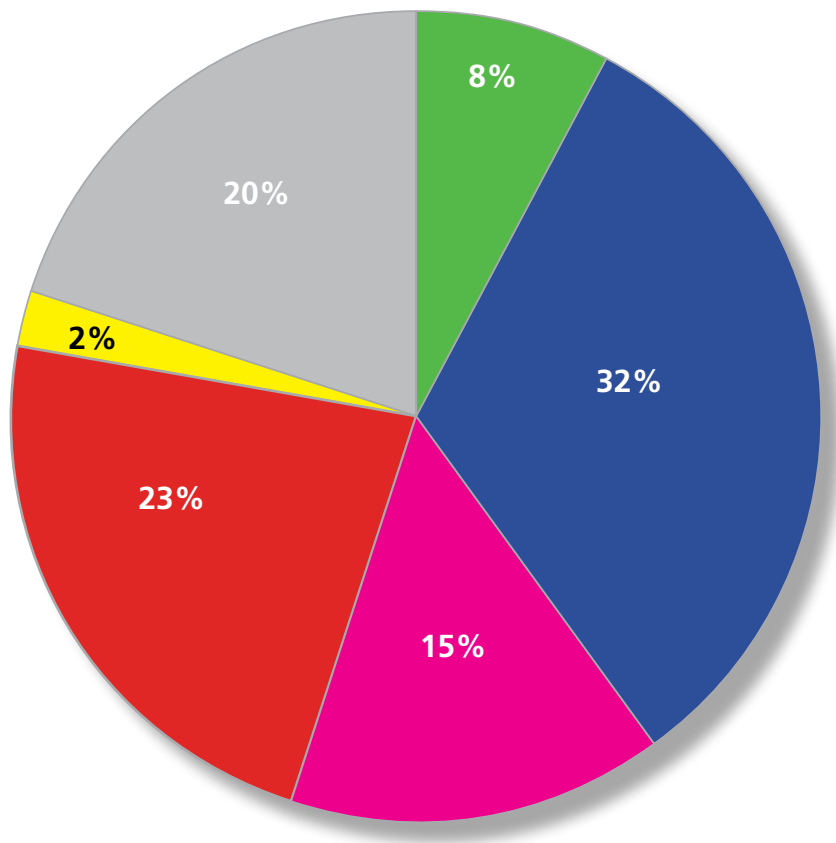
Another means is via collecting more qualitative data via initiatives like Back to the Floors, Patient Safety Walkabouts, 'You Said We Did' and Big and Little Conversations and collating this in our learning log for analysis and action.

Key wider projects to gauge and evidence employee engagement are the National Staff Survey, the Staff Friends and Family Test and the Trusts work to maintain our 'Investors in People' status.

Other key performance indicators will be outlined in the implementation plan.

East Lancashire Hospitals NHS Trust in 2018

- Every member of staff feels they play a vital role in delivering safe, personal and effective care.
- Employees act as ambassadors for the East Lancashire Hospitals NHS Trust brand and regularly articulate their sense of belonging and pride to work for the organisation. Employees are empowered to make improvements in their area of work and feel motivated and go the extra mile for their patients.
- Managers are engaging and positive about their teams and the services they provide.
- The Trust Board are well known throughout the organisation and their regular visits to departments are seen as valuable opportunities to connect with employees and share best practice as well as discussing ideas for innovation and improvement.
- There are many mechanisms and channels of communication and information flows in an open, honest, transparent and timely manner from the frontline to the board and vice versa.
- Employees regularly share best practice across the organisation and celebrate successes.
- We are a high performing Trust and perform in the top 10% of Trusts for all key performance indicators.
- Employees, patients and the wider local community feel they value and can trust in East Lancashire Hospitals and East Lancashire Hospitals belongs to them



Staff Composition

| Professional Group | WTE | % |
|---------------------------------------|----------------|------------|
| Medical and Dental | 587.62 | 8% |
| Nursing and Midwifery | 2359.8 | 32% |
| Scientific, Therapeutic and technical | 1105.55 | 15% |
| Clinical Support Staff | 1677.25 | 23% |
| sub-total | 5730.22 | 78% |
| Senior Managers and Board Members | 133.17 | 2% |
| Ancillary and Other | 1438.29 | 20% |
| TOTAL | 7301.68 | 100 |

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 through 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 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 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. This innovation has been highly successful in supporting our staff in training and will be further developed through the work of the Trust Education Board

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. The Trust plans to continue to develop staff to ensure that staff with the right competencies are delivering the right care to our patients at the right time, rather than focussing on the professional title of the person providing safe, effective and personal care.



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.

The Organisational Development Strategy was agreed by the Board in April 2014. Essentially, the strategy aims to align the Trust's vision (to be widely recognised for providing safe, personal, effective care) and values (for example, putting patients first), operating principles (for example, quality is our operating principle) and improvement aims (for example, reducing mortality).

The approach is based on the five key characteristics of a high performing organisation; namely, having a clear vision with a number of key strategic plans, values that drive behaviour, a strong patient focus, effective leadership and structures and processes that support the delivery of our strategies/plans.

The 2014 NHS National Staff Survey contains some powerful data showing improvements in a number of key areas (for example, staff feeling safe to raise concerns in relation to unsafe clinical practice) which the organisation needs to embed and a number of key areas which the Trust needs to focus on in 2015/16 and beyond (for example, the uptake of meaningful

appraisals and production of Personal Development Plans).

In addition, the Organisational Development Strategy takes into account the recommendations made within the Investors in People Award (gained in October 2014) and aims to improve the uptake of the underpinning behaviours, seen in the Trust's leadership programmes, namely; Model the way, Challenge the process, Inspire a shared vision, Enable others to act and Engage with the heart.

By far, the greatest progress and impact to date is the embedding of the Trust's vision 'to be widely recognised for providing safe, personal and effective care'. This simple message is widely used by staff and better understood over the last year. The vision statement is now used and discussed in an increasing number of day to day practices, for example; on letter heads, all communication activities, Trust committees and meetings, adverts, recruitment and selection, induction, appraisal and development courses.

Progress has been made in ensuring that where possible, and in relation to the key Organisational Development 'deliverables', a number of related scorecards and action plans are in place, which are produced regularly

and are capable of being scrutinised within the Trust's committee structures. These scorecards and action plans are made available to board members and are discussed within a number of key meetings, for example, Trust Board, Executive Directors meetings, Operational Delivery Board, Finance and Performance, Patient Safety and Governance and Audit committees.

There is also an 'Employed Workforce Assurance' report, which is submitted as part of the integrated performance report to monitor key training compliance rates, staffing levels and other key Human Resource measures and a Patient Safety and Governance scorecard which contains a suite of measures relating to key to the delivery of safe, personal and effective care.

The Trust encourages a participative, listening and open culture through modelling our values and in a variety of ways, for example, in the 'Big Conversation' listening events, reviewing our approaches to whistleblowing and processes for raising concerns (e.g. Speak out Safely campaign), and giving simple messages to staff such as 'if you see something, say something' with the aim of all staff at all levels feeling empowered to openly discuss concerns about patient care.

The emerging Talent Management Strategy will focus on both performance metrics and values criteria, making the point that 'how you do your job' is just as, if not more important, as 'what job you do'.

The Trust has regained the Investors in People Award.

The Trust has put in place a more patient focused culture of caring and compassion; by regularly reviewing our complaints, inviting patient stories at Board meetings, embedding the 'share to care' approach and responding to results from the national and local inpatient surveys.

We have introduced staffing safety huddles three times a day with staff

moved across the Trust to support and mitigate risk.

We have introduced safe staffing levels and expecting high professional standards within all areas.

Tailored education and training takes place; taking into account feedback from patients, for example, 'staff attitude' complaints issues within our customer care training.

We also have processes in place for recognising and rewarding innovation in patient centred care for example, talent management, staff awards and internal promotion.

We have begun a programme of Board Development, including the Haelo programme – Making Safety Visible - which focusses on the Board's understanding and development of a quality culture.

A clinical leadership programme has been developed for ward managers which commenced with cohort 1 in January and cohort 2 in February. There has been a recent review of the capacity and capabilities of clinical directors with greater clarity of their roles to ensure greater accountability within the organisation. There is a consultant leadership programme focussing on those senior medical staff due to apply for a consultant role and a development programme for staff grade and associate specialist doctors.

There are a range of internal leadership development opportunities for middle managers and the Trust works closely with the North West Leadership Academy to offer external opportunities.

2015/16 –THE KEY DELIVERABLES

Inevitably, there are a number of 2014/15 key strategies which are in place but will require refreshing/updating in 2015/16, for example, the Quality, Clinical and Nursing strategies.

In order to collectively identify the new and additional 2015/16 key deliverables, discussions have taken place within Divisions and teams to identify key activities going forward.

The prioritisation and agreement of the key deliverables has been informed by a number of processes, for example, external stakeholder feedback, performance results, concerns raised by staff and patients, the business planning cycle which aims to align finance, activity and workforce plans, inpatient and staff surveys, complaint themes and the 'Big Conversation' events.

The additional (new) key deliverables for 2015/16 have been identified and include for example;

- Maximising the transformational themes/developments identified within 'maintaining safe, personal, effective care' document:
- Refreshing if required, a number of the current key strategies, e.g. Quality, Clinical, Nursing and Workforce strategies:
- Implementing the Talent Management approach:
- Implementing the Employee Engagement Strategy:
- Implementing the Volunteer Strategy and explore 3rd sector involvement:
- Implementing the Apprenticeship Strategy with a plan to engage schools, colleges and Higher Education partners.
- Agreeing a quality improvement methodology with training for 'Quality Improvement leaders' to embed a culture of quality improvement:
- Further developing the Trusts Patient and Public Engagement approach using TELL ELLIE as a catalyst for partnership working across the conurbation:
- Continuing to develop our middle and clinical managers, so that leadership is strong throughout and across the organisation.

