East Lancashire Hospitals NHS
NHS Trust

Annual Report

2011 | 12

bettertogether

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Chair and Chief Executive's Report

Hazel Harding
Chair

Mark Brearley
Chief Executive

This has been a year where all our staff have again worked tirelessly together to achieve the best patient care possible for our local population. This has placed the Trust in a position where it has every chance of being licensed as an NHS Foundation Trust.

As a result of everyone's efforts we have seen continued increases in levels of patient satisfaction with our services, which we measure on an ongoing basis. The results of our staff survey indicate that our staff truly feel that they are making a difference to the lives of the people we care for, whether in the hospital setting or in the community.

As you will see throughout this report we continue to plan for further enhancement of our services building on our successes and our strong reputation for quality and safety which remain the focus of our objectives. Last year we promised that we would:

- Further develop clinical services with key internal and external stakeholders to reduce health inequalities, improve public health and reduce cost across the health economy
- Maintain and improve patient experience and outcomes through achievement of the key indicators/ objectives outlined in the Trust's Quality Account
- Invest in and develop our workforce and improve staff engagement and satisfaction levels
- Maintain all regulatory requirements with the Care Quality Commission (CQC) and be licensed to provide services without conditions
- Improve the Trust's liquidity position and deliver a cost improvement programme of 5%
- Develop services of the highest quality through innovation, pathway reform and the implementation of best practice
- Continually promote equality and diversity at every level within the organisation.

The support we have received from our local community and our partners in delivering health services across East Lancashire has been greatly valued. We hope that you will continue to support us by responding to our plans for NHS Foundation Trust status and consider becoming a member of the organisation.

The future year is one of both challenge and opportunity as we continue on our journey to become 'better together.'

Hazel Harding

Hazel Harding
Chair

M Brearley

Mark Brearley
Chief Executive

Highlights of 2011/12

our pride your care

It's been an important year for our Trust – big changes and some significant achievements towards our vision to deliver the best care. Here are just some of the many highlights of 2011/12 – the year began with around 900 colleagues from community services joining us as we started to change the way we deliver care – in people's homes or close to their homes as well as in hospital…

Special award: Matthew Toner

Joined-up care for patients

In April 2011 we took responsibility for a number of community-based services previously led by the primary care trust NHS East Lancashire.

Services including district nursing, nurse-led community treatment rooms, wound care, dietetics and musculo-skeletal care, joined the Trust in an initiative under the Department of Health's Transforming Community Services programme.

The change was an important first step on our journey towards becoming an Integrated Care Organisation, which will offer more seamless services for patients who are treated in both hospital and community care settings.

Long-serving staff recognised

Staff with more than 25 years' service were honoured with long-service awards in April. A total of 229 people, including doctors, nurses, support staff, administrators and managers, were rewarded for their loyal service in ceremonies at Royal Blackburn Hospital and Burnley General Hospital.

Our Chair Hazel Harding said: "Staff who remain with the Trust for so many years are a fantastic asset to the organisation, with a wealth of knowledge and experience."

Thanks to our STARs

We paid tribute to some of our most dedicated staff at the STAR (Staff Thankyou And Recognition) awards ceremony in May.

Nominations were made by staff and finalists in each of 10 categories were chosen by members of the staff LINK forum, which represents staff interests and ideas to senior managers. The nominees were scored on the benefits they bring to their patients and colleagues.

And for the Trust's new Chief Executive, Mark Brearley, the STAR awards brought a celebratory end to his first day at the helm.

Alongside Trust Chair Hazel Harding, he presented a special award to Operating Department Practitioner Matthew Toner in recognition of his leading role in the Productive Operating Theatre initiative, a staff-led project to improve theatre efficiency.

Israeli nurses come to East Lancashire – Senior Staff Nurse Rebecca Parker-Coles, Israeli nurses Lidi Biger, Yulia Yerukhimovich, Ilana Tzabary, Ofra Ravizada, Kety Cohen, and Staff Nurse Joanne Kippax

Dramatic fall in staff sickness absence

We saw sickness absence among our staff reduced by more than 5% in just 12 months, thanks to innovative initiatives.

Our "Fast Physio" service for staff helped more than 500 employees either return to work or avoid time off with its fast-track support and treatment for back and joint pain.

More than a third of all sickness absence in the UK is caused by musculoskeletal problems, and at our Trust, the initiative has been a big hit with staff.

Clinical Lead Physiotherapist Lee Barnes said: ""We have been running our Fast Physio service since September 2010, and we have been really pleased with staff's response to it. Many of those who came to us in the first few weeks were off work and desperate to get back to their jobs, but we are now seeing more and more people who are having problems and want to make sure they get treated before it makes them so ill that they have to take time off."

Our staff can also access 24-hour counselling services free, both over the phone and face-to-face, as well as a huge range of information from exercise plans to financial advice through the First Assist employee assistance program's website.

Israeli nurses' visit

Nurses from Israel visited Burnley General Hospital's chemotherapy unit in June as part of an educational tour of cancer treatment facilities in Lancashire.
The nurses spent the day touring the chemotherapy suite and shadowing nurse specialists as they carried out their duties.

They learned about the organisation and planning behind Burnley General Hospital's named nurse policy, which ensures all patients are cared for by the same nurse, wherever possible, throughout their treatment.

The chemotherapy unit at Burnley General Hospital is one of a number of satellite clinics which run in conjunction with Lancashire and South Cumbria Cancer Network's lead oncology centre, the Rosemere Cancer Centre at Royal Preston Hospital.

Did you know?

We employed more than 7,000 people in 2011/12 and spent around £1 million per day providing healthcare to local people

"The Royal Blackburn Hospital critical care unit looks after hundreds of seriously-ill patients every year, many of whom need transplants, or are potential organ donors"

Transplant week – Specialist Nurse for Organ Donation Niki Hargreaves (left) and Linda Gregson, Nurse Team Leader for Critical Care, promoting transplant week at Royal Blackburn Hospital

Support for National Transplant Week

Doctors and nurses at our Trust supported National Transplant week in July, asking patients, visitors and staff: "What Are You Waiting For?"

The NHS Blood and Transplant's national campaign encouraged people to think about the frustration of waiting for everyday things like buses, deliveries and shop service, and link those frustrations with the suffering faced by a patient waiting for a transplant.

More than 10,000 people are waiting for a transplant in the UK. On average, three people who need a transplant will die each day in the UK whilst waiting. This equates to 1,000 people a year who die due to the shortage of available organs.

The Royal Blackburn Hospital critical care unit looks after hundreds of seriously-ill patients every year, many of whom need transplants, or are potential organ donors.

Patients' praise

Older patients at Royal Blackburn Hospital told independent inspectors that staff were kind, caring and respectful and that food was "very good."

Inspectors from the Care Quality Commission visited the hospital in April as part of a national check on standards of dignity and nutrition for older people in hospital, and confirmed that the Royal Blackburn was meeting all essential standards. Their findings were published in June.

They interviewed staff and patients, reviewed data from our Patient Advice and Liaison Service (PALS), and analysed procedures.

Their report said: "We were told that staff are very good, kind, caring and pleasant; they are absolutely brilliant and so kind, and can't do enough for you. Patients were very happy with how the staff care for them.

"Patients were very positive about their experiences at mealtimes. They commented that someone had talked to them about what they would like to eat and what support they needed; they all felt they were listened to."

The inspectors made some minor recommendations to help us ensure the hospital continued to meet nutrition standards in the future, which have been put in place.

First birthday celebrations

One of our "home-from-home" birth centres celebrated its first birthday in September – and invited back parents and babies for the anniversary.

Caroline Broome, Lead Midwife at Blackburn Birth Centre, said: "The midwife-led centres are incredibly popular with families. Blackburn was the first of our new facilities to open, and it has been a huge success. Families really appreciate the chilled-out atmosphere and mums tell us that this, combined with the ability to move around their large birth rooms, helps soothe the pain of giving birth."

Victoria said: "It was a lovely birth – I felt so relaxed in the birth pool that I almost forgot about my pains! All the staff were great and it was really nice to be part of their celebrations."

A first for the Trust

A mum-of-two was the first patient at our Trust to receive thrombolysis without a consultant in the room.

She was assessed via video link as part of the new Telestroke collaborative. On a Sunday afternoon Maria Nelson suffered a stroke which left her unable to speak and with almost no control over her left arm and leg.

But just 48 hours later, she was back at home with full use of her arm and slight weakness in her leg.

Maria received clot-busting thrombolysis drugs, which in certain circumstances can reverse the effects of stroke. The hard-hitting treatment can, however, be extremely dangerous if the patient has suffered any kind of haemorrhage, so a highly-specialist senior consultant is needed to give a full assessment before the treatment can be authorised.

Maria, who lives near Accrington, said: "When I got to the hospital there was no messing about at all. I was surrounded by people and it wasn't long at all before thrombolysis was mentioned.

"The doctor appeared on the screen, introduced himself and talked about my CT results with the doctor who was in the room with me. He talked to me from the screen, asking me to try different movements, then the doctors talked about the amount I'd need and how it should be given to me. I had an injection first then most of the dose was put in through a drip. I was absolutely gob-smacked at how fast it worked – it was amazing. Within half an hour my speech started to come back. I'd not been able to work my left arm at all but then the feeling started to return in my hand and I could wiggle my fingers. By the next morning my leg had started to work again too."

Above: Caroline Broome (centre) with Simone Grosvenor and Colin Barker and their son Leyton (left) and Victoria Higham and Shaun Everitt with their son Harry (right)

Below: Maria Nelson

Baby Friendly!

The Lancashire Women and Newborn Centre at Burnley General Hospital achieved the top Stage 3 accreditation with the World Health Organisation's Baby Friendly Initiative.

Royal Blackburn Hospital is one of less than five hospitals to have maintained full Baby Friendly status for 13 years and Burnley General Hospital's Stage 3 status made our Trust a Baby Friendly organisation.

Blackburn with Darwen's community healthcare teams are now also fully-accredited at the highest level, and work is ongoing to achieve full Baby Friendly status for community health workers in Burnley, Pendle, Rossendale, Hyndburn and the Ribble Valley.

Sue Henry, Infant Feeding Co-ordinator, said: "Achieving and maintaining Baby Friendly status is by no means easy – literally everyone involved in women's health and children's care has to be fully on-board with the project and giving completely consistent advice to parents."

"Mini-stroke" target

Nurses, doctors and managers in hospital and in the community pulled together to meet one of the NHS's toughest targets.

Hospitals throughout the UK have struggled to achieve government targets for at least 60% of high-risk patients to receive full assessment for Transient Ischemic Attack (TIA) within 24 hours of a referral by their GP, but in June the Trust exceeded this target, with 70% assessed within the 24-hour limit.

A TIA (often known as a "mini-stroke") is caused by a small, temporary loss of blood flow to the brain or spinal cord. It can cause temporary loss of mobility, speech or sight, but does not cause the tissue death and long-term damage of a full stroke. Experiencing a TIA is often a warning that a patient is at risk of a stroke.

Taking swift action at the first signs of TIA is a key national strategy for preventing strokes. When the target was first introduced a year ago, East Lancashire Hospitals was one of many organisations assessing just 30% of high-risk patients within the new time limit.