National Staff Survey 2014

The Trust undertook a full census this year and a total of 7247 staff were eligible to complete the survey. 3077 staff returned a completed questionnaire, giving a response rate of 42%, which is average for Acute Trusts in England. The table below details the return rate by divisions.

| Locality | Response rate |
|------------------------------------|---------------|
| Balance Sheet | 20% |
| Chief Executive | 83% |
| Diagnostics & Clinical Support | 60% |
| Estates and Facilities | 51% |
| Family Care | 39% |
| Finance and Informatics | 78% |
| Governance | 50% |
| Integrated Care Group | 32% |
| Organisational Development | 72% |
| Research and Development | 64% |
| Surgical and Anaesthetics Services | 35% |
| Overall | 42% |

The Staff Engagement indicator score is 3.77. A score of 1 indicates that staff are poorly engaged (with their work, their team and their Trust) and 5 indicates that staff are highly engaged. The Trusts score of 3.77 is above average when compared with other Acute Trusts. The score has also improved from the 2013 Staff Survey result which was 3.73.

The Staff Satisfaction responses were above average in 12 areas. The following five key findings were in the highest (20%) compared to other NHS Acute Trusts:

- a) KF4 Effective team working:
- b) KF5 Percentage of staff working extra hours:
- c) KF15 Percentage of staff agreeing that they would feel secure raising concerns about unsafe clinical practise:
- d) KF21 Percentage of staff reporting good communication between senior management and staff:
- e) KF29 Percentage of staff agreeing

that feedback from patients/service users is used to make informed decisions in their directorate/department.

The Trust demonstrated above (better than) average staff satisfaction responses in the following 12 areas:

- a) KF1 Percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver:
- b) KF2 Percentage of staff agreeing that their role makes a difference to patients:
- c) KF6 Percentage of staff receiving job-relevant training, learning or development in the last 12 months:
- d) KF14 Fairness and effectiveness of incident reporting procedures:
- e) KF22 Percentage of staff able to contribute towards improvements at work:
- f) KF23 Staff job satisfaction:
- g) KF25 Staff motivation at work.

Of the further 8 Key Findings the following four areas have improved from

the 2013 report:

- a) KF12 Percentage of staff witnessing potentially harmful errors, near missed or incidents in the last month:
- b) KF18 Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months:
- c) KF21 Percentage of staff reporting good communication between senior management and staff:
- d) KF24 Staff recommendation of the trust as a place to work or receive treatment.

Of the remaining four key findings; two of these have reduced since 2013:

- a) KF7 Percentage of staff appraised in the last 12 months.
- b) KF27 Percentage of staff believing the Trust provided equal opportunities for career progression or promotion.

Equality and Diversity Report

The Trust is committed to the delivery of “Safe Personal Effective” services for everyone in our catchment area. Diversity matters to all of us in the Trust if we are to understand our patients/ service users, develop evidence-based policies that take their different needs into account and deliver high-quality and appropriate services to everyone who needs them, in an increasingly personalised way. We will only succeed if we value our people, invest in their development and create an inclusive culture. To do this effectively, we need a workforce with the very best possible mix of existing and future talent.

Over the last two years in direct response to legal obligations under the Equality Act 2010, East Lancashire Hospitals NHS Trust has chosen to implement the Department of Health Equality Delivery System (EDS) for the NHS, designed by NHS England as a main framework for performance management and progress on Equality and Diversity.

Performance on the Equality Delivery System (EDS) is assessed by the quality of stakeholder involvement and their essential participation and involvement in grading the Trusts performance and evidence of progress against four goals linked to 18 outcomes

The four goals are;

- i. Better health outcomes for all:
- ii. Improved patient access and experience:
- iii. Empowered, engaged and inclusive staff:
- iv. Inclusive Leadership

An Equality Implementation Plan has been developed setting out the equality outcomes the strategy aims to achieve, the organisational behaviours and processes required to achieve them, and the actions we need to carry out to make this happen. These outcomes and actions are set within the main

themes of the Equality Delivery System Framework and the Workforce Race Equality Standard for the NHS, to enable us to continue assessing ourselves against national best practice.

Our staff profile in relation to the protected groups continues to grow, race and ethnicity continues to grow (+0.46% increase from last year) at 16.29%.

In relation to disability our staffing profile is 3.4% of staff declaring a disability compared to last year at 3.2%. The proportion of the disabled workforce has increased each year since 2010 when it was recorded at 0.91%. This is much lower than the estimated 6% of the local population that are disabled and are active in the labour market. However 42.62% of our monitoring indicates a ‘not known’ response in relation to disability. Hence we have been working to reduce this missing information, with some success through the data cleansing exercise completed in June 2013, but clearly this still needs to improve. Research will be carried out into the barriers for disabled applicants to gain work with ELHT.

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% – little change to last year’s figures. The data suggest that still more than three times as many women work in the Trust as men.

Largest age group in the Trust is aged 50 – 54 (16.42%). The percentage of our staff in the under 20 age bands is disproportionately low when compared with the East Lancashire population. This is to be expected within the younger age group given the inclusion of children in the Census statistics and the high proportion of posts requiring degree equivalent level qualifications. Just over 6% of Trust staff are aged over 60. To

date, there has not been a great increase in this age range since the abolition of default retirement age in the 2010 Equality Act.

The religion or belief of new starters is now being recorded into the Electronic Staff Record (ESR) as part of the recruitment and selection process. This has led to an increase in recording meaning that although 14.42% of staff records remain undefined in terms of religion or belief; this is a 10% improvement from previous years. The majority of this increase has been for employees with a Christian belief, up 4.6%. This continues the trend of having a significantly improved position from 69.91% undefined in 2010.

The sexual orientation of new starters is recorded into the ESR system as part of the selection process on appointment. As with religion or belief, there has been an increase in ESR records. Again, this is a significantly improved position from previous years. The majority of this increase in recording has been for staff stating their orientation as heterosexual, which has seen a 10% increase in year. Current records show that 1.5% of staff have stated that they are gay or bisexual. This is an increase of 0.3% from last year. No data on the sexual orientation of the general population in East Lancashire is available from the Census.

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 | 86.0% | 3.3% | 2.2% | 7.5% |
| North West | 90.2% | 1.4% | 1.6% | 6.2% |
| Blackburn with Darwen | 69.2% | 0.6% | 1.2% | 25.5% |
| East Lancashire | 74.3% | 1.7% | 2.0% | 20.0% |
| Pennine Lancashire | No Data available | | | |

STAR (Staff Thank You and Recognition) Awards

The hard working and dedicated members of staff at East Lancashire Hospitals NHS Trust have been honoured in the Trust's annual staff awards ceremony.

The STAR Awards are the Trust's staff recognition award scheme and saw 13 winners from departments across all services in the Trust rewarded for their dedication and achievement.

Trust Chief Executive, Kevin McGee, who hosted the awards, said: "All the staff who were nominated and won an award play a part in looking after people at their most vulnerable time of their lives and I salute them for their care, commitment and compassion. The awards are recognition of their work and dedication and the event gives our staff the opportunity to celebrate and let their hair down on their night off."

With over 300 nominations for 249 individuals and teams from staff and patients, the shortlisted candidates were interviewed by an external panel made up of patient groups, commissioners and training organisations. Additionally, the winners of the internal Employee of the Month scheme were all put forward for the Employee of the Year awards.

Tom Bamber from the JRA Group who deliver training courses at the Trust, and one of the STAR Awards judges, commented: "It is so fantastic to be included in the awards process. I love hearing about the great things the staff at the Trust have been doing to make the difference that makes the difference to patient care."



The winners are:

- Employee of the Year: Dino Calamela: Maintenance Assistant at Burnley General Hospital
- Rising Star Award: Dr Ruth Smith: Consultant in Obstetrics and Gynaecology
- Role Model of the Year: Lorraine Bentley, Domestic Services Manager and Acting Catering Manager
- Compassionate Care Award: Emma Mort: Staff Nurse, Medical Assessment Unit, Royal Blackburn Hospital
- Volunteer of the Year: Hospital Radio Volunteers
- Non-Clinical Team of the Year: Isolation and Discharge Team, Royal Blackburn Hospital
- Clinical Team of the Year: Medical Assessment Unit, Royal Blackburn Hospital
- Consort Best Kept Environment Award: The Critical Care Unit, Royal Blackburn Hospital
- Media Star of the Year Award: Dr Ian Stanley, Interim Medical Director
- Non-Clinical Worker of the Year: Catherine Vozzolo: Directorate Manager for Children's Services
- Clinical Worker of the Year: Tracy Thompson: Ward Manager, Postnatal Ward, Lancashire Women and Newborn Centre, Burnley General Hospital
- Unsung Hero Award: Debra Berresford: Healthcare Assistant at Hartley Ward, Pendle Community Hospital
- The 'Ellie' Award: Lynn Hackett: Receptionist at Royal Blackburn Hospital Main Reception
- Outstanding Achievement Award: The Cardioversion Team: Cardiac Cath Lab and Theatres, Royal Blackburn Hospital
- Quality Innovation and Research Award: Lisa Corbett and Janet Whitaker from the Cauda Equina Pathway Team based within Physiotherapy, Royal Blackburn Hospital

The Awards were presented at a special event on Friday 24th April at the Dunkenhalgh Hotel, Clayton Le Moors. Costs for the event were covered through generous sponsorship from Consort Healthcare, Cofely GDF Suez, DAC Beachcroft LLP, Fresenius Kabi, Recall, Mercure Hotels and Concept 4.



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.

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

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. her more than any

Health and Safety

It is our policy to safeguard the health and safety of our employees, patients, visitors and anyone who may be affected by our activities. We have a Health and Safety Committee, which is made up of both union and non-union health and safety representatives from departments throughout our organisation. The committee also includes advisors with expertise in health and safety, fire and security. The Health and Safety Committee meets regularly to receive reports from all areas, and provides an opportunity for managers and staff to raise concerns and issues about health and safety. This reports to the Patient Safety and Risk Committee and then to the Trust Board through the Patient Safety and Governance Committee.

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.

Internal patient environment audits are 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 assessed 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.

Patient Led Assessments of the Care Environment (PLACE) assessments take place throughout the year using independent assessors to produce findings which are reported through



our governance structures and acted upon to ensure that we maintain the highest possible standards. 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.

Our Occupational Health Department provides a professional, confidential independent advisory service for employees and management within the Trust, to promote health, safety and welfare for all employees.

The services include:

- pre-employment health assessments and continuous health surveillance

during employment relevant to work area:

- provision of immunisation programmes relevant to work area:
- provision of an advisory service to both employers and staff on sickness related issues:
- advice on sudden illness, injury at work:
- identification of hazards in the working environment:
- provision of confidential counselling service:

Trust premises and grounds are a smoke free environment for the health and benefit of all patients, staff and visitors.

There are a number of policies in place within the Trust for employees to access which are designed to help employees balance the needs of work and family life and a number of policies which are health related. These include Sickness Absence; Workplace Tobacco Control; Promotion of Positive Mental Health; Alcohol and Health Policy, Eye tests and the supply of glasses and frames.

Staff receive priority access into our specialist physiotherapy service and will usually be given an appointment

within one week of referral.

The service Fast Physio offer includes:

- Free, confidential, fast tracked physiotherapy:
- Open access to free and confidential physiotherapy on a self-referral & management referral basis:
- Fast track physiotherapy to provide appropriate & timely management and advice of musculoskeletal disorders (MSDs):
- Telephone and email advice to enable employees to self-manage their injury more effectively:
- Recommendations of workplace adjustments where appropriate:
- Advice and support during return to work for managers and employees:
- Functional restoration programmes:
- Recommendations of workplace adjustments:
- One-to-one physiotherapy:
- Appointments across Trust sites

The Trust also has a Work Smart service which is a dedicated Ergonomics Service for all staff working for the Trust. Interventions can range from analysing the design of a task for an individual, to the whole working system of a department.

sustainability report

The Trust reports its sustainability in the following categories:

- a. **Energy and carbon management**
- b. **Procurement and food**
- c. **Low carbon travel, transport and access**
- d. **Water**
- e. **Waste**
- f. **Designing the built environment**
- g. **Organisational and workforce development**
- h. **Role of partnerships and networks**
- i. **Governance**
- j. **Finance**



Energy and carbon emissions are broadly within the estates targets agreed by the Finance and Performance Committee. Our Procurement department continue to follow the procurement strategy and play a key part in delivering the Trust's sustainable development management plan.

Together with our partners at Blackburn with Darwen Council and Lancashire County Council we have put significant effort into highlighting the alternatives to single occupier car journeys and will be installing electric car charging points across the estate.

Water consumption is monitored regularly and has shown increases in consumption at both Burnley General Hospital and Royal Blackburn Hospital. We will set safe consumption figures by site and establish these as benchmarks against which we will seek future improvement.

We have had a disappointing year with rises in both clinical and domestic waste and a fall in recycled waste. We must improve our containment and our training to reverse this trend.

We continue to deliver the development control plans for the hospital sites investing in new and refurbished buildings to the required standards and removing older, less efficient buildings.

We must improve awareness and on-going training on sustainability issues and seek further clinical engagement on our sustainability group.

Working with our existing partnerships and networks and developing new arrangements will help us and our associates deliver our respective targets.

The sustainable development committee are responsible for reporting against the sustainability action plan. Estate rationalisation 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.

Energy and carbon management

We recognise the pressures on energy consumption from increased activity and the introduction of more equipment. We will continue to make savings where possible to offset these increases. The planned changes to the sites for 2015/16 are as follows:

| Total energy use (GJ/100m3) | Target | Actual 2013/14 | Actual 2014/15 |
|------------------------------------|--------|----------------|----------------|
| Accrington Victoria Hospital (AVH) | 56 | 56 | 48 |
| Burnley General Hospital (BGH) | 61 | 61 | 64 |
| Clitheroe Community Hospital (CCH) | 57 | N/A | 45 |
| Pendle Community Hospital (PCH) | 42 | 42 | 43 |
| Royal Blackburn Hospital (RBH) | 87 | 87 | 87 |

The table above reflects the increased activity at Burnley General Hospital and supports the energy-saving measures across all sites which are helping to control consumption. The Clitheroe Community Hospital figure is lower than anticipated although the target figure was extrapolated from part year figures for the new building.

We now report our carbon management as the total Tonnes of carbon dioxide (CO₂) emitted by the Trust. This is based on standard multipliers of the different types of energy consumed (e.g. gas, electricity and oil).

| Emissions | Actual 2013/14 | Target 2014/15 | Actual 2014/15 |
|------------------------------------|----------------|----------------|----------------|
| CO ₂ x10 ³ T | 26.76 | 26.82 | 27.08 |

The increased consumption at Burnley General Hospital has led to the slight increase in emissions.

Procurement and food

The Trust continues to follow guidance in 'P4CR: Procuring for Carbon Reduction'. 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.

Working with our colleagues at Blackburn with Darwen Council and our Human Resources department we have introduced personal travel plans for all new starters highlighting the public transport alternatives available. We are also pursuing the possibility of offering one week of free public transport to new starters who live locally.

We have been working with local bus service providers exploring ways to improve services and plan to undertake a trial in which certain services run through the Royal Blackburn Hospital site.

Our shuttle bus continues to provide a regular service for patients, visitors and members of staff between our two main sites and remains well subscribed.

We have received a small number of requests from members of staff and visiting colleagues for the installation of electric car charging points. We propose to introduce two such points per site in the coming year.

Water

We are continuing to monitor water consumption across all sites, given the increased activity and higher staffing levels. We propose to introduce a maximum safe consumption figure by site. In mitigation, our capital programme continues to specify water-saving sanitary ware on all new schemes including refurbishments and reported leaks are dealt with promptly by our maintenance teams.

| Total water consumption (x1000m3) | Actual 2013/14 | Actual 2014/15 |
|------------------------------------|----------------|----------------|
| Accrington Victoria Hospital (AVH) | 8.1 | 6.2 |
| Burnley General Hospital (BGH) | 122.3 | 146.7 |
| Clitheroe Community Hospital (CCH) | N/A | 1.3 |
| Pendle Community Hospital (PCH) | 6.7 | 6.9 |
| Royal Blackburn Hospital (RBH) | 147.2 | 164.8 |

Waste

The waste figures below indicate an area on which we must concentrate. Increased activity and higher staffing levels will play their part and we will continue to focus on our efforts to improve containment and training.

| Indicator | Actual 2013/14 | Target 2014/15 | Actual 2014/15 |
|--------------------|----------------|----------------|----------------|
| Domestic waste (T) | 821 | 780 | 851 |
| Clinical waste (T) | 738 | 736 | 760 |
| Recycled waste (T) | 383 | 427 | 351 |

We will seek capital funding to complete the implementation of new waste receptacles across the Trust. This improves segregation and reduces waste when delivered in conjunction with appropriate training.

Designing the built environment

All our schemes are compliant with building regulation requirements, health building notes (HBN) and health technical memoranda (HTM). These standards reflect the need for sustainable, energy-efficient solutions which are promoted throughout the building and engineering industries.

As we proceed to remove older, less efficient buildings from the estate, in line with our development control plans, we improve the overall performance of the remaining building stock and reduce our risk-adjusted backlog maintenance figures.

| | Actual 2013/14 | Actual 2014/15 | Target 2015/16 |
|--------------|----------------|----------------|----------------|
| Backlog (£m) | 1.234 | 0.838 | 1.280 |

The recently announced funding for Burnley General Hospital will see a marked improvement in the quality and energy efficiency of the Wilson Hey building and a new development for an Ophthalmology unit to match the existing high standards we have set for the site.

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.

New starters receive training and information on energy and waste, but there is more we can do in relation to on-going training and awareness.

We now have our first clinical member (from Family Care) at our sustainability group and there was significant interest from patients, visitors and members of staff alike at our recent "sustainability day" stands at the Royal Blackburn Hospital.

Role of partnerships and networks

The benefits to the Trust of engaging fully in partnership working are well understood and demonstrated by the support we received for our sustainability day at the Royal Blackburn Hospital. As well as our own stands we were joined by energy providers, United Utilities and there was a marvellous display from our fruit and vegetable supplier.

We are working with East Lancashire Clinical Commissioning Group, Eric Wright construction, Community Health Partnerships and NHS Property Services on estates occupation and rationalisation issues, and our contacts with Blackburn College have led us to have preliminary discussions regarding (as yet) experimental energy-saving equipment.

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.

Finance

Estate rationalisation 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.