Since then, the Trust's performance gradually improved, with new stroke nurses and changes in procedures helping ensure TIA assessments can be carried out seven days a week.

Good practice

Our hospitals are leading the way in a national drive to improve the way patients' medicines are managed as they move between different health services.

Practice at East Lancashire Hospitals NHS Trust has been included in national guidance issued by the Royal Pharmaceutical Society, aimed at ensuring all patients receive exactly the right medication during and after their time in hospital.

National research shows that there is a significant risk of patients' medications being unintentionally changed when they are in hospital, and when they are discharged back into the care of a GP, rehabilitation unit or care home. The Royal Pharmaceutical Society estimates that more than 5% of hospital admissions nationally are related to preventable problems caused by avoidable medication errors.

But in East Lancashire, the pharmacy department leads a number of integrated processes to constantly assess and record patients' medications before, during and after their hospital stay.

Alistair Gray, Lead Pharmacist for Clinical Services, led the project and is listed in the new national guidance as a key contact for other hospitals aiming to improve their medicines management.

Hip fracture care

A national report on hip fractures showed our Trust was well above average in many aspects of care.

The National Hip Fracture Database's national report in August showed that 78% of East Lancashire patients were cared for in a specialist orthopaedic ward within four hours of their arrival in the emergency department, against a national average of 58%.

The Trust also exceeded national averages for operation waiting times: 88% received surgery within 48 hours of their arrival at hospital (national average 77%), and 55% are operated on within 24 hours (national average 41%). Extra focus on in-depth assessment of patients' risk of further falls has meant an increase from 62% receiving full assessment in September 2010, to 86% in August 2011, leapfrogging the national average rate of 71%.

Vinod Shah, Consultant Orthopaedic Surgeon, said: "The Trust treats around 450 patients with hip fractures every year. This type of injury affects older people, who often suffer a number of other illnesses, and in East Lancashire, we operate on a larger proportion of patients with significant illnesses than almost anywhere else in the UK. Despite this, we are still able to successfully treat these patients quickly and effectively.

"We have made huge strides in our treatment of hip fracture patients but there is always room for improvement and we are constantly working to ensure all our patients get the very best care possible."

Did you know?

We've invested around £800,000 to increase the nurses on our medical elderly and general wards – that's an extra 31 nurses caring for patients on the wards

Staff from across the Trust celebrate the Investors in People award

> *"This award reflects all the hard work staff have put in to make sure we develop and harness the skills of our 7,000 workforce to ensure we deliver high quality care for the people of East Lancashire"*

Prestigious award

The prestigious Investors in People accreditation was awarded to the Trust in 2011.

The award is a national quality standard which sets a level of good practice for improving an organisation's performance through its people. It demonstrates that we are committed to the provision of high-quality services delivered by a well developed workforce.

Director of Human Resources and Organisational Development, Ian Brandwood, said: "This award reflects all the hard work staff have put in to make sure we develop and harness the skills of our 7,000 workforce to ensure we deliver high quality care for the people of East Lancashire. It is a great achievement for the Trust and we are all extremely proud."

Recognition for endoscopy

Endoscopy units at both of our main hospitals sites achieved specialist accreditation from an expert national body.

The Joint Advisory Group on Gastrointestinal Endoscopy (JAG) recognised Royal Blackburn Hospital following rigorous inspection and assessment of its patient care, behind-the-scenes procedures and staff training. The unit, where investigations and treatments are carried out into all kinds of digestive-tract problems, was awarded a full five-year accreditation in June 2011. The endoscopy unit at Burnley General Hospital was registered by the JAG in 2008 and endoscopy services are also available in Rossendale.

Jane Grassham, operational manager for endoscopy, said: "From a patient perspective the accreditation gives assurance that the endoscopy units in East Lancashire are meeting the nationally set standards for quality, safety and training."

Appointments reminder

A new text and phone call confirmation service was introduced within selected outpatient clinics in a bid to reduce missed outpatient appointments. Patients who fail to attend their appointments costs the NHS hundreds of millions each year – East Lancashire Hospitals NHS Trust estimates it costs the organisation around £6m a year.

The Trust's new text and phone call appointment confirmation service is designed to remind patients and offer them the chance to rearrange appointments if necessary.

Dr Shah Khan, Outpatients' Clinical Director said: "We hope that this service will prove useful for our patients and at the same time help save valuable NHS resources."

Virtual ward a new model of care.

Local people are benefiting from changes in the way health services are delivered. Nurses working in the community are working hard to make the vision of care closer to home a reality by providing responsive and personalised care and treatments in the comfort of the patient's own home.

The Virtual Ward project in the Pendle area is a new provision. It allows patients with a range of long term health problems such as chronic chest conditions and some acute illnesses to be assessed, treated and managed in their own environment instead of being admitted to an acute hospital ward.

Once the initial phase of the illness is under control patients are then supported to take control, and self-manage their own condition and then can contact the integrated team directly when they become unwell again.

Mr Brian Jones a patient of the service said: "I have chronic lung problems and have been in and out of hospital a number of times, and although the care in hospital has been good, it is brilliant that the team can keep me at home. The team are fantastic, I can't praise them enough. If I don't feel well I just ring up and they come straight away, they are all friendly and cheer me up when they visit."

Lower limb vascular service

A new pioneering service in the community for patients was launched in February this year. The community lower limb vascular service treats patients who need an assessment of the circulation of their legs to check for any problems or if any problems may develop.

Marcia Haworth, Operational and Cinical Lead for Integrated Wound Care Services said, "The service is the first of its kind within East Lancashire delivering care closer to home, reducing hospital admissions and waiting lists. The team work closely with the vascular consultants and other hospital and community staff, they provide a service in a clinic setting and the patient's own home."

Leading the way in transparency project

We were among the first trusts in the country taking part in a new project to publish up-to-date information on the safety of their care.

The Trust was one of eight in the region piloting the Transparency Project, which led to the first publication of up-to-date monthly information in February tracking pressure ulcers and sores, staff views and results of patient experience surveys. The project is set to be rolled out across other hospitals in the region and nationwide.

Experts gather at prestigious event

Experts in the care of newborn babies gathered at a major regional conference in November hosted at the Lancashire Women and Newborn Centre, Burnley General Hospital.

Around 100 delegates comprising consultants, doctors and nurses met at an all-day educational conference about perinatal research and education.

Two renowned professors in neonatology, Prof Modi of Imperial College, London and Prof Sinha of University of Durham gave presentations about nutrition and new ways of breathing support

Dr Meera Lama, consultant neonatologist and neonatal clinical director at East Lancashire Hospitals NHS Trust, said: "It is a great benefit for all people working in this field to share knowledge and skills to ensure we deliver the best possible care to our newborn patients."

Cardiology service: from left, Consultant Cardiologists Dr Scot Garg, Dr Ravi Singh, Dr Balachandran and Dr John McDonald, with Nurse Manager Helen Curson and Fahmida Undre

Landmark day for cardiology service

A Blackburn woman was the 1,000th to receive a specialist coronary treatment at Royal Blackburn Hospital in March.

Fahmida Undre, of Pleckgate, Blackburn, had a percutaneous coronary intervention (PCI) to relieve the symptoms of angina. The procedure took around 30 minutes and within an hour she was eating and drinking and preparing to go home.

The procedure was carried out as one of Fahmida's arteries to the heart had a severe narrowing, which caused chest pain (angina). She said: "It's been wonderful. I only came in six to eight weeks ago for tests and now I have had this procedure – I am very happy."

Consultant Cardiologist Ravi Singh said: "The service started about two years ago and in that time we have carried out 1,000 angioplasties, fitted 400 pacemakers and carried out 2,000 angiograms.

"The new service has made a great difference to local people - previously they had to travel to Blackpool for the procedure."

Dr KP Balachandran, Clinical Lead for the Service, said: "We hope to build on this work in the future and develop more services, for example a local service for the implantation of defibrillators."

High scores for patient surveys

We scored highly in the 2011 Care Quality Commission (CQC) National outpatient and inpatient Survey carried out by Picker Institute Europe on behalf of the Trust. The figures show an overall increase across all areas surveyed compared to 2010 with an average percentage increase of 3% in each section.

The purpose of the survey is to understand what patients think of healthcare services provided by the Trust and covers areas including admission to hospital; the hospital and ward; staff; care and treatment; operations and procedures and leaving hospital plus overall experience.

Lynn Wissett, our Deputy Chief Executive and Chief Nurse Trust said: "We are delighted with the response from our patients and pleased to see that the hard work of our staff putting patients first and providing a high quality service is noted and appreciated by those who took part in this survey with our score improved compared to last year's results. As always we will look closely at the survey results and continue to aim to improve across the board to ensure we improve performance and patient experience further."

"The new equipment is technologically more advanced and the whole environment is much better for both women attending for screening and for staff. It is welcoming and comfortable."

Boost for breast screening services

Breast screening services in East Lancashire have been boosted by a new, improved digital imaging system and a state-of-the-art breast screening trailer.

Hundreds of thousands of pounds have been invested to bring about the improvements for women who use the screening service.

The Trust's Breast Imaging Manager, Anne Worrall, said: "The new equipment is technologically more advanced and the whole environment is much better for both women attending for screening and for staff. It is welcoming and comfortable."

Additional investment into the service has been made on digital assessment equipment at Burnley General Hospital. The main benefit of the new digital equipment, which has replaced analogue equipment, is that it provides optimum image technology. A digital reporting system is now in place which provides quicker results for patients and enables consultants to access images from other offices.

Dr Richard Dobrashian, director of breast screening for the Trust and consultant radiologist, said: "These investments are good news for the service and good news for local women. They demonstrate our commitment to continually improve the service and keep pace with developments in available technology."

Hi-tech interactive bed board system

Our nurses can now spend more time with patients following the implementation of a hi-tech interactive bed board system.

Every patient on wards throughout our Trust is electronically tracked on the system throughout their stay. All of the information stored is encrypted and password-protected to NHS standards.

Clinical information can be viewed for each individual patient, by ward, or by clinical team and more than 3,000 staff at all levels in the organisation have access to the system, The system helps with patient care, with the right treatment for each patient at the right time, and in the appropriate place.

Patients support vital research

A league table of clinical research put our Trust at the top in the region for the numbers of patients involved in important studies.

The National Institute for Health Research Clinical Research Network published a league table of NHS Trust research activity in England for the first time in 2012.

In 2010/11 the Trust recruited almost 3,000 patients into 70 research studies. Research takes place across most specialities within the Trust – but the vast majority takes place in critical care and obstetrics. More and more patients are asked to take part in studies, which are very often about the effectiveness of treatments, equipment or care.

Anton Krige, pictured below, Consultant in Critical Care and anaesthesia, said: "The Trust is going from strength to strength supporting high quality healthcare research that is of benefit to the local population of East Lancashire, as well as nationally and internationally.

"I would like to take this opportunity to thank all the patients involved in research studies – this is incredibly important work that we simply could not do without their co-operation."

£0.3m investment in hospital theatres

A major investment in the hospital operating theatres at Burnley General Hospital will lead to a further reduction in waiting times for planned orthopaedic surgery for patients in East Lancashire.

£0.3m was spent upgrading two operating theatres in the Wilson Hey Block, so that they can now be used for orthopaedic patients.