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

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 Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also have responsibility for safeguarding the Trust's quality standards. In carrying out these obligations I and the Trust Board adhere to the Codes of Conduct and

Accountability and I am guided by the responsibilities set out in the Accountable Officer Memorandum.

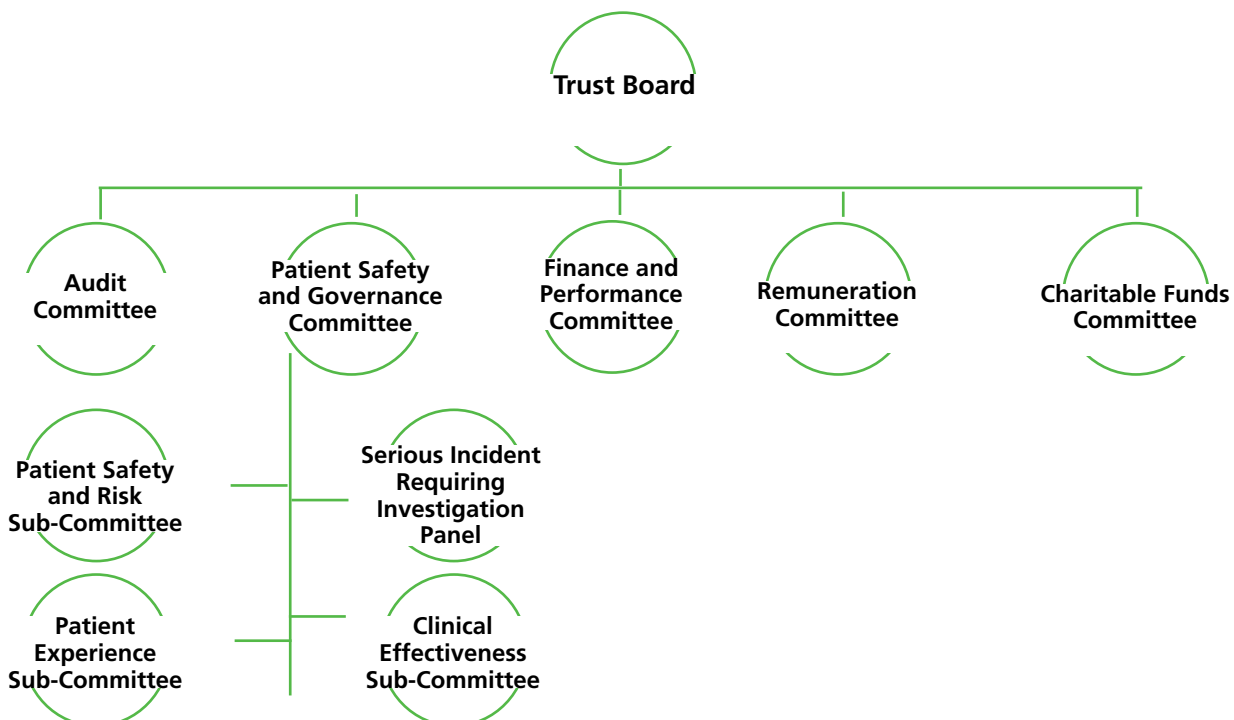
The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of East Lancashire Hospitals NHS Trust, to evaluate the

likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in East Lancashire Hospitals NHS Trust for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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 Trust Board.





All members of the Trust Board have signed up to the Trust Risk Management and Governance plans which clearly identify the Board's responsibilities and accountability arrangements. These are reflected in the Trust's Standing Orders and Standing Financial Instructions, the Scheme of Reservation and Delegation and the Trust's Performance Accountability Framework. These are, in turn, repeated in the internal guidance and policies of the organisation including the Trust Board's Committee Handbook.

Scrutiny by the Trust's Non-Executive Directors and internal and external Auditors provide assurance on the systems and operation of the processes for internal control across the whole of the Trust's activities including probity in the application of public funds and in the conduct of the Trust's responsibilities to internal and external stakeholders.

In addition to the Committees outlined in the diagram above which have Non-Executive Director membership, the Trust also had in operation throughout 2014/15 the Executive Management Board which was renamed the Operational Delivery Board in early

2015. The function of this committee is to provide a forum by which the senior staff in the organisation can assist in the development of strategies to present to the Board, monitor operational delivery against the Trust's strategic objectives and policies and advise the Board on the emerging risks to operational and strategic objectives and the mitigation plans being deployed to ensure the delivery of safe, personal and effective care.

There are divisional and corporate risk committees where divisional risk registers are reviewed and discussed to ensure that risks are managed and controlled at the lowest appropriate level and do not escalate into greater threats. The risks are reviewed on an ongoing basis and the Risk Assurance Manager meets monthly with divisional leads to discuss the management of risks that have the ability to affect the organisation at a corporate level.

The Board has established risk management groups and supporting governance structures which together are responsible for identifying, assessing, managing and reporting the risks associated with clinical, corporate, financial and information governance.

The Trust Board formally reviews its risk management arrangements on an annual basis and approved the updated Risk Management Strategy, Policy and Plan in September 2014. The document is available for staff to access on the Trust Intranet site.

The Medical Director has the lead responsibility for the risk management processes including the development and implementation of the Board Assurance Framework, Risk Management Strategy Policy and Plan and associated learning and development to ensure all staff are appropriately trained and supported thereby ensuring our risk management processes are thoroughly embedded across the organisation.

The Medical Director is supported by the members of the Executive Team in providing leadership to the risk management process. Each member of the Executive Team is a lead director for at least one strategic risk on the Board Assurance Framework. In this way the senior leaders in the organisation have an operational and strategic oversight of the key risks to achieving the Trust's strategic objectives. Each area of risk is mapped to the Care Quality Commission's Core

Outcomes and Risks contained in the Corporate Risk Register. The Trust Board receives a regular update on recommended changes to the Board Assurance Framework covering the progress of mitigation plans, positive assurances received since the last report to the Trust Board, and gaps in assurance identified in the period. The Board Assurance Framework is overseen in detail at the Trust's Patient Safety and Governance Committee and guides the work of the Audit Committee in providing an overview during the course of the year of the operation of the key systems of internal control.

The Trust's internal auditors have advised that the Trust has an Assurance Framework in place "which is designed and operating to meet the requirements of the Annual Governance Statement and provides reasonable assurance that there is an effective system of internal control to manage the principle risks identified by the organisation. It is evident that the Board has been fully engaged as the Trust has continued to develop and embed its process regarding the Assurance Framework."

The Trust has in place a Responsible Officer and Caldicott Guardian in the role of the Chief Medical Officer for the Trust. Reporting directly to the Chief Executive, the Chief Medical Officer has oversight of the systems and processes to ensure there is strong clinical education across the whole of the organisation, that medical revalidation arrangements are robust and effective and that the professional standards required of our medical staff are met, addressing any shortcomings effectively within the guidance issued by the General Medical Council. As Caldicott Guardian, the Chief Medical Officer is the senior person responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing.

The Chief Nurse provides senior leadership to the organisation in relation to patient safety and quality of delivery of services. She is supported

by Divisional and Deputy Chief Nurses who lead on quality and governance arrangements within the corporate and clinical divisions ensuring there is a continuing focus on the delivery of safe, personal and effective care at the point of interaction with patients and their families and that there are sufficient appropriately qualified and experienced nursing staff deployed on a daily basis to meet the needs of our patients.

The Director of Finance is accountable to the Trust Board and Chief Executive for the Trust's financial risk management activities. The Finance Director is responsible for ensuring that the Trust carries out its business of providing healthcare within sound Financial Governance arrangements that are controlled and monitored through robust audit and accounting mechanisms that are open to public scrutiny on an annual basis. He is also lead Executive Director for Medical Devices Management & Information and has delegated responsibility for Registration Authority. The Director of Finance is the Board lead for Information Security and the Senior Information Risk Officer (SIRO).

The Director of Operations is responsible for the overall management of all patient services, ensuring that all key access targets are met together with finance, waiting lists, human resources management. She is the Lead Director for Emergency Preparedness and Major Incident planning.

The Director of HR and OD is responsible for the management of risks within his areas of operational responsibility, especially those risks associated with sickness absence, bullying and harassment. He is responsible for ensuring provision of employment services across the Trust and ensuring that there is a systematic approach to managing the risks of employment checks and professional clinical registration.

Each clinical division is further supported by Governance Leads working with the divisions. During

the course of 2014/15 the Trust has sought to strengthen the divisional governance structures and ensure consistency of approach by assigning line management responsibility for this group of staff to the Associate Director of Quality and Safety.

Staff training is carried out across the year to ensure all staff are trained or equipped to manage risk in a way appropriate to their authority and duties. Risk management training is an element of the core mandatory training programme for all staff. 72% of staff attended the core mandatory training programme appropriate to their level of authority and duties by the end of March 2015. The Trust has a policy in place which means that all staff not attending their core mandatory training without adequate justification (e.g. sickness absence, maternity leave, secondment etc.) will not be eligible to progress in their pay band and will be suspended from duty until this key element of their annual development programme has been satisfactorily completed.

Between May and September 2014 the Risk and Assurance Manager carried out additional training aimed at managerial staff, but open to staff of all grades. The sessions were advertised and co-ordinated by the Learning and Development Department and focussed on DATIX (the software package used to record incidents and risks) usage, risk scoring, risk assessments, risk processes, how to control risks, how to log a risk and how to escalate risks. In addition to training on the management and reporting of risks the core mandatory training programme and other related development and training programmes are offered internally where appropriate and staff are encouraged to attend external programmes appropriate to their level of expertise and responsibility. This is monitored and reported by the Learning and Development department on an ongoing basis and to the Trust Board on a monthly basis.



The risk and control framework

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 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 Board Assurance Framework.

The objective of the Risk Management Strategy is to support the development of a culture that not only embeds an awareness of safety and risk across all levels of the organisation but ensures the application of a consistent approach to a risk management process allowing risks to be ranked and graded in order so that they may be prioritised and minimised and mitigates risk to acceptable levels and where significant risks remain, to openly accept and monitor those

risks, systematically addressing any gaps in control measures and reducing their impact to both individuals and the organisation so far as reasonable practicable.

The identification of risks arising from work-related tasks or activities is undertaken by staff at all levels of the organisation. There are four methods of risk identification that the Trust uses;

1. Known on-going inherent risks that the Trust is aware of which are controlled and managed.
2. Foreseeable local risks which are inherent and identified by competent people.
3. Strategic risks to the Trust.
4. Risks from the sources identified below:
 - Non Clinical Risk Assessments (security moving & handling etc)
 - Incident reports
 - Complaints / Patient Experience or Claims Audits and work place surveys
 - Clinical risk assessments
 - Patient satisfaction surveys
 - External/Internal Audits
 - Regulatory Agency notices
 - Financial

An acceptable risk is one which the Trust Board or a Divisional Board feel comfortable in facing and which, if the

worst happened, would not threaten the individual's / organisation's survival or its capability to meet its objectives. Deciding what is an acceptable risk involves identifying and assessing risks in relation to the impact. A risk is deemed acceptable when there are 'adequate' control mechanisms in place and the risk has been managed, as far as is considered to be reasonably practicable.

As a general principle the Trust will seek to eliminate and control all risk which has a potential to harm its patients, staff, and other stakeholders, which would result in loss of public confidence in the Trust and/or its partner agencies and/or would prevent the Trust from carrying out its functions on behalf of its local residents. However, the following list identifies areas which would never be deemed to be acceptable:

- Any act, decision or statement which;
- would result in death
 - would contravene Trust Standing Orders or Standing Financial Instructions
 - would be illegal and/or breach of legislation
 - would result in significant loss of Trust assets or resources
 - would constitute wilful contravention of Trust policies or procedures
 - would fail to observe key targets and objectives

The risk grading system in use is adapted from the National Patient Safety Agency "Risk Matrix for Risk Managers" and uses a scoring mechanism of a 5x5 grid approach to grade risks in respect of consequence and likelihood. The Trust uses DATIX to record incidents and risks and access to this system is via the Trust intranet although there are plans to further develop a web based package and an application for mobile users. These will be supported by written procedures to support roll out and use across the whole of the organisation in 2015/16.

Each entry onto the DATIX system is allocated a manager to review and action the risk and monitor the effectiveness of the risk mitigation plan. Low and moderate risks are managed at a local level by wards and teams and the department manager using appropriate controls, these are recorded on the local risk register. Significant risks are managed at a divisional level with assurance being sought through divisional structures and recorded on divisional risk registers. Extreme risks scoring 15 or above are notified to the Quality and Safety Unit accountable to the Associate Director of Quality and Safety. The Quality and Safety Unit staff will discuss, challenge and where necessary moderate the risk identification and scoring. These risks will be included on the corporate risk register and escalated to the Patient Safety and Governance Committee and the Trust Board for inclusion on the Board Assurance Framework as appropriate.

Divisional risks registers are reviewed and discussed at divisional and corporate risk committees to ensure they are regularly reviewed and updated and the Trust will continue to work to ensure there is consistency of assessment, identification and mitigation of risks and risk management plans across divisional structures.

The Trusts key risks in 2014/15 were:

- Failure to retain or attract required resources from commissioners to deliver safe and sustainable services
- Failure to maintain business continuity and emergency preparedness throughout the year
- Failure to achieve performance requirements of the (Monitor) TDA compliance and risk assessment framework and regulatory standards
- Failure to maintain staffing levels and competencies to deliver high quality services
- Failure to achieve the reputation of provider of choice
- Failure to deliver high quality clinical services
- Failure to be financially sustainable
- Failure to engage with stakeholders including members, public, staff and partner organisations
- Failure to provide Board and Clinical Leadership
- Failure to develop and achieve a clear strategic direction

The consistently high scoring risks in 2014/15 related to the failure to achieve performance requirements and the failure to be financially sustainable. As a result of the gaps in assurance for these particular risks the Finance and Performance Committee agendas were structured to specifically focus on these elements. Exception and specific item reports were provided as detailed below:

| | |
|--|---|
| SR/BAF 003 Failure to achieve performance requirements of the (Monitor) TDA compliance and risk assessment framework and regulatory standards | Integrated Performance Report (Monthly) |
| | Finance Report (Monthly) |
| | Workforce Plan (September 2014) |
| | 30 Day Readmission Report (September 2014) |
| | Bed de-escalation plan (January 2015) |
| | Perfect Week update (January 2015) |
| SR/BAF 007 Failure to be financially sustainable | Finance Report (Monthly) |
| | Extraordinary Meetings (2 in December 2014) |
| | Education Costings (May 2014 and March 2015) |
| | Payment by Results (July 2014) |
| | Service Line Management Update (July 2014) |
| | Procurement Atlas of Variation (September 2014) |
| | Workforce Plan (September 2014) |
| | Divisional Reports (July, August, September & October 2014, March and April 2015) |
| | Bed de-escalation plan (January 2015) |
| | Tender Position (January, March and April 2015) |
| | Contract Position (January, March and April 2015) |
| | Budget Setting (March 2015) |
| | Reference Costs (March 2015) |



Summary reports from the Finance and Performance Committee were provided to the Trust Board covering each of these elements to ensure that the Trust Board both through the Board Assurance Framework and the reports of subcommittees were continually sighted on the risks and the actions being taken to mitigate them and the positive assurances being received in a timely manner.

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

- Independent assurance provided to or requested by the Audit Committee from internal and external auditors
- Independent assurance provided to the Patient Safety and Governance Committee and supporting subcommittees from external reviews, inspections and assessments and monitoring of subsequent action plans to address any gaps identified
- Review by internal departments such as the Quality and Safety Unit with Clinical Effectiveness, Clinical Audit and Divisional teams and Directorates reporting to Board subcommittees and the Operational Delivery Board (formerly Executive Management Board)
- Rapid responsive reviews of areas of clinical practice in response to incidents, complaints and concerns whether these are raised internally by staff or externally by stakeholders such as Coroners and Commissioners.
- Changes in our Patient Administration System to better support delivery and monitoring of the 18 week referral to treatment standard:
- The establishment of a Pressure Ulcers Collaborative across wards and departments in partnership with Salford Royal NHS Foundation Trust to ensure consistent recording, reporting, identification and treatment of pressure sores across the Trust:
- Continued work with Health Education North West (formerly the Postgraduate Deanery) to improve aspects of our medical training and supervision for junior medical staff:
- Continued focus and action towards improving patient experience including a focus on obtaining qualitative feedback from the Friends and Family Test in the Emergency Department.

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

- Development and introduction of care bundles to reduce the variation in treatment for common conditions such as sepsis and acute kidney injury:

The Trust's quality governance arrangements are embedded in the organisation and continue to develop. During the course of this year the Trust has been the subject of a Chief Inspector of Hospitals (CIH) assessment and has adopted the methodology to use on a regular basis to understand how quality governance arrangements are working across all spheres of activity by undertaking mini CIH assessments, Perfect Week exercises and regular meetings with the Care Quality Commission to enhance a wider understanding of our progress and ensure we are able to access learning from other organisations. In addition, the Trust has worked closely with our "Buddy" organisation, Salford Royal NHS Foundation Trust, across a number of areas to improve the quality of services and our governance and continuous learning processes. The Board routinely makes a declaration to the Trust Development Authority on its governance arrangements and performance taking into consideration the reports presented to the Trust Board and the assurance received by Trust Board members in their activities during the course of the month.

Risk management is embedded in the activity of the organisation and the Trust has taken significant steps in year to encourage incident reporting. The Trust has signed up to and promoted the Speak Out Safely campaign and revised and reissued its Raising Concerns policy to encourage an open culture both of raising concerns and learning from them across the organisation. The Trust has introduced safety huddles across all clinical areas and Share to Care meetings where staff meet on a weekly basis to share good practice and learn from areas of improvement identified in their own practice and from other services across the organisation. The Trust has migrated from paper based systems for holding risk registers to ensuring electronic recording and access is available at all levels of the organisation. A further area of improvement in year has been the monitoring of the level of feedback staff receive having reported an issue or concern through our

incident management processes to ensure that all staff are able to learn from outcomes and improvements in practice.

The Trust has seen the first year of the Serious Incidents Requiring Investigation Panel which has had a significant impact in raising awareness of and learning from incidents across the organisation while supporting staff in the investigation process. It is anticipated that these processes will be further strengthened during the course of the year.

The Trust seeks to actively engage with a wide variety of stakeholders to consult and communicate with them on issues of mutual concern. The Trust is working closely with its Shadow Council of Governors to encourage wider participation and consultation from its membership. The Trust recognises that there are significant benefits to be gained from this engagement. The Trust also proactively engages with statutory and other stakeholders on a regular basis including staff, Healthwatch, Clinical Commissioning Groups, Local Overview and Scrutiny Committees and local education providers. The Trust has held regular stakeholder events throughout the year and invited stakeholders to meet with the senior leadership teams to ensure transparency of decision making processes and appropriate consultation takes place.