The money was used to install two Ultraclean Ventilation Units in the theatres. Ultraclean ventilation is used in all modern orthopaedic theatres to reduce infection rates after orthopaedic surgery.

Consultant Orthopaedic Surgeon Chris Thomas said: "This improvement will have benefits for local people by reducing the waiting times for often life-changing orthopaedic surgery. It will also enable more patients to have their planned orthopaedic surgery performed at Burnley General Hospital."

The whole Wilson Hey Suite is now available for orthopaedic use and the Trust has welcomed Mr Choudry to the team - an orthopaedic consultant with a special interest in paediatrics and lower limb surgery. In 2012 the Trust is also appointing a 21st consultant with skills in upper limb surgery.

Millions towards service improvement

In March it was announced that our Trust was in line for £9million for service improvements, which will be used to improve urgent care facilities in Burnley.

Health Secretary Andrew Lansley said: "I want NHS patients across East Lancashire to get the best care and treatment. We have saved money in central capital budgets this year which means we can spend more money on improving NHS facilities. This will mean that more patients in East Lancashire will benefit from the latest world class equipment."

Our chief executive Mark Brearley said: "We are delighted that the Department of Health has approved the planned development. The monies will be used to relocate the existing urgent care service provision on the Burnley General Hospital site to improve the environment and facilities for patients."

MRI boost: from left, Dr Richard Dobrashian, Ida Carmichael, Higher Clerical Officer and Davina Kidd, Deputy Superintendent Radiographer MRI

Faster recovery from major surgery

A programme aimed at speeding up recovery after major surgery is benefiting many patients treated at our Trust.

The Enhanced Recovery Programme is being followed for patients undergoing bowel, liver, pancreas, urology, hip and knee replacements and gynaecology surgery.

The average stay in hospital for some of these patients has been reduced by up to several days following their surgery and more importantly patients report high levels of satisfaction with their experience of the Enhanced Recovery Programme.

The Trust lead for the programme is Dr Anton Krige, a consultant in critical care and anaesthesia, who said: "Advanced methods of pain relief allow patients to get up and moving very soon after surgery.

"This together with eating and drinking normally are the cornerstones of the programme. It helps them to recover sooner so that life can return to normal as quickly as possible."

One of the first patients to have surgery under the programme was James Smith, of Feniscowles, Blackburn. Mr Smith, aged 65, said: "I was up on my feet in a matter of days. There were checks beforehand to make sure my body was ready for the operation. After the operation I got up every day and was walking around in no time. The sooner you are up and about the sooner you recover."

Improvement to breast services

Women no longer have to travel to Preston for a vital breast scan service thanks to the fundraising efforts of a Mayor's charity.

During her Mayoral year Ida Carmichael and her consort husband Gavin raised £15,000 for breast services at Burnley General Hospital. The couple both work for the Trust on the Burnley site. The money has been used to purchase a specialist piece of equipment for the MRI scanner.

Dr Richard Dobrashian, Consultant Radiologist and Lead for Breast Screening, said: "This is a very exciting new development for East Lancashire to be able to use this specialised MRI technique locally. It will enable us to detect breast cancers in certain special cases where other imaging techniques are less useful."

New local treatment for newborns

Premature and newborn babies, who need a specialist treatment no longer need to be transferred to Manchester or Liverpool, thanks to a new service in Burnley.

Nitric oxide therapy is now available in the neonatal intensive care unit at Lancashire Women and Newborn Unit in Burnley. The therapy is used to treat babies with pulmonary hypertension who despite being given maximum oxygen, do not improve because of their lung conditions.

New registration service

A new registration service was set up in March to make it easier for people to register the death of their loved ones.

The service will mean residents can register deaths at the Royal Blackburn Hospital and avoid having to make a separate visit to the registrar's office.

It was introduced by Blackburn with Darwen Council working in partnership with the Trust.

Cardiology experts gathering

Experts in cardiology gathered at a major national conference hosted at the Postgraduate Centre, Royal Blackburn Hospital. Around 70 delegates comprising consultants, doctors and nurses met at a two-day educational conference about interventional cardiology in the non surgical centre.

Dr Ravi Singh, Consultant Cardiologist, said: "It's a great honour for the Trust to host such a prestigious event where the leading experts in cardiology gather. It is a great benefit for all people working in this field to share knowledge and skills to ensure we deliver the best possible care to our patients. "

Lancashire cricketer comes to work

A stalwart of Lancashire county cricket, Gary Keedy prepared for a future out of cricket by studying to become a physiotherapist. Gary spent 12 weeks in the physiotherapy department at the Royal Blackburn Hospital as part of his clinical placement in acute respiratory, critical care, surgery and neurological rehabilitation.

The experienced spin bowler is studying for a BSc degree in physiotherapy at the University of Salford in preparation for life after his playing career.

Gary said: "The knowledge and skills I have gained working alongside experienced professionals are invaluable to me for life beyond first class cricket as a physiotherapist. The professionalism, dedication and high level of skills exhibited by the staff is a credit to the service. Although the pressures and demands are different to those on a cricket field it was refreshing to be part of a different team who share the same values."

Apprenticeship recognition

Our Trust has been recognised as a leading NHS Trust for the outstanding contribution to Work Based Adult Apprenticeships within the Northwest region. Apprenticeships are available for a large selection of staff.
Supported by East Lancashire colleges and training providers the Trust is providing new skills opportunities for staff to gain qualifications relevant to health care.

Since 2008, 76 staff have completed apprenticeships and in February 2012 there were 162 staff undertaking adult apprenticeships across the organisation, ranging from customer service and administration to clinical healthcare support.

more about us

Location and the market we operate in

East Lancashire Hospitals NHS Trust was established in 2003 and is a major acute Trust located in Lancashire in the heart of the North West of England, with Bolton and Manchester to the south, Preston to the west and the Pennines to the east forming a natural boundary with Yorkshire.

We provide healthcare services primarily to the residents of East Lancashire and Blackburn with Darwen, which have a combined population in the region of 521,400.
We have a total of 971 beds:

- 632 beds at the Royal Blackburn Hospital,
- 291 beds at the Burnley General Hospital and Pendle Community Hospitals
- 30 community inpatient beds at Clitheroe Community Hospital and
- 18 community inpatient beds at Accrington Victoria Hospital.

The map provides an overview of the major NHS and independent sector providers across Lancashire, with Cumbria to the north and Yorkshire to the east. The nearest NHS acute hospitals from our nearest main site are the Royal Preston Hospital (10 miles), the Royal Bolton Hospital (14 miles), Fairfield General Hospital (13 miles) and Airedale General Hospital (16 miles). There are currently 28 NHS Foundation Trusts (FTs) within the North West, seven of which are mental health NHS Foundation Trusts. Locally there are five independent sector health care providers and six NHS providers within a 25-mile radius, which offer a range of acute and community based services.

Five of the six local NHS providers are FTs.

For planned (elective) procedures patients can also access a range of independent sector providers. Our patients can also access a range of specialist hospitals predominantly in Manchester and Liverpool.
In addition to traditional NHS providers and private hospitals there are also a number of other independent sector healthcare providers who either operate small services within our footprint or in neighbouring areas.

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

NHS and Independent Sector Providers

Commissioning
Approximately 97% of the Trust's services are commissioned by NHS East Lancashire and Blackburn with Darwen Teaching Care Trust Plus, each incorporating locality based Practice Based Commissioning Groups. The Trust continues to work with the practice based commissioning groups, local GPs and the emergent GP Commissioning Consortia as part of the NHS reforms, to redesign clinical pathways and work across organisational boundaries to deliver the best possible care in the most appropriate locations for the people of East Lancashire.

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

Our vision is:
'We will deliver the best care with our community, locally'

Our values are based upon:
- Respecting the individual
- Putting patients and customers first
- Promoting positive change
- Acting with integrity
- Serving the community

Services
We provide a full range of acute hospital services and adult community services. We are a specialist centre for hepatobiliary, head and neck and urological cancer services, in addition to being a growing centre for cardiology services and a network provider of Level 3 Neonatal Intensive

Our vision is: 'We will deliver the best care with our community, locally'

Care. Our relentless focus on patient safety and quality has enabled the Care Quality Commission to register our Trust to provide services without conditions.

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

There is a strong focus on performance management within our Trust. Performance reporting and improvement plans are a key feature of Board and senior management discussions. As a result there is a good record of achievement in delivering against performance targets. We achieved all targets in 2011/12.

Staff

The Trust is a major local employer employing just over 7,000 people. The whole time equivalent (wte) workforce is 6100, which includes 952 wte's transferred in April 2011 under Transforming Community Services from adult community services formerly provided by NHS East Lancashire. We recognise that our on-going success is due to the hard work, dedication and commitment of all our staff and volunteers.

Finance

We have delivered consecutive financial surpluses for the years 2007/8 to 2011/12 whilst experiencing activity growth, increases in complex case mix and general cost pressures throughout the period. We achieved a surplus of £3.025m in 2011/12 and delivered cost improvement savings of £18.9m.

There are two private finance initiative (PFI) schemes for parts of the buildings at Royal Blackburn Hospital and Burnley General Hospital sites, valued at over £70m and £20m respectively.

We have continued to make major investments in our healthcare facilities, predominantly focusing on our on-going commitment to the Burnley General Hospital site, with the £32m development of the Lancashire Women and Newborn Centre.

In April 2011, adult community services transferred to the Trust from NHS East Lancashire with an annual turnover of around £40 million. We are progressing

well with our strategy to transform the Trust into a fully integrated healthcare provider, providing services in hospitals, in the community and in people's homes

Principal Activities of the Trust
The Trust's function is to provide goods and services, namely hospital accommodation and services and community health services. Our principal 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 by primary care organisations 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 used by the Trust Board to monitor the risks to the organisation in relation to achieving these strategic objectives. The framework maps the organisation's objectives to principal and subordinate risks, controls and assurances. The complete Assurance Framework is reviewed against the CQC and Monitor compliance and regulatory requirements on an ongoing basis. The Assurance Framework and changes as a result of risk mitigation plans are presented to the Trust Board on a quarterly basis and further details can be found in our Trust Board papers at: http://www.elht.nhs.uk/index.php/aboutus/91/

how we performed

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

We strongly believe that patients have the right to expect high quality care in a safe and clean environment. Our Quality Governance Framework and Quality Improvement Strategy reflect our commitment to delivering this for our local community. We continue to embed a culture of continuous improvement and use quality initiatives across the organisation. Our priorities focus on:

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

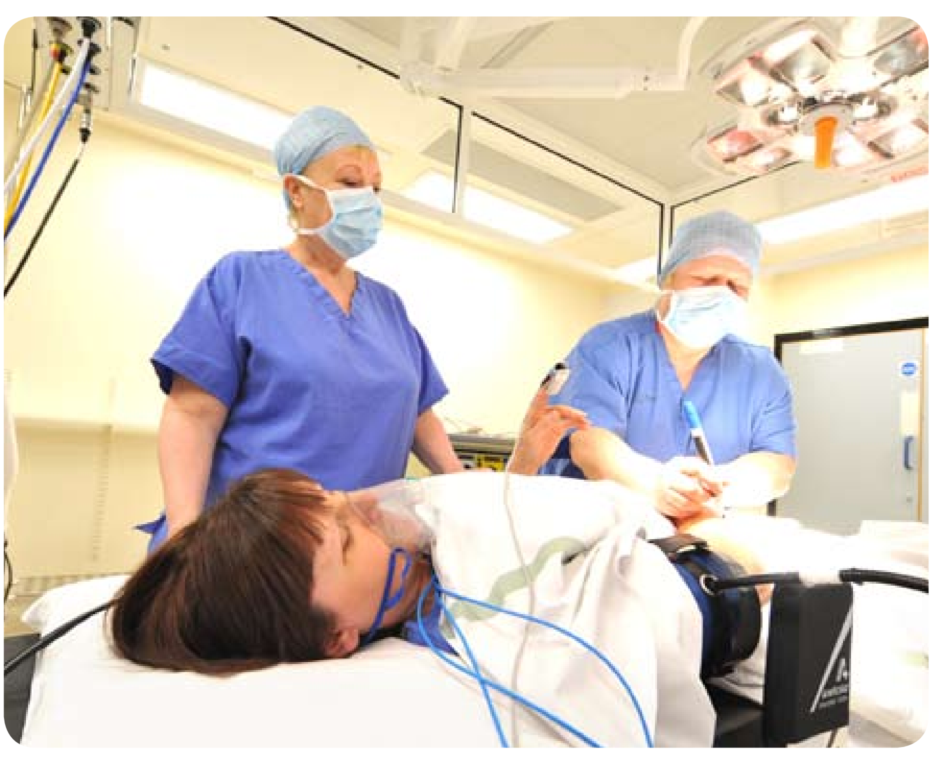
We are working in an environment of increasing healthcare needs, demands and opportunities at a time when public services are facing unprecedented financial challenge and change. In response to this the NHS has developed the framework of Quality, Innovation, Productivity and Prevention (QIPP). This has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

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

- Preventing people from dying prematurely
- Enhancing quality of life for people with long term conditions
- Helping people to recover from periods of ill health or following injury
- Ensuring that people have a positive experience of care,
- Treating and caring for people in a safe environment and protecting them from avoidable harm.

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

“We strongly believe that patients have the right to expect high quality care in a safe and clean environment”



Safety

Through strong Executive leadership, we use a range of methods to provide and seek assurance that we deliver high quality, harm- free care.

There is an established and ongoing programme of patient safety leadership walk rounds. They provide an opportunity for Executive leads along with the Non-Executive Directors to challenge and review systems and processes and an opportunity for staff to engage with the Board.

Through the Trust's engagement in the Patient Safety Express initiative we have deployed a "safety thermometer" which incorporates a systematic audit of all ward patients on a regular basis to assess recorded harm in four key areas of patient safety, for example falls. Action taken as a result of these audits has already reduced recorded harm.

Whilst we can demonstrate a year-on-year reduction in hospital acquired infection rates we continue to be vigilant and the focus on hygiene continues. We achieved our 2011/12 targets for reducing healthcare acquired infections with:

- Six post-48 hour cases of MRSA against a trajectory of six
- 45 post-three day Clostridium Difficile cases against a trajectory of 46.

The trajectories for both MRSA and Clostridium Difficile are very challenging for 2012/13 at three and 43 cases respectively, reflecting the excellent progress made in previous years. We are committed to improving infection rates year–on-year and to support this, have developed a strategy and action plan, including the recruitment of an IV Access Team.

One of our key commitments in improving quality is to reduce our mortality rate. We reduced our mortality rate by 11.7 points against a target of 10 in 2010/11 and expect a further reduction of at least 15 points by the end of 2011/12. Our rebased position will come down from 108 in 2010/11 to 102 in 2011/12. Through the Mortality Steering Group we have monitored our hospital standardised mortality rate and introduced strategies designed to improve our mortality. Working with partner organisations and Dr Foster we are able to rapidly detect and investigate any unexpected increases in mortality rates at individual specialty level. We have

Did you know?

Our midwives helped deliver 915 babies at Blackburn Birth Centre in 2011/12 and 877 at Burnley Birth Centre – numbers which exceeded our expectations for the first full year for the centres.

further developed the "Early Warning Score" system to alert us of patients at risk of becoming more unwell, so staff can respond quicker. Our Critical Care Outreach team supports staff on the wards in identifying and caring for patients at risk of becoming dangerously unwell. We have developed and are implementing five clinical bundles for patients at high risk of mortality (in sepsis, pneumonia, Chronic Obstructive Pulmonary Disease, (COPD) fractured neck of femur – hip - and stroke), with plans for further clinical bundles in place.

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

We have successfully maintained the standards required to achieve National Health Service Litigation Authority (NHSLA) Level 3 accreditation for Trust-wide acute services with an exceptionally high level of compliance, which placed the Trust in the top 10% of Trusts nationally. We are being reassessed in the autumn of 2012.

In addition we successfully retained NHSLA Level 2 accreditation for maternity and neonatal services in February 2011. As a Level 3 Trust our assessment and monitoring processes are embedded throughout the organisation. The attainment of NHSLA standards are a natural by-product of our quality, risk and safety work. The Governance Committee, Quality and Safety Board and the Patient Safety Group underpin this work.

Effectiveness of Care

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

Whilst the A&E four hour standard was met, total time in A&E against the 95th centile measure was above the required maximum four hour standard over the year at four hours 28 minutes.

The unplanned re-attendance rate for the year was 6.23% against the set threshold of <5%. The health economy worked together to improve performance against this indicator month-on-month and although March 2012 was just above the threshold at 5.44% this represented a vast improvement on April 2011 at 7.7%.

Focused work is still being undertaken to improve the patient experience and quality in our emergency department which will be reflected in further improvement against these quality indicators going forward.

We have continued to implement Advancing Quality initiatives. The implementation and monitoring of these has proved challenging and we have more to do but we have shown demonstrable improvement against a baseline. Our Quality Account outlines this in more detail and is available online at www.elht.nhs.uk, on the NHS Choices website or as a hard copy by contacting the Company Secretary, Trust Headquarters, Royal Blackburn Hospital, Haslingden Road, Blackburn BB2 3HH

Because our Trust is clinically led we have been able to review and redesign how we deliver care. This has allowed us to simplify pathways of care, improve the quality of services and make efficiencies.

Patient Experience

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

The 2011 national patient survey benchmarking reports published by the CQC showed a significant improvement in our patient responses across the range of indicators for both for inpatients and outpatients. The requirement for annual improvement in patient experience is both a national and local indicator for the Trust. In the 2011 inpatient survey we demonstrated an improved composite patient experience score (up by 4.6 points to 70.7) and improvement in the aggregated local quarterly survey scores.

Privacy and dignity for patients has been improved through changes to our wards and through changes to practice on the wards. A number of schemes were undertaken in 2009/10 to eradicate mixed sex accommodation, in a variety of categories from building works, e.g. new bathrooms and toilets, through to management processes to improve patient flows.

Our patient experience monitoring systems enable real time patient feedback and provide more regular, up-to-date information about what people think of the quality of our services.

We were registered by the national regulator, the Care Quality Commission, to provide services without conditions.

Provider	Non Elective Length of Stay	Elective Length of stay (>1 days)	Day case rate	Day of surgery admission rate	28 day readmission rate	New to Review Ratio	DNA Rates
East Lancashire Hospitals NHS Trust	4.2	3.9	80.9%	81.1%	8.60%	2.3	8.5%
Airedale NHS FT	4.4	3.5	85.0%	78.8%	7.40%	2.4	8.6%
Blackpool Teaching Hospitals NHS FT	5.7	4.5	84.5%	71.4%	7.90%	2.6	10.3%
Lancashire Teaching Hospitals NHS FT	6.1	4.9	78.1%	66.5%	6.70%	2.3	9.9%
Pennine Acute Hospitals NHS FT	4.5	3.9	79.8%	67.8%	7.80%	2.0	11.2%
Royal Bolton Hospitals NHS DT	4.3	3.6	77.0%	69.3%	7.40%	1.9	10.3%
Wrightington, Wigan and Leigh NHS FT	4.6	4.1	79.1%	83.8%	7.50%	2.6	8.5%
Ramsey Healthcare UK Operations	n/a	2.6	77.5%	96.1%	n/a	2.4	3.6%
BMI Headquarters	n/a	2.6	73.6%	15.7%	n/a	0.9	4.7%
National Median			79.7%	89.9%			
National Upper Quartile			85.3%	95.6%			

Source: Dr Foster Intelligence, PPM4.0 Key Efficiency Metrics

Compared to others

We have benchmarked our operational performance against other providers across the North West. We perform well in relation to other providers against all 18-week thresholds for admitted and non-admitted patients. Referral-to-treatment times are better than the North West and England average.

The table above compares our performance from April 2010 to March 2011 with other local providers.

Our performance across these indicators is on a par with, or better than our competitors with the exception of 28-day readmission rates. The health economy has embarked on a programme of work to investigate and address this issue.

Analysis of performance using key performance indicators

Overview of Operational Performance

Indicator	Threshold 2011/12	2009/10	2010/11	2011/12	RAG status 2011/12
Healthcare acquired infections					
Clostridium Difficile – meeting the clostridium difficile objective	**46 Acute 4 Community**	181	65	45	G
MRSA – meeting the MRSA objective	**6 Acute 3 Community**	18	8	6	G
Cancer Targets					
Percentage of patients seen <2 weeks of an urgent GP referral for suspected cancer	**93%**	95%	96%	94.85% (to Feb)	G
Percentage of patients seen <2 weeks of an urgent referral for breast symptoms where cancer is not initially suspected	**93%**	57%	96%	95.9% (to Feb)	G
Percentage of patients receiving first definitive treatment within 31 days of a decision to treat	**96%**	98%	98%	97.7% (to Feb)	G
Percentage of patients receiving subsequent treatment for cancer within 31-days where that treatment is Surgery	**94%**	97%	98%	96.6% (to Feb)	G
Percentage of patients receiving subsequent treatment for cancer within 31-days where that treatment is an Anti-Cancer Drug Regime	**98%**	99%	100%	100% (to Feb)	G
Percentage of patients receiving first definitive treatment for cancer within 62-days of an urgent GP referral for suspected cancer	**85%**	85%	89%	86.81% (to Feb)	G
Percentage of patients receiving first definitive treatment for cancer within 62-days of referral from and NHS Cancer Screening Service	**90%**	99%	99%	92.46% (to Feb)	G
Referral to Treatment Metrics					
Percentage of patients treated within 18 weeks on an admitted pathway	**90%**	94%	92%	92.4%	G
Percentage of patients treated within 18 weeks on a non-admitted pathway	**95%**	99%	99%	99.2%	G
Percentage of patients on an ongoing pathway under 18 weeks	**92%**	96%	96%	94.6% March	G
Referral to treatment waits for admitted patients - 95th centile	**23 weeks**	n/a	20.5 Q4	21.0	G
Referral to treatment waits for non-admitted patients - 95th ceantile	**18.3 weeks**	n/a	13 Q4	12.8	G
Referral to treatment waits for ongoing patients - 95th centile	**28 weeks**	n/a	17 Q4	16.8	G
Percentage of patients waiting longer than 6 weeks for a diagnostic test	**<1%**	0.02%	0.05%	0.12^%	
Accident & Emergency					
Percentage of patients waiting less than 4 hours	**95%**	95%	97.8%	96.36%	G
Total time in A & E - 95th centile	**<=4 hours**	n/a	n/a	04:28	R
Time to initial assessment - 95th centile	**<=15 minutes**	n/a	n/a	00:15	G
Time to treatment in department - median	**<=60 minutes**	n/a	n/a	00:48	G
Unplanned reattendance rate	**<=5%**	n/a	n/a	6.23%	R
Left department without being seen	**<5%**	n/a	n/a	3.16%	G
Stroke					
Percentage of stroke patients spending at least 90% of their stay on a stroke unit	**80%**	41%	75.3%	87.4%	G
Percentage of patients with TIA at higher risk of stroke seen and treated within 24 hours	**60%**	N/A	32.2%	72.6%	G