The Trust is fully compliant with the registration requirements of the Care Quality Commission. As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human

rights legislation are complied with. The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Review of economy, efficiency and effectiveness of the use of resources
The Audit Committee is charged with reviewing the economy, efficiency and effectiveness of the use of resources throughout the course of the year and ensuring that there is a robust system of integrated governance and internal control across all spheres of the Trust's activity. Having reviewed the annual report of the Audit Committee on its activities presented to the Trust Board I am satisfied that it has met these requirements during the course of the year and assisted in the further development and improvement of the embedding of systems of internal control. Together with the comprehensive programme of quality improvement work for the care of patients reporting to the Patient Safety and Governance Committee and the Trust Board I am satisfied that there are clear lines of governance and accountability within the Trust for the overall quality of clinical care and these are reflected in the achievements highlighted in the Trust's annual Quality Account. In reviewing this area I am satisfied that there is further room for improvement in ensuring clarity of accountability arrangements which will be addressed in our revised Performance Assurance Framework.

Information governance
The Trust has an Information Governance Steering Group charged with ensuring the effective operation of safeguards for, and appropriate use of, patient and personal information and compliance with the NHS Information Governance Toolkit. There have been no lapses of data security requiring reporting to the Information Commissioner in 2014/15.

The Trust has undertaken a comprehensive review of its declaration of compliance with the requirements of the NHS Information Governance Toolkit and has declared compliance at Level 1 for 2014/15. A comprehensive action plan is being developed to ensure the Trust is able to meet the standards required to declare compliance at Level 2 in 2015/16 and going forward. The action plan will be monitored by the Clinical Effectiveness Committee and reported to the SIRO on an ongoing basis.

Annual Quality Report

The Trust is required to prepare Quality Accounts for each financial year. The Quality Account for 2014/15 has been considered by the Trust Board and its subcommittees and was approved under delegated authority from the Trust Board at the Audit Committee meeting on 3rd June 2015.

The Trust utilises its quality and risk associated committee structure to routinely review the data and information that is included within the Quality Report. This provides the Board with assurance that the Quality Report presents a balanced view of the action taken by the Trust in year to ensure the provision of high quality, safe and effective services.

The quality and risk associated committees operate with standardised agendas and reporting mechanisms which allow for month on month comparative assessment of performance against action plans, the effective management of any resultant risks, policy development and adherence and the development and utilisation of data and information systems and processes. All divisions are represented at a senior clinical and managerial level which facilitates an effective interface between the divisional and corporate work programmes. The outputs of the risk associated committees are reported thereafter to the Patient Safety and Governance Committee which operates under delegated authority from the Board.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the Audit Committee and the Patient Safety and Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The overall level of the Head of Internal Audit opinion is significant assurance.

The Assurance Framework and the internal auditor's opinion on the effectiveness of the systems and processes supporting the Assurance Framework provide me with evidence that the effectiveness of controls that manage the risks to the organisation in achieving its principal objectives have been reviewed.

My review is also informed by internal and external information including:

- Detailed reports from the Trust's internal auditors (Mersey Internal Audit Agency) and external auditors (Grant Thornton)
- Performance and financial reports to the Trust Board and its subcommittees
- NHS Trust Development Authority performance management reports
- NHS England Area Team performance management reports
- Clinical Commissioning Groups performance management reports
- Governance reports to the Patient Safety and Governance Committee, Audit Committee and Trust Board
- Compliance with action plans as part

of our performance management arrangements

- Patient Led Assessments of the Care Environment
- Chief Inspector of Hospitals Report
- Reports from external inspections and assessments during the course of the year from bodies such as Royal Colleges, Health Education North West etc.
- Information Governance risk assessment against the Information Governance Toolkit
- Feedback from local and national staff and patient surveys
- The work of the Executive team within the organisation who have responsibility for the development and maintenance of the internal control framework within their portfolios.

Where reports have identified limitations in assurance these have been acted upon and in relation to auditors' reports have been monitored by the Audit Committee.

The Trust Board and its subcommittees have been actively engaged in the ongoing development and monitoring of the Assurance Framework and will continue to shape the iterative development of the Assurance Framework and its associated risk management systems and processes throughout 2015/16.

Conclusion

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

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

Signed:



Jonathan Wood
Deputy Chief Executive
Dated: 3rd June 2015

Financial statements and report



Financial review for the year ending 31 March 2015

Financial duties

The Trust reported a £1.3m revenue surplus at 31st March 2015 including technical adjustments.

Although lower than the original planned surplus for the year, 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.

| | 2014-15 | 2013-14 |
|--|---------|---------|
| 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

The Trust reported a £1.3m revenue surplus at 31st March 2015 including technical adjustments. The revenue breakeven position is reported as follows:-

| | 2014-15 | 2013-14 |
|---|----------|----------|
| | £000 | £000 |
| Total loss / (surplus) for the year | £3,631 | £458 |
| Add back exceptional items: | | |
| Impairments reversals/(charge) to Statement of comprehensive income | (£5,305) | (£6,962) |
| Adjustments in respect of donated asset reserve | £332 | (£96) |
| Underlying in year surplus | (£1,342) | (£6,600) |

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 £1.3 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 2014-15, the Trust undershot its External Financing Limit (EFL) by approx. £5.2 million.

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. Trusts are permitted to spend up to their CRL. In 2014-15 the CRL set by the Department of Health was £17.9 million. This represents the total value that the Trust could invest in capital in 2014-15. The Trust under spent against this target by £4.7 million, which represents the underspend on its capital programme. The cash associated with this underspend will be carried forward to 2015-16.

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's percentage achieved position deteriorated compared to previous years due to a one-off problem with the implementation of a new purchase order system.

Prompt Payments Code

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

Charges for Information

The Trust does not make charges for information save for those required in relation to access to Medical Records in line with the relevant legislation. The Trust has complied with HM Treasury's guidance on setting charges for information.

Payments made to non NHS organisations (value)

| | 2014-15 | 2013-14 |
|-------------------------------|----------|----------|
| | £000 | £000 |
| Total invoices paid | £134,478 | £131,975 |
| Total invoices paid in target | £123,172 | £127,038 |
| Percentage achievement | 92% | 96% |

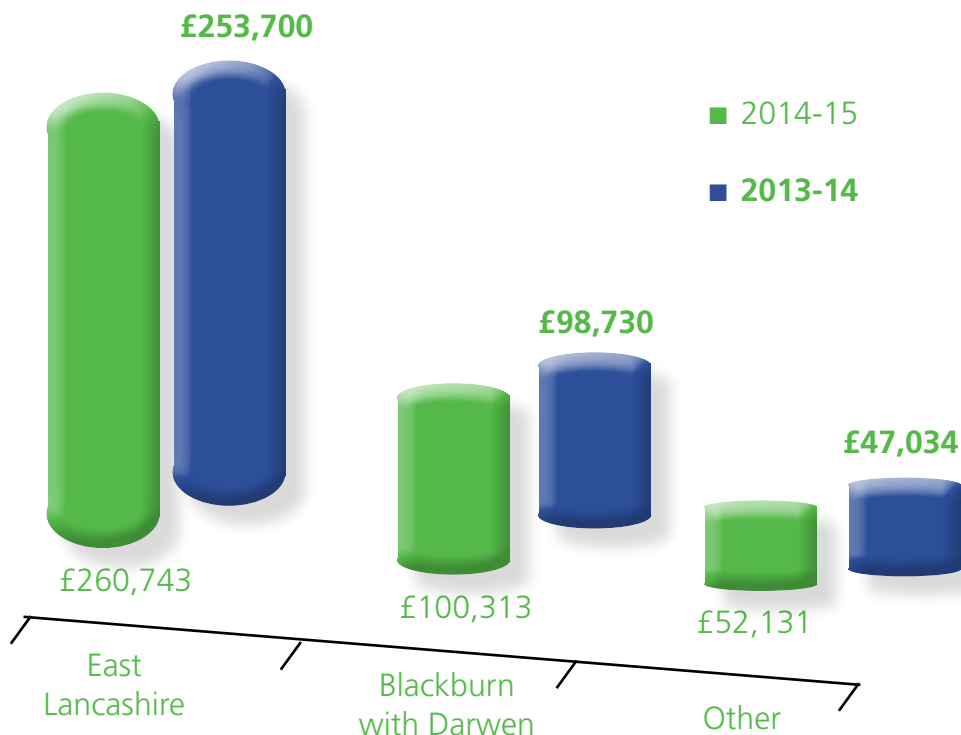
Investment Revenue

The Trust receives revenue from the interest earned on the management of its cash balances. Interest receivable in 2014-15 amounted to £239,000 compared with £215,000 earned in 2013-14.

Where our money comes from

In 2014-15 the Trust received total income of £435 million compared with £420 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 £361 million in 2014-15, with a further £52 million received for services to people from elsewhere.

Sources of Healthcare Income

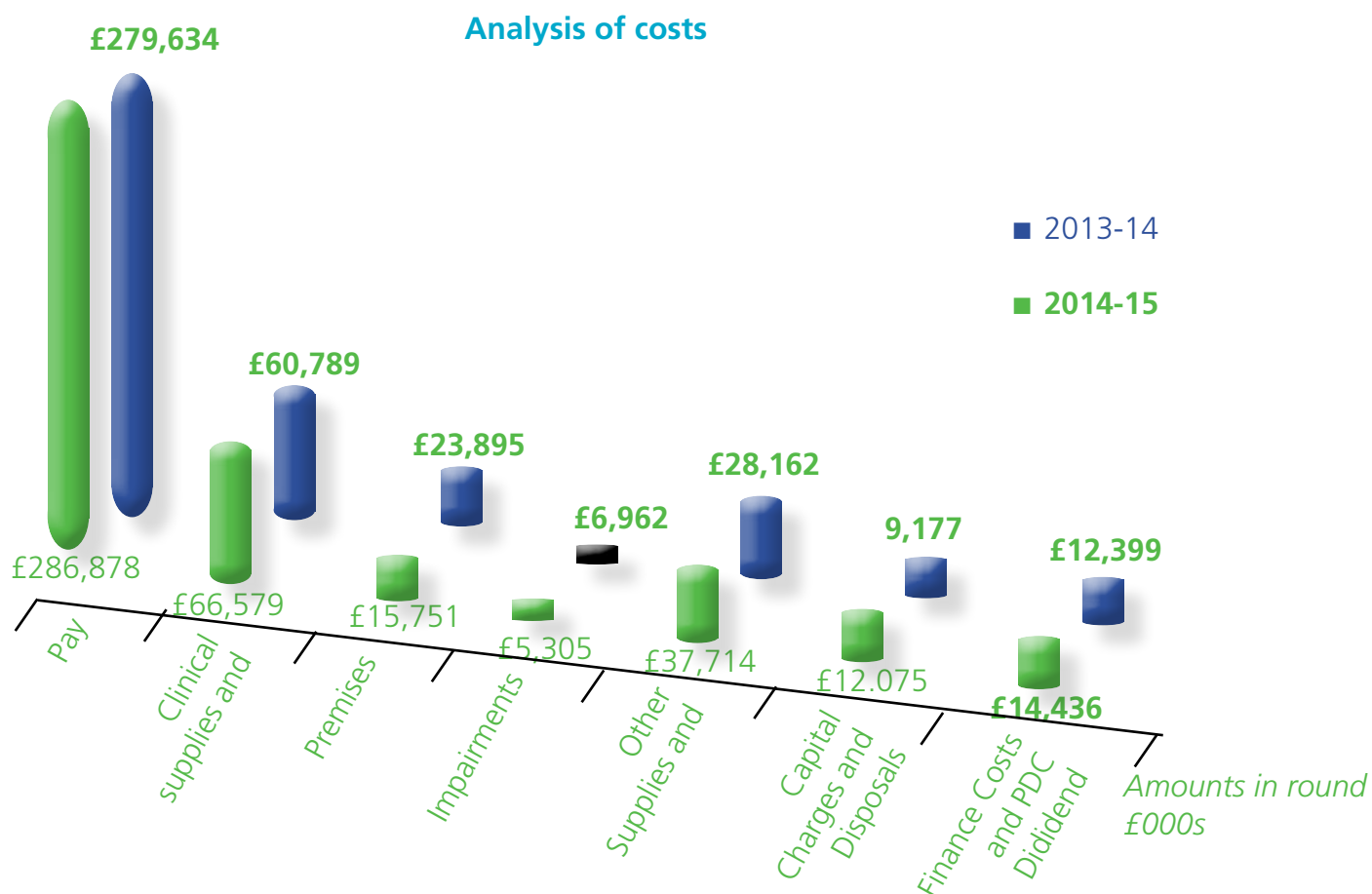


Amounts in round
£000s

Where our money goes

From a total spend of £424 million in 2014-15, £287 million or 68% was spent on the cost of salaries and wages. Throughout the year the Trust employed an average of 7,128 staff including 733 doctors, 2,249 nurses, 1,274 healthcare assistants and 819 scientific and technical staff.

A further £137 million was spent on operating expenses including £67 million on clinical supplies and services such as drugs and consumables used in providing care to patients. In addition to this the Trust spent £28 million on running and maintaining its premises.



The Trust has continued to invest in its healthcare facilities on all sites including the development of new laparoscopic theatres and significant investment in medical equipment across the Trust. The remainder of its estate investment focussed primarily on improving existing infrastructure and in continuing to rationalise the estate. In total the Trust invested £13.8 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 a £2m loan from the Department of Health to fund the medical equipment investment. A summary is provided below:

| | £m |
|--|---------------|
| Estate infrastructure and environmental improvements | 2.414 |
| PFI lifecycle costs | 2.631 |
| Information Technology Equipment | 2.318 |
| Medical equipment | 4.013 |
| Other expenses including fees | 2.450 |
| Total | 13.826 |

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 2014-15 accounts. The audit services provided in 2014-15 included the audit of the Trust's financial statements. The cost of these audits was £104,000.

Financial Outlook for 2015-16

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 2015-16 the Trust will aim to release 3.5% of total resources as savings. Even after this position, the Trust is forecasting a £20m deficit as a result of savings schemes not achieved in 2014-15 and external financial pressures in excess of the 3.5%. This means there will be a focus in 2015-16 on bringing the finances back into line through a number of transformational projects.

Over the next twelve months the Trust will continue to increase its focus on the pathways of care that is provided 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, Acute Medical Unit, MSK and Orthopaedic, Ophthalmology and Dermatology services where patients will benefit from more streamlined and integrated care.

The Trust will continue to develop and improve its sites and facilities.

Summary financial statements

These financial statements are summaries of the information contained within the annuals accounts of East Lancashire Hospitals NHS Trust for 2014-15. 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:

Company Secretary
East Lancashire Hospitals NHS Trust
Royal Blackburn Hospital
Haslingden 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 2015 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 the 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report which comprises the Chair and Chief Executive's Report, Strategic Report, Directors' Report, Governors Report, Remuneration Report, Quality Report, Workforce Report, Sustainability Report, and Annual Governance Statement to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of East Lancashire Hospitals NHS Trust as at 31 March 2015 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Opinion on other matters

In our opinion:

- the part of the Remuneration Report subject to audit has been prepared properly in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England; and
- the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the governance statement does not reflect compliance with the NHS Trust Development Authority's Guidance
- we refer the matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Trust and auditor

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission in October 2014.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2014, as to whether the Trust has proper arrangements for:

- securing financial resilience
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

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

Basis for qualified conclusion

In considering the Trust's arrangements for securing financial resilience, we identified the following matters:

- The Trust Board has approved a financial plan for 2015/16 which includes a planned deficit of £20m for the year. The planned deficit indicates weaknesses in the Trust's strategic planning because the current clinical model is not financially sustainable.

Qualified conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2014, with the exception of the matters reported in the basis for qualified conclusion paragraph above, we are satisfied that in all significant respects East Lancashire Hospitals NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

Certificate

We certify that we have completed the audit of the accounts of East Lancashire Hospitals NHS Trust in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Jackie Bellard

Jackie Bellard
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

4 Hardman Square
Spinningfields
Manchester
M3 3EB

4 June 2015

East Lancashire Hospitals NHS Trust - Annual Accounts 2014-15

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.



Kevin McGee
Chief Executive

3rd June 2015

| Statement of comprehensive income for year ended 31 March 2015 | | |
|--|----------------|----------------|
| Presented in £000s | 2014-15 | 2013-14 |
| Gross employee benefits | (286,817) | (279,572) |
| Other operating costs | (137,409) | (130,844) |
| Revenue from patient care activities | 413,186 | 398,947 |
| Other operating revenue | 21,921 | 21,632 |
| Operating surplus | 10,881 | 10,163 |
| Investment revenue | 239 | 215 |
| Other gains and (losses) | (76) | 1,778 |
| Finance costs | (9,953) | (9,318) |
| Surplus for the financial year | 1,091 | 2,838 |
| Public dividend capital dividends payable | (4,722) | (3,296) |
| Retained (deficit) for the year | (3,631) | (458) |
| Other comprehensive income | | |
| Transfers under modified absorption accounting | 0 | 9,795 |
| Net gain on revaluation of property, plant & equipment 1 | 16,115 | 17,622 |
| Impairments and reversals taken to the revaluation reserve 2 | (1,321) | (5,248) |
| New PDC received | 523 | 16,601 |
| New PDC received - PCT legacy items paid for by Department of Health | 0 | 252 |
| Total comprehensive income for the year | 11,686 | 38,564 |
| Financial performance for the year | | |
| Retained (deficit) for the year | (3,631) | (458) |
| IFRIC 12 impairments and reversals | 8,216 | (5,946) |
| Non IFRIC12 impairments | (2,911) | 12,908 |
| Adjustments in respect of donated government grant asset reserve elimination | | |
| Adjusted retained surplus | 1,342 | 6,600 |

Statement of financial position as at 31 March 2015

| Presented in £000s | 2014-15 | 2013-14 |
|--|----------------|----------------|
| Non-current assets | | |
| Property, plant and equipment | 288,442 | 278,888 |
| Intangible assets | 3,649 | 2,578 |
| Trade and other receivables | 1,158 | 2,213 |
| Total non-current assets | 293,249 | 283,679 |
| Current assets | | |
| Inventories | 2,248 | 2,171 |
| Trade and other receivables | 20,331 | 22,343 |
| Other financial assets | 198 | 147 |
| Other current assets | 0 | 10 |
| Cash and cash equivalents | 30,984 | 29,462 |
| Total current assets | 53,761 | 54,133 |
| Non-current assets held for sale | 614 | 0 |
| Total current assets | 54,375 | 54,133 |
| Total assets | 347,624 | 337,812 |
| Current liabilities | | |
| Trade and other payables | (44,406) | (44,907) |
| Provisions | (722) | (1,367) |
| Borrowings | (1,827) | (3,830) |
| Capital loan from Department of Health | (850) | (1,300) |
| Total current liabilities | (47,805) | (51,404) |
| Net current assets | 6,570 | 2,729 |
| Non-current assets plus net current assets | 299,819 | 286,408 |
| Non-current liabilities | | |
| Trade and other payables | (3,787) | (1,460) |
| Provisions | (2,738) | (2,659) |
| Borrowings | (115,213) | (117,044) |
| Capital loan from Department of Health | (1,800) | (650) |
| Total non-current liabilities | (123,538) | (121,813) |
| Total assets employed | 176,281 | 164,595 |
| Financed by: | | |
| Taxpayers' equity | | |
| Public dividend capital | 177,843 | 177,320 |
| Retained earnings | (51,679) | (50,037) |
| Revaluation reserve | 50,117 | 37,312 |
| Total taxpayers' equity | 176,281 | 164,595 |