We achieved against all indicators in the Monitor Compliance framework

Patient Activity

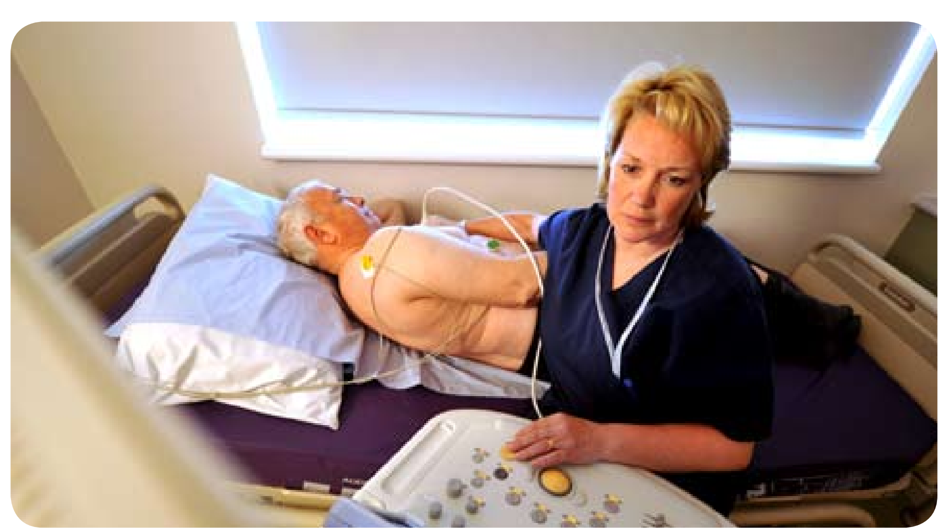
This has been a very busy year with an ongoing increase in emergency and urgent care attendances and a reduction in the number of patients staying in hospital compared to those undertaking treatment on a day case basis as can be seen from the table below:

Activity Type	2008-09	2009-10	2010-11	2011-12
A&E	145,046	145,054	151,121	152,660
Day Cases	42,626	46,115	45,873	45,886
Inpatients	15,148	14,465	12,322	10,661
Non-Elective	57,321	59,591	60,528	61,841
Outpatient Atts (New)	147,818	161,000	134,338	131,395
Outpatient Atts (Review)	309,036	367,447	354,179	271,448
Outpatient procedures	5,825	17,497	60,288	75,398

Financial performance

A culture of strong financial management is embedded across the organisation. All statutory financial duties have been achieved since 2006/07, following the turnaround of an underlying deficit. Whilst there was a reliance on non-recurrent financial support until 2008/09, from 2009/10 we have demonstrated good financial performance, delivering sustainable levels of savings and continuing to achieve our statutory financial duties.

We achieved a surplus of £0.7m in 2010/11 and are reporting a surplus of £3.025m in 2011/12.At the end of the financial year we are in a strong position both in terms of performance and finance to meet the challenges of continuing financial restraint and increasing demand for our services.



Principal risks and uncertainties

We have identified, assessed and put in place mitigation strategies in relation to all risk areas associated with the organisation. All risks are mapped to the Assurance Framework and Corporate Risk Register. Principal risks to strategic objectives are regularly reviewed by the Board, via the Assurance Framework, to ensure that as far as possible they are fully mitigated. The Assurance Framework is compliant with the model set out in the Department of Health Governance guidance, and the framework has been given a status of 'Full Assurance' by our Internal Auditors.

All risks have been assessed for likelihood and consequence and in relation to our key financial risks, a full sensitivity analysis has been undertaken. Our risk profile includes financial, clinical, workforce and infrastructure risks.

Our main risks and their mitigations are presented opposite:

Risk:	Delivery of Essential Standards of Quality and Safety	Risk:	Ensuring the benefits of the Transforming Community Services transaction are realised
Mitigation A well established integrated strategic and operational infrastructure is in place with defined governance arrangements Essential standards of quality and safety are included in the systematic assurance processes reporting through to Trust Board at all levels of the organisation Extensive Board assurance provided through: The Integrated Board report Reporting of progress against action plans and essential standards Leadership and management arrangements reflect the required standards Utilisation of human resources, workforce strategies and organisational development strategies		***Mitigation*** Review and rationalisation of service provision to integrate Care pathways Utilisation of human resources, workforce strategies and organisational development strategies Work collaboratively with commissioners to ensure the best ongoing use of the healthcare facilities that will benefit all patients Service redesign initiatives	
Risk:	**Reducing and managing Health Care Acquired infections**	**Risk:**	**Delivery of the estates strategy to enable delivery of the Trust's objectives**
Mitigation Infection control systems and reporting in place, supervised by the Trust - wide Infection Prevention Committee Ongoing implementation of policies and training Patient Environment Action Team Plan being progressed and monitored MRSA and Clostridium difficile action plans in place within an integrated Infection Control Assurance Framework Extensive Board assurance provided through: - The Integrated Board report - Infection Control Team monitoring - Reporting of progress against action plans and essential standards		***Mitigation*** Structured capital planning and reporting systems Ongoing implementation of initiatives to integrate utilisation of estate across hospital sites and health economy Estate Strategy and Sustainable Development Management Plans Overview of progress against estates and capital development plans by Executive Management Board Regular progress reporting to Trust Board through established mechanisms Investment in site maintenance and development	
Risk:	**Maintaining a patient centred and commercially focussed organisation**	**Risk:**	**Delivery and development of an information and intelligence strategy to support the Trust's Business**
Mitigation Engagement of membership and Governors Council in constantly reviewing patient needs Implementation of the business strategy and wide ranging service quality developments Ongoing implementation of service redesign and quality improvement initiatives Ongoing communications with staff through divisional/corporate management mechanisms Staff membership - encouraging the widest possible base for staff membership to ensure ongoing ownership and commitment to the Trust's future under FT status Delivery of commitments under Investors in People Continue to develop and modernise the workforce and develop staff roles in line with the KSF and skills framework to ensure the Trust offers rewarding careers to staff Implementation of the organisational development programme for all staff groups Maintaining devolved management through the divisional structure Implementation of the Trust's marketing strategy		***Mitigation*** Implementation of an information culture across the Trust. Provision of organisational intelligence to inform the decision making Implementation of technology to enable appropriate availability of information to support Care delivery Review and replacement of Information systems to better support the patient care pathway Development of interactive solutions to provide real-time performance management framework encompassing activity and quality Ensure integration and interoperability between information system	
Risk:	**Development and maintenance of partnerships that support the Trust's business**		
Mitigation Work collaboratively with commissioners to ensure the best ongoing use of the healthcare facilities that will benefit all patients Utilisation of human resource, workforce and organisational development strategies Service redesign initiatives Respond to tender invitations which appropriately reflect our strategy Work with partners to support wider engagement and opportunities Implementation of Trust marketing strategy Formal inclusion of all major partners on the Governors Council			

Preparing for emergencies

East Lancashire Hospitals NHS Trust is required under the Civil Contingencies Act 2004 to respond effectively to an internal or external incident. We have a major incident plan that is fully compliant with NHS requirements. The planning for such an eventuality is managed by the Trust Emergency Preparedness Group and chaired by the Director of Operations. The Trust has an Emergency Planning Officer who manages the 'day to day' operational requirements.

Over the past 12 months the Trust has rolled out, in conjunction with the National Counter Terrorism Security Office, Project Argus and Project Artemis. These table top exercises provide staff with training in preparation for and recovery from a terrorist attack, and the capability to lock down hospital sites, wards, and departments.

The Trust was represented at a multi-agency event hosted by Lancashire County Council and also represented at Exercise Mosaic which considered the provision of Community Health Services under the new transforming community services programme during simulated emergency conditions.
In preparation for the previous winter the Trust chaired a table top winter planning event that looked at potential scenarios that we could face, and the various options available working with other organisations to relieve pressures on acute services during periods of bad weather.

The beginning of 2012 saw the plans for a potential large scale decontamination incident strengthened. The Trust also saw the Support to Receiving Hospitals document updated. This document has been developed in conjunction with Lancashire County Council and the Police Documentation Team and provides families with support during an incident.

The Trust continues to work closely with local emergency planning groups and local health providers in preparation for the forthcoming year.

Complaints

The Trust has robust processes in place to manage, investigate and learn from incidents, complaints, PALS activity and claims. Analysis of these areas takes place systematically throughout the year and the findings are reported and disseminated through the Trust governance structures and audits as required by the respective policies. The Trust's complaints handling procedures are compatible with the principles for remedy set out by the Parliamentary

and Health Service Ombudsman in 2007.

To ensure comprehensive analysis the Trust undertakes:

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

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

Looking ahead

We are exploring opportunities to work in collaboration with local partners and commissioners to ensure that the quality of our services is maintained at the highest level into the future.

This is reflected in our bid to work in partnership with Royal Bolton Hospital NHS FT and Wrightington, Wigan and Leigh NHS FT to become a vascular centre to improve clinical outcomes for patients undergoing major arterial surgery. The joint review of pathology services with Calderdale and Huddersfield NHS FT and Pennine Acute Hospitals NHS Trust aims to ensure that pathology services are sustainable, future-proofed and of the highest quality.

The transfer of community services has given us the opportunity to develop a model of care aimed at the management of long-term conditions across care pathways using a case management approach in a community facing, patient focussed organisation. We are working to ensure that we look across pathways to avoid duplication and maximise resources, working across health and social care boundaries.

The delivery of integrated acute and community services enables us to respond effectively and efficiently to the reduction in financial investment whilst providing an effective solution to the disinvestment in acute capacity. We continue to develop our estate strategy to ensure that we make the best possible use of the facilities available to us and the potential availability of former primary care trust property in the future will assist us in delivering care closer to home.

Social and community issues
Across East Lancashire and Blackburn with Darwen there are many health, economic, social and educational problems similar to those found in inner city areas. Blackburn and Burnley have areas of significant social deprivation with related problems of poor diet, smoking and excessive alcohol consumption.

This is reflected in some of the lowest life expectancies in the country. For men the single biggest factor is digestive diseases mainly because of alcohol related conditions, and for both men and women there is a high prevalence of cancer and coronary heart disease. Life expectancy, with the exception of the Ribble Valley, is below the national average for both men and women across East Lancashire.

Whilst life expectancy for both men and women has increased across all boroughs since 1991, the rate of improvement, with the exception of the Ribble Valley and females in Burnley, has been slower than the national average.

It is for these reasons that we continue to focus our activities in developing services closer to home for these patients. As one of the priority healthcare needs and causes of death across East Lancashire, the development of medical oncology has been prioritised by the Trust as one of the key service developments for the future which is supported by the Cancer Network.