Statement of changes in taxpayers' equity for the year ended 31 March 2015

| Presented in £000s | Public dividend capital | Retained earnings | Revaluation reserve | Total reserves |
|---|-------------------------|-------------------|---------------------|----------------|
| Balance at 1 April 2014 | 177,320 | (50,037) | 37,312 | 164,595 |
| Changes in taxpayers' equity for 2014-15 | | | | |
| Retained (deficit) for the year | 0 | (3,631) | 0 | (3,631) |
| Net gain on revaluation of property, plant, equipment | 0 | 0 | 16,115 | 16,115 |
| Impairments and reversals | 0 | 0 | (1,321) | (1,321) |
| Transfers between reserves | 0 | 1,989 | (1,989) | 0 |
| New PDC received - cash | 523 | 0 | 0 | 523 |
| Net recognised revenue for the year | 523 | (1,642) | 12,805 | 11,686 |
| Balance at 31 March 2015 | 177,843 | (51,679) | 50,117 | 176,281 |
| | | | | |
| | | | | |
| 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 | 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 | (1,459) | 1,459 | 0 | |
| Balance at 31 March 2014 | 177,320 | (50,037) | 37,312 | 164,595 |

| Statement of cash flows for the year ended 31 March 2015 | | |
|--|----------------|-----------------|
| Presented in £000s | 2014-15 | 2013-14 |
| Cash flows from operating activities | | |
| Operating surplus | 10,881 | 10,163 |
| Depreciation and amortisation | 11,999 | 10,955 |
| Net impairments and reversals | 5,305 | 6,962 |
| Donated assets received credited to revenue but non-cash | (529) | (137) |
| Government granted assets received credited to revenue but non-cash | 0 | 0 |
| Interest paid | (9,906) | (9,248) |
| Dividend paid | (4,666) | (3,105) |
| Release of PFI/deferred credit | 0 | 0 |
| (Increase) in inventories | (77) | (353) |
| Decrease in trade and other receivables | (992) | (7,361) |
| Decrease in other current assets | 10 | 0 |
| Increase in trade and other payables | 1,714 | 3,621 |
| (Increase)/decrease in other current liabilities | 0 | 0 |
| Provisions utilised | (603) | (451) |
| Increase in provisions | (8) | 525 |
| Net cash inflow from operating activities | 13,128 | 11,571 |
| Cash flow from investing activities | | |
| Interest received | 239 | 178 |
| Payments for property, plant and equipment | (8,747) | (26,859) |
| Payments for intangible assets | (1,863) | (1,947) |
| (Payments) for Investments with DH | 0 | 0 |
| (Payments) for other financial assets | (51) | (29) |
| (Payments) for Financial Assets | | 0 |
| Proceeds of disposal of assets held for sale and PPE | 1,427 | 2,108 |
| Net cash (outflow) from investing activities | (8,995) | (26,549) |
| Net cash (outflow)/inflow before financing | 4,133 | (14,978) |
| Cash flows from financing activities | | |
| Public dividend capital received | 523 | 16,853 |
| Public dividend capital repaid | | 0 |
| Loans received from DH - capital investment loan | 2,000 | 0 |
| Loans repaid to DH - capital investment loans repayment of principal | | |
| Capital element of payments in respect of on-SoFP PFI | (3,834) | (2,769) |
| Net cash (outflow)/inflow from financing activities | (2,611) | 12,784 |
| Net increase/(decrease) in cash and cash equivalents | 1,522 | (2,194) |
| Cash and cash equivalents at beginning of the period | 29,462 | 31,656 |
| Cash and cash equivalents at year end | 30,984 | 29,462 |

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 criteria are shown below.

All off-payroll engagements as of 31 March 2015, for more than £220 per day and that last longer than six months are:

| | Number |
|--|--------|
| Number of existing engagements as of 31 March 2015 | 9 |
| Of which, the number that have existed: | |
| for less than one year at the time of reporting | 3 |
| for between one and two years at the time of reporting | 4 |
| for between 2 and 3 years at the time of reporting | 1 |
| for between 3 and 4 years at the time of reporting | 0 |
| for 4 or more years at the time of reporting | 1 |

All staff paid through this arrangement are 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 2014 and 31 March 2015, 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 2014 and 31 March 2015 | 3 |
| 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 | 3 |
| Of which: | |
| assurance has been received | 1 |
| assurance has not been received | 0 |
| engagements terminated as a result of assurance not being received | 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 | 7 |



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.

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 s

| Term | Explanation |
|--|--|
| Advancing Quality (AQ) | A process to standardise and improve the quality of healthcare provided in NHS hospitals |
| Antimicrobial | An agent that kills microorganisms or inhibits their growth |
| Audit Commission | A statutory corporation that sets standards for auditors and oversees their work |
| BREEAM | BRE Environmental Assessment Method |
| BRE – Building Research Establishment | |
| Care bundle | A group of interventions which are proven to treat a particular conditions |
| Care Quality Commission (CQC) | The independent regulator for health and social care in England |
| Clinical Audit | A quality improvement process that seeks to improve patient care and outcomes by measuring the quality of care and services against agreed standards and making improvements where necessary |
| Clinical research | A process that determines the safety and effectiveness of medications, devices, diagnostic products and treatment |
| Clostridium Difficile Infection (CDI) | A type of infection |
| Commissioning for Quality and Innovation (CQUIN) | A payment framework linking a proportion of a Trusts income to the achievement of quality improvement goals |
| Datix | An electronic system that supports the management of risk and patient safety incidents |
| Dr Foster guide | A national report that provides data on patient outcomes in hospitals in the UK |
| Francis report | A report that set out the causes of the failings in care at Mid Staffordshire NHS Trust |
| Hospital Episode statistics | A data warehouse containing records of all patients admitted to NHS hospitals in England |
| Hospital Standardised Mortality Ratio (HSMR) | A national indicator that compares the actual number of deaths against the expected number of deaths occurring within hospitals |
| Indicator | A measure that determines whether a goal or an element of a goal has been achieved |
| Information governance toolkit | An online tool that enables NHS organisations to measure their performance against information governance requirements |
| Integrated Care group | An amalgamation of the medical and community services functions within East Lancashire NHS Trust |
| LCRN | Local Clinical Research Network |
| Monitor | A health service regulator within the NHS in England |
| Morbidity | The disease state of an individual, or the incidence of illness in a population |
| Mortality | The state of being mortal, or the incidence of death (number of deaths) in a population |
| MRSA bacteraemia | A type of infection |
| National Confidential Enquiries | A process to detect areas of deficiency in clinical practice and devise recommendations to resolve them |

| Term | Explanation |
|---|---|
| National Reporting and Learning System (NRLS) | A national electronic system to record incidents that occur in NHS Trusts in England |
| National Early Warning Scores (NEWS) | A tool to standardise the assessment of acute-illness severity in the NHS |
| NHS England | A body that oversees the budget, planning, delivery and day-to-day operation of the NHS in England set out in the Health and Social Care Act 2012 |
| NHS number | A twelve digit number that is unique to an individual and can be used to track NHS patients between NHS organisations |
| NICE Quality Standards | A concise set of prioritised statements designed to drive measurable quality improvements within a particular area |
| NIHR | National Institute for Health Research |
| Palliative care | When there is no cure for an illness, palliative care tries to make the end of a person's life as comfortable as possible. |
| Parliamentary and Health Service Ombudsman | A body that investigates complaints where individuals perceive they have been treated unfairly or have received poor service from government departments, other public organisations and the NHS in England |
| Patient Administration System (PAS) | A system used by acute trusts to electronically record patient information eg contact details, appointments, admissions |
| Patient Advice and Liaison Service (PALs) | A service that offers confidential advice, support and information on health-related matters |
| Payment by results | A form of financing that makes payments contingent on the independent verification of results |
| PDSA | Plan, Do, Study Act methodology for quality improvement |
| Pressure ulcer | Sores that develop from sustained pressure on a particular part of the body |
| Research ethics committee | A committee that approves medical research involving people in the UK, whether in the NHS or the private sector |
| Risk summit | A meeting of relevant agencies to address an issue of serious concern |
| Safety express | A national improvement programme to facilitate the delivery of harm free care to patients |
| Safety Thermometer | A local improvement tool for measuring, monitoring and analysing patient harms and harm free care |
| Secondary uses service | A national NHS database of activity in Trusts, used for performance monitoring, reconciliation and payments |
| Share 2 Care | A process to facilitate sharing of best practice and lessons learned |
| Summary Hospital level Mortality Indicator (SHMI) | The ratio between the actual number of patients who die following hospitalisation and the number that would be expected to die |
| Strategic Executive Information System (STEIS) | An information management system utilised to performance manage serious untoward incident investigations |
| Trust Development Authority (TDA) | A body which is responsible for providing leadership and support to the non-Foundation Trust sector of NHS providers |
| Venous thromboembolism (VTE) | A blood clot forming within a vein |

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

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