Cardiovascular Disease (CVD) is generally higher in the East Lancashire boroughs than the national rate and the single biggest contributor to the local life expectancy gap. This trend is set to continue over the next 10 years where up to a 1.1% increase will be observed in Burnley. These patterns are replicated for both CHD and Stroke prevalence. We have invested heavily in cardiovascular services in the last six years.

Six cardiologists (four interventional and two non-invasive) now deliver a 24/7 consultant led multi-disciplinary service which has resulted in impressive improvements in clinical outcomes and reductions in length of stay. The infrastructure has been significantly increased most notably with the installation of two cardiac catheter laboratories (2006 and 2010) and four new ultra-modern echo machines. A whole range of clinical, diagnostic and therapeutic services are now delivered locally including Percutaneous Coronary Intervention (PCI) and permanent pacemaker implantation. We aim to further develop our cardiology services, specifically with the development of an implantable complex devices service, together with a revised cardiac rehabilitation pathway focussed on greater provision in the local community.

Contractual arrangements essential to the business of the Trust
We receive 97% of clinical income from NHS East Lancashire and NHS Blackburn with Darwen Teaching PCT. NHS East Lancashire acts as lead commissioner working closely with NHS Blackburn with Darwen Teaching PCT via a consortia agreement whereby the two main PCTs commission services on behalf of nine other associate primary care trusts.

The 2012/13 contract has been agreed and signed with NHS East Lancashire. The contract outlines forecast activity and costs for the lead commissioner and all associates. The standard integrated NHS contract format has been used and the contract will become a legally binding contract once the Trust is authorised as a Foundation Trust.

We have a contract with NHS North to support the training and education of clinical staff. The Medical and Dental Education Levy (MADEL) administered by the North West Deanery is the largest element and this contributes part of the basic salary of our 343 doctors in training.

The Service Increment for Teaching (SIFT) element supports our undergraduate medical student activity and the Non Medical Education and Training (NMET) element supports non medical clinical education and professional development.

The Trust has a range of service level agreements with a number of NHS

and independent sector providers for clinical support services. A review of all service level agreements is underway. As the agreements are renegotiated and signed for 2012/13 a standard legally binding contract format will be used in preparation for Foundation Trust status.

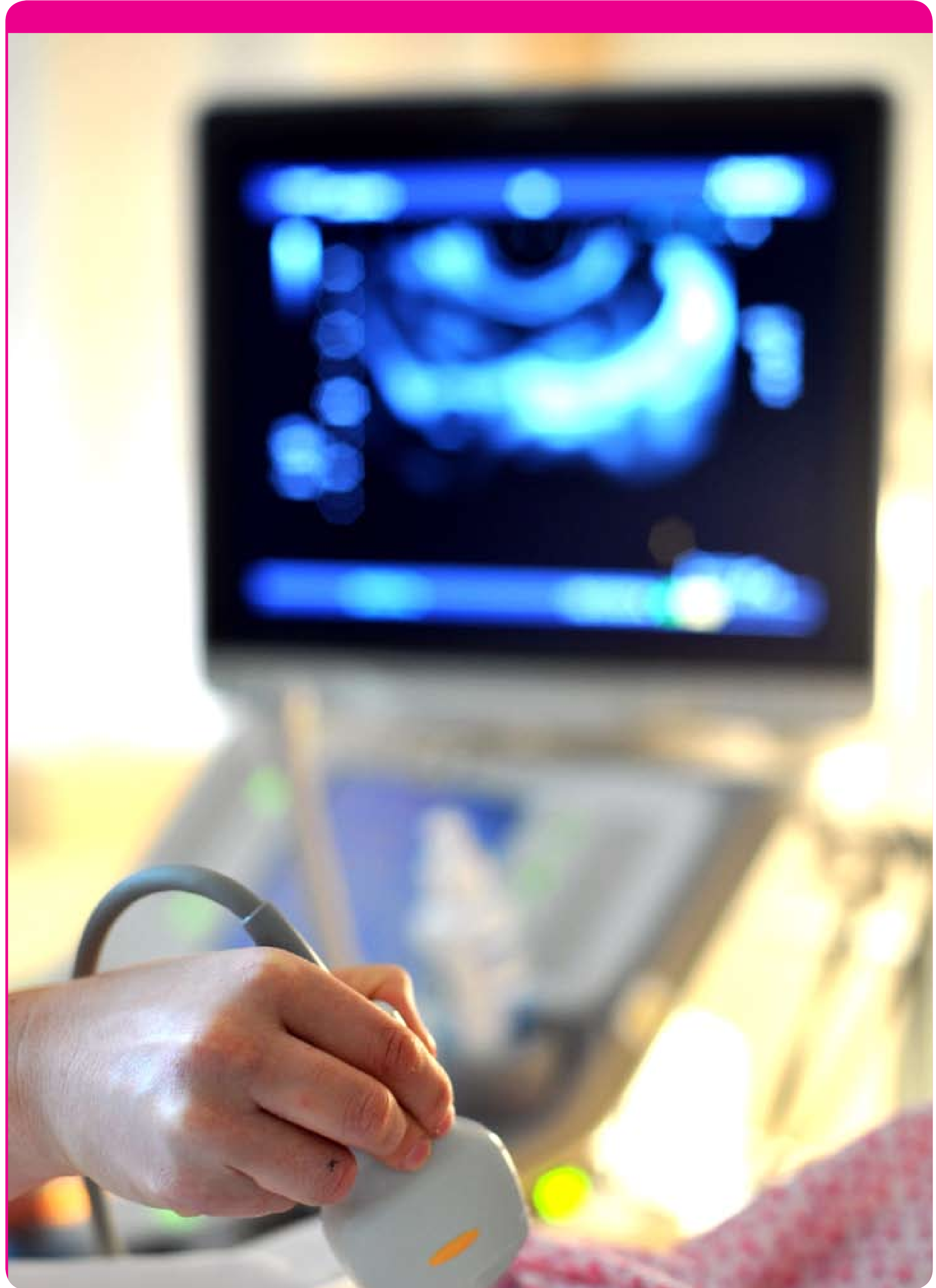
In 2003, the Trust entered into a Concession Agreement under the Private Finance Initiative to construct a 170 bed acute development on the Burnley General Hospital Site with our PFI partner Catalyst. The unit opened on time and on budget in May 2007. A second Concession Agreement under the Private Finance Initiative (PFI) was entered into in 2003 with Consort to construct a 668 bed acute development on the Royal Blackburn Hospital Site.

The hospital opened in July 2007, also on time and on budget.
The Concession Agreements include the delivery of estates and facilities services to the hospital. The PFI schemes have brought considerable change in the management of estates and facilities services and management duties which are allocated between the Trust and the service providers.

Duties of the service providers include:

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

Our financial transactional processing services are provided by East Lancashire Financial Services (ELFS). ELFS are part of Calderstones NHS Foundation Trust, and are funded in whole by its client organisations. The governance of ELFS is through a Partnership Board which consists of all original client organisations. They are audited internally by North West Internal Audit services and externally via the external auditors of Calderstones. All audit findings are shared with the client organisations. The contract is negotiated annually based on forecast outturn activity and known service changes. It is managed by the finance department through monthly operational meetings and quarterly contract and performance meetings. ELFS produce monthly performance statistics for all clients. Services provided include payroll, creditors, asset register management, e-procurement, e-expenses etc. We have retained control of debtors and cash systems.



Impending developments

Orthopaedic Services
The team within the orthopaedic Directorate has a clear vision to be an 'Orthopaedic Centre of Excellence' which meets the orthopaedic needs of the local population. Over recent years East Lancashire Hospitals Trust has seen unprecedented demand in orthopaedic activity which it has been unable to deliver due to the sheer volume of work and resulting capacity issues. This demand is driven by an ageing but more active population, a desire to reduce waiting times for elective Orthopaedic surgery and a shift in population in terms of deprivation, health awareness and bone fragility.

Our response to this has been to sub-contract activity to the private sector in order to deliver on 18-week referral to treatment time requirements. It is recognised that there is an opportunity to bring back work from the independent sector and also the opportunity to develop orthopaedic services further by ensuring we are the provider of choice for the local population. The proposal, therefore, is to accommodate this through a phased approach to represent steady and sustainable growth.

- Phase 1

Bring back work sub-contracted to the independent sector. This commenced with the appointment of our twentieth orthopaedic consultant with an interest in paediatrics in February 2012.

- Phase 2

Ensure patients increasingly choose our services for their treatment

Obstetric services
We also aspire to be the provider of choice for obstetrics not only for the local population, but also, through its strong reputation for quality of care for patients from neighbouring areas. With the opening of the state of the art Lancashire Women's and Newborns Centre on the Burnley General site in November 2010, the service has the capacity to attract activity from beyond the immediate catchment area. Closure and consolidation of services in surrounding Trusts under the 'Making it Better' initiative provides the service with the opportunity to correct some of the drift to other providers and attract additional patient flow.

The service aims to optimise the value of the centre, by offering high quality services in first class surroundings. The workforce will be developed to deliver 21st century healthcare using modern tools and techniques for maximum health benefits. By participating in the nationally recognised "Enhanced Recovery Programme" shorter lengths of stay with speedier recovery times will be achieved.

4D scanning will provide opportunities for both commercial and clinical gain. Local women will have access to scanning facilities locally that have previously only been available in the larger teaching hospitals. This means women with complex obstetric needs will no longer have large distances to travel.

Rehabilitation Services
The NHS Operating Framework creates clearer incentives to drive integration between health and social care. Our two main commissioners have identified the need to review and recommission rehabilitation services. The anticipated outcomes and benefits of the redesign work have been identified as:

- Remodelling and mainstreaming of intermediate care incorporating recovery, general rehabilitation, specialist rehabilitation and dementia care
- Performance measures for integrated health and social care beds
- Integrated health and social care workforce
- Increased level of function and independence for clients
- Flexibility for patients being able to move between the elements according to need
- Facilitate patient flow from acute services and avoid delayed discharges
- Reduction in emergency admissions to Royal Blackburn Hospital and care homes
- Reduced cost due to appropriate intermediate care being available and avoiding high cost crisis placements
- Reduction in readmissions within 30 days
- Reduction in premature admissions to long-term residential care
- Reduction in the use of community health and social care services.

Vascular Services
The review of vascular services within Cumbria and Lancashire is part of a wider regional project to reconfigure vascular surgical services and secure the benefits to patients of higher volume centres of excellence and care.

The Trust recognises that the crux of the Vascular Society's model should be a clinical partnership across a number of providers with the aim of increasing the volume of vascular work undertaken by vascular specialists in a vascular centre to drive up outcomes. The Trust believes that the reconfiguration of vascular services across Lancashire and Cumbria lends itself to the establishment of East Lancashire Hospitals NHS Trust, in partnership with other providers, as a vascular centre.

The Trust is the most accessible location with the highest catchment population of all the sites currently providing vascular services. There is a catchment population of 2.7million within a 45-minute travelling time. Therefore the Trust as a vascular centre will enable patients to benefit from fast access to specialised care and retain a local service close to home for those less specialised procedures and access to vascular opinion.

Pathology Services
Pathology is the potential 'golden thread' running through care pathways and to delivering better patient outcomes.

Pathology has also been identified as one of the Department of Health's QIPP priority national work streams. The Clinical Laboratory Medicine Department at the Trust has undertaken some scoping work with Calderdale and Huddersfield NHS FT and Pennine Acute Hospitals NHS Trust to identify areas of collaborative working.

To date only high level scoping exercises and discussions have been held. It has been recognised that there are some initial changes that can be made relatively quickly, for example there are a number of tests currently referred away which can be brought back in-house onto one of the three sites. Similarly there is an early opportunity to consolidate some of the esoteric or specialised non-urgent testing to a common site. There are a range of joint procurement opportunities that can also be exploited.

Integrated Urgent Care Services
East Lancashire Hospitals NHS Trust, NHS East Lancashire and Blackburn with Darwen Care Trust Plus are working in collaboration to develop an integrated urgent care model. The overriding objective is to safely and effectively deliver high quality urgent care to the population of East Lancashire and Blackburn with Darwen as close to the patient's home as practicably as possible.

An urgent and emergency care model will be developed along the lines of a hub and spoke model, with the hub being the Emergency Department (ED) at Royal Blackburn Hospital and urgent care spokes based in each locality. The Burnley General Hospital urgent care model will provide an integrated co-located urgent care service with streamlined pathways into secondary care at the RBH site as and when necessary.

The urgent care service will build on existing services provided from the hospital site bringing together elements of service from the existing urgent care centre. The service will operate 24 hours a day 365 days a year. It will deliver an integrated model of service working collaboratively and co-operatively with other local providers. The proposed model will deliver a consistent and more integrated urgent care service by bringing primary and secondary care services together, improving convenience, appropriateness and quality of care provision.

Oncology Services
Surgical and non-surgical oncology is delivered at the Royal Blackburn Hospital and at Burnley General Hospital. Prior to April 2011, the delivery of cytotoxic chemotherapy had concentrated on the tumour sites of breast, colorectal and lung. In April 2011, chemotherapy services commenced repatriation from Lancashire Teaching Hospitals NHS Foundation Trust (LTH) and the Trust is now experiencing the full effect of that repatriation.

Rare tumours continue be investigated and treated at the Rosemere Cancer Centre at LTH or Christie Hospital, Manchester. Our vision is that East Lancashire Hospitals NHS Trust will be a recognised unit for surgical and non-surgical oncology services for our local population and a centre of excellence for specific tertiary cancer services: Head and neck cancer; urological cancer and the flagship specialist hepatobiliary cancers. Underpinning this will be the development of our own cancer infrastructure in respect of nonsurgical oncology.

It is further proposed that a dedicated oncology unit is developed in order to provide more appropriate in-patient provision for patients who are admitted non-electively.

Working towards NHS FT status
We have been working towards achieving FT status for some time. Our original application was launched in 2007 and we have spent the time since then consolidating and developing our services, culture and personnel to ensure we are in the best possible position to continue to provide healthcare services into the future in an environment of on-going change and challenging financial circumstances across the whole of the NHS. We have completed our service reconfiguration plan, Meeting Patient Needs, and have started to realise the benefits of the changes we have made. We are now moving ahead with our new FT application and we launched a formal consultation with the public and our staff on May 8, 2012, with the aim of being authorised as an FT from April 2013.

We see both the application process and achieving FT status as our opportunity to continue the conversation with our stakeholders and communities about the delivery of healthcare services in our local area.

- Public Membership: This is open to members of the public who live in the Burnley, Pendle, Ribble Valley, Rossendale, Hyndburn and Blackburn with Darwen local constituencies with provision also being made for those people who live elsewhere in England and have a special interest in the Trust.
- Staff Membership: We recognise that continually improving our services is dependent upon the commitment and enthusiasm of our staff. We will automatically make all current and future staff part of the membership after being employed for 12 months, unless they indicate they do not wish to be a member of the organisation.

We have also extended membership to all volunteers who have worked with the Trust for over 12 months.

directors' report

In accordance with our Establishment Order our Board comprises the Chairman, six Non-Executive Directors and five Executive Directors as detailed in the Board profile which follows. When we became an integrated healthcare provider as a result of the completion of the Transforming Community Services programme, we addressed the need to expand the number of Non- Executive directors on the Board to reflect the size and complexity of the organisation and the services we provide. This has allowed us the opportunity to recruit a Non-Executive director with legal experience to meet identified gaps in our skills base.

The Director of Human Resources and Organisational Development, the Director of Service Development and the Company Secretary also attend the Trust Board to give advice to the Board within their professional remit. The Board functions as a corporate decision-making body. Executive and Non- Executive members are full and

Chairman – Mrs Hazel Harding		
	Experience	**Qualifications**
	Hazel Harding (CBE) is well known across Lancashire, having previously served as Leader of Lancashire County Council for eight years and as a County Councillor representing the Rossendale North Constituency for more than 20 years. She also served as a Non Executive Director for four years with the former Burnley Healthcare NHS Trust. She lives in Rossendale and is passionate about developing high quality health services that meet the many different health needs of the people of East Lancashire. Hazel is also a Deputy Lieutenant of Lancashire having been appointed in October 2009 and received her CBE for services to local government in 2006. She was born in Heysham and educated in Lancaster before training as a journalist. Hazel joined the Trust on the August 1, 2009. She is Chair of the Remuneration Committee and a member of the Strategy Forum and the Business Forum. Hazel's appointment will expire in 2013 unless renewed.	National Council for Training of Journalists Certificate

Chief Executive – Mr Mark Brearley		
	Experience	**Qualifications**
	Originally from Oldham, Mark joined the NHS in 1981. He worked in his home town, and at the former North West Regional Health Authority, taking up his first finance director post in Leicester in 1989. He was formerly Director of Finance at Leicester General Hospital NHS Trust, Royal Hull Hospitals and at Hull and East Yorkshire Hospitals Trust, where he held a dual role as Deputy Chief Executive, and led financial aspects of the establishment of the Hull/York Medical School. Joining Calderdale and Huddersfield NHS Trust in 2005, he worked with the Chief Executive to lead the Trust's transition to NHS Foundation Status in 2006. Mark joined the Trust on May 1, 2011. He chairs the Executive Management Board and is a member of the FT Programme Board, the Strategy Forum and the Business Forum	Post Graduate Diploma in Business Administration Fellow of the Chartered Institute of Management Accountants

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

	Experience	Qualifications
	Lynn took up her current post in January 2006 and became Deputy Chief Executive in September 2008. She is a Registered Nurse and a Registered Midwife. She holds a BSc (Hons) and Post Graduate Diploma in Health Service Management and is an accredited Mediator. During her time in the Health Service Lynn has obtained extensive clinical, management and practical experience. She has previously held the position of the line supervisor of midwives on the North West Local Supervising Authority. Lynn is a member of the Executive Management Board, the Governance Committee, the Business Forum, the Strategy Forum, the FT Programme Board and attends the Audit Committee.	Post Graduate Diploma in Health & Social Service Management University of Central Lancashire BSc (Hons) Professional Studies University of Central Lancashire Certificate in mediation skills accredited by Oxford, Cambridge Examinations Certificate in managing conflict constructively and mediating difficult conflicts accredited by Oxford, Cambridge Examinations Registered General Nurse, Registered Midwife ENB Higher Award

Director of Finance, Capital, Planning and IT Mr Jonathan Wood

	Experience	Qualifications
	Jonathan 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 Hospitals. He joined the NHS in 1992 on the North Western Regional Finance Training Scheme and qualified as an accountant in 1996. He brings with him the skills and experience vital in managing the Trust's financial future and developing sound business strategies. Jonathan sits on the Executive Management Board, the Charitable Funds Committee, the FT Programme Board, the Strategy Forum, the Business Forum and attends the Audit Committee.	Member of the Chartered Institute of Public Finance and Accountancy

Director of Operations – Mrs Valerie Bertenshaw

	Experience	Qualifications
	Val took up the post of Director of Operations in January 2006 and has been an Executive Director since September 2008. She has extensive operational management experience having been the Director of Operations at Burnley Healthcare prior to the Trust merger. She led the health economy wide consultation on Meeting Patients Needs and subsequently led the operational delivery of the MPN changes in the Trust. She holds an MA in Health Service Management in addition to a Diploma in Management Studies and a postgraduate certificate in Health Informatics. She is a former general management trainee and holds full membership of the Institute of Health Management. Val sits on the Executive Management Board, the Charitable Funds Committee, the Governance Committee, the Business Forum, the Strategy Forum and the FT Programme Board.	Institute of Health Service Management (parts I, II & III) DMS Post graduate Diploma in Health Information MA in Health Service Management

Mrs Rineke Schram

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

Non-Executive Team Members

Mr Martin Hill

	Experience	Qualifications
	Martin was appointed in January 2007 and has a background in private sector chemical industry being a Senior Manufacturing Manager for ICI. His employment in the private sector has given him experience of efficiency and productivity initiatives, budget and cost controls, capital project definition and management, personnel management and safety, health and environment management. He has had a wide range of Non-Executive posts including Chairman of East Lancashire Careers Service, Chairman of the Ribble Valley Enterprise Agency, Vice Chair of Accrington and Rossendale College, Non Executive Director for East Lancashire Training and Enterprise Council, Business Link East Lancashire and Marsden Building Society. Martin was previously Chairman of Ribble Valley Primary Care Group and Chairman of Hyndburn and Ribble Valley PCT from 2001 to 2006. Martin's previous experience as Chairman of the former primary care Trusts means that he has a detailed awareness of corporate governance issues and his continued external interests enables him to represent the interests of a wide range of stakeholder communities. Martin is Vice-Chairman and Chairman of the FT Programme Board and is a member of the Business Forum, the Strategy Forum and the Remuneration Committee. Martin's appointment will expire in 2014 unless renewed	Degree in Chemical Engineering

Mr Paul Fletcher

	Experience	Qualifications
	Paul was formerly a Non-Executive Director of the local ambulance Trust and was appointed in November 2006. He currently holds a senior management role with BAE systems and has a special interest in governance systems and risk management. Paul regularly contributes to Audit and Governance Committee discussions and has a valuable input into the discussions at the Trust Board. Paul chairs the Governance Committee and is a member of the Audit Committee, the Remuneration Committee, the Strategy Forum, and the Business Forum. Paul's appointment will expire in 2014 unless renewed.	HND Business Studies (Distinction)

Mr George Boyer

	Experience	Qualifications
	Appointed in December 2006, George is a partner in a management and learning consultancy specialising in leadership, management and diversity. He has worked at a strategic level within the public sector which has developed his wider thinking in relation to deliver of quality services and performance improvement. George previously worked for HMRC (formerly Inland Revenue) and was a key player in rolling out its change programme to staff and managers at all levels. His work in this area has given him additional insights into human behaviour and reaction to change and change management. As the HR development project manager with HMRC he has gained the skills and experience to implement and design projects across a public department of approximately 5,000 managers and 70,000 staff. George currently represents the organisation on the local Older People's Forum and takes a keen interest in the Diversity and Equality Strategy for the Trust. George has the ability to ensure the interests of staff are well represented at the committees on which he serves including Chair of the Charitable Funds Committee and as a member of the Remuneration Committee, the Strategy Forum and the Business Forum George's appointment will expire in 2014 unless renewed.	ONC in Business Studies Diploma in Training and Development Member of Institute of Leadership & Management (ILM) Approved by CMI to facilitate Level 3 Award, Certificate & Diploma in First Line Management, Level 5 Award in Management & Leadership and Level 3 Award in Coaching & Mentoring Approved by the Institute of Leadership & Management (ILM) to facilitate and assess their accredited Level 3 Award, Certificate Diploma in Leadership and Management and Level 3 Award Certificate in Workplace Coaching.

Mrs Elizabeth Sedgley

	Experience	Qualifications
	Elizabeth was appointed in January 2009 and is a self-employed accountant with 16 years experience of industry and general practice. Her client-base has included companies and unincorporated businesses across a wide range of industries such as the construction trade, chemical sales and web-based retailers. Elizabeth is Chair of the Audit Committee and is a member of the Remuneration Committee, the Business Forum and the Strategy Forum. Liz's appointment will expire in 2013 unless renewed	Fellow of the Association of Chartered Certified Accountants

Mr Roger Duckworth

	Experience	Qualifications
	Roger was appointed in January 2009 and has 30 years of Board-level experience as Chair or Chief Executive with a major innovative, multi-national corporation and directed the company through a period of significant change. He has a proven track record of strategic planning and financial, risk and performance management. Roger is the Senior Independent Director and is a member of the Audit Committee, the Charitable Funds Committee, the Business Forum, the Strategy Forum and the Remuneration Committee. Roger's appointment will expire in 2013 unless renewed.	Member of the Chartered Institute of Management Accountants

Mr Mohammed Sarwar

	Experience	Qualifications
	Mohammed started with the Trust on May 1, 2012.	

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

Non-Executive Directors have a particular role in scrutinising the performance of the Trust's management in meeting agreed objectives, and ensuring that robust systems of financial control and risk management are in place. The Non-Executive Directors of the Trust are appointed by the Secretary of State for Health through the national Appointments Commission and are each appointed for a four-year term which may be renewed subject to satisfactory performance.

Non-Executive Directors are not employees of the Trust and do not have responsibility for the day-to-day management of the Trust: - this is the role of the Chief Executive and Executive Directors - but as a 'unitary Board', Executive and Non-Executive Directors share equal responsibility for the Board's decisions, and both share responsibility for the direction and control of the organisation.

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

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

Performance Evaluation Arrangements

Each Non-Executive Director is appraised by the Chairman formally on an annual basis with informal reviews being undertaken bi annually. The Chairman is currently appraised by the Chair of the Strategic Health Authority on an annual basis.

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. The Chief Executive appraises the Executive Directors.

Executive Directors' objectives mirror the strategic objectives of the Trust with an Executive lead 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 Divisional Directors and Divisional General Managers for each of the Clinical 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.

Trust Board Meetings and Attendance

There have been 12 meetings of the Board during the course of the year and the attendance of members is shown below:

Name	Role	Attendance
Hazel Harding	Chairman	**100%**
Martin Hill	Vice-Chairman	**100%**
Paul Fletcher	Non-Executive Director	**83%**
George Boyer	Non-Executive Director	**100%**
Roger Duckworth	Non-Executive Director	**92%**
Liz Sedgley	Non-Executive Director	**100%**
Mark Brearley	Chief Executive	**92%**
Diane Whittingham	Interim Chief Executive to May 1, 2011	**100%**
Lynn Wissett	Deputy Chief Executive/ Director Clinical Care and Governance	**92%**
Jonathan Wood	Director of Finance	**100%**
Val Bertenshaw	Director of Operations	**100%**
Rineke Schram	Medical Director	**92%**
Geraint Jones	Joint Medical Director to January 1, 2012	**92%**

Did you know?

Our maternity services achieved level two CNST status in 2011 - an indicator of the quality and safety of our services. CNST (Clinical Negligence Scheme for Trusts) maternity standards apply to NHS organisations providing labour ward services.

They assess the way risk management activities are organised in these important services, focussing on areas such as communication, clinical care and staffing levels. We are now working hard to achieve level three – the highest level – in 2013.

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

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

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

Each sub-committee of the Board has agreed terms of reference defining the scope of the activities to be undertaken on behalf of the Board and, with the exception of the Executive Management Board, has representation from both the Executive and Non-Executive directors. The Board maintains an overview of the activities of these groups by receiving a summary of the minutes of the committees at Board meetings in addition to an annual report from the committees setting out the work they have undertaken during the course of the year and the way in which they have met the objectives laid down by the Trust Board. The reporting by way of summary decisions of committees enables the Chair of each committee to provide additional verbal updates to the Board as required.

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

business planning and the governance framework.

Over the past 12 months we have built up a picture of board effectiveness and capability using the Andrews Munro board profile and the annual effectiveness review undertaken in house using a survey methodology. These diagnostics have identified where the board perceives it is, in relation to matters of performance and improvement.

We have also engaged an organisational development consultant, who has been leading development work with the clinical body, to undertake an assessment through one-to-one interviews with the Non-Executive Directors, group assessment of the Divisional Directors and assessment and development of the Board through facilitated workshops.

Risk management and regulation

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

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

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

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

We achieve this:

- Through a structured and systematic approach to the management of risk so that it becomes an integral part of all clinical, managerial, business and financial processes.
- Through the integration of effective reporting structures from within divisions through to the Audit and Governance Committees and Trust Board.
- Through the continuing use of an Integrated Board Assurance Framework and Risk Register which supports the recording and monitoring of identified risks and resulting action plans, and which provides the Trust Board with a Trust wide risk profile and an outline of the mitigations that are in place for identified risk.
- By clearly defining at every level within the organisation, individual objectives, responsibilities and accountabilities for all aspects of risk management by including them in job descriptions.
- By empowering all staff to report risks and register concerns about quality and safety through an open and fair culture supported by effective Human Resources and risk management policies and procedures.
- By providing risk management training at all levels within the organisation and as an integral element of training and development plans.

Summary of regulatory performance in year
The Integrated Board Assurance Framework is mapped to the strategic objectives and the strategic plan. The Assurance Framework provides a valuable and essential vehicle for engaging the Trust Board in structured discussions about the management of risks that are internal and external to the organisation. It also demonstrates evidence of effective systems of internal control and complies with the model set out in the Department of Health Governance guidance.

The Assurance Framework has been given a status of 'Full Assurance' by the Internal Auditors

There have been no indications from the NHS Regulatory Bodies during the course of the year that there are concerns in relation to the performance of the organisation in relation to patient care or quality of provision or our financial status. The Trust remains registered with the Care Quality Commission without conditions.

directors' statements and declarations

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

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

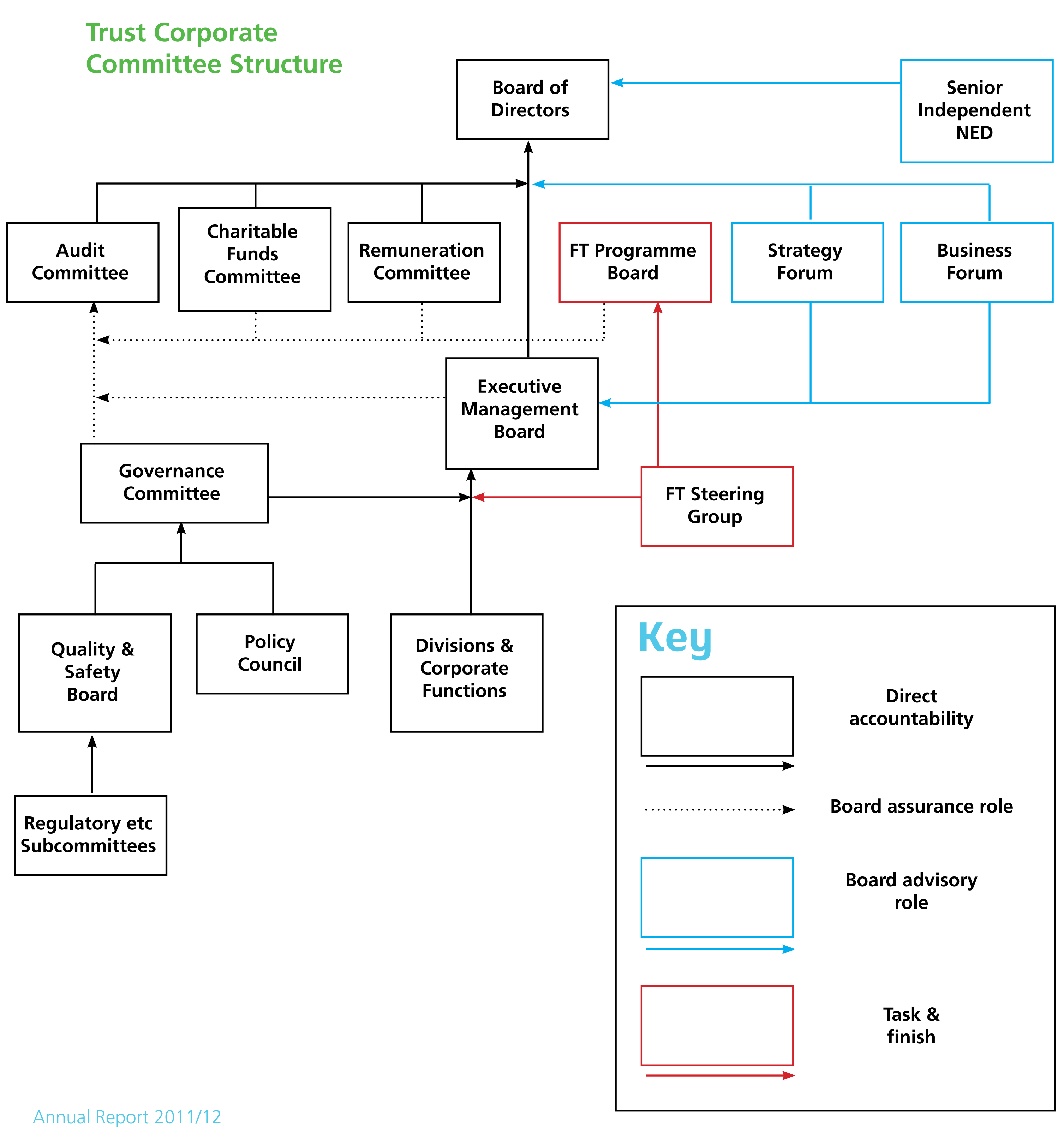
The accounting policies for pensions and other retirement benefits are set out in the notes to the accounts and details of senior employees' remuneration can be found in the remuneration report.

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

Directors' Register of Interests

Name	Post	Declared Position or Interest	Organisation	Tenure
Mr M Brearley	Chief Executive	No declared interests		
Mrs L Wissett	Deputy Chief Executive/ Director of Clinical Care and Governance	Trustee	East Blackburn Learning Community Trust	From March 2010
Mr J Wood	Director of Finance, Capital, Planning and Information	No Declared Interests		
Mrs V Bertenshaw	Director of Operations	No Declared Interests		
Mrs R Schram	Medical Director	No Declared Interests		
Mrs Hazel Harding	Chairman	Trustee and Chair	Rossendale Enterprise Anchor Limited	Ongoing
		Chair	Inspired Spaces Limited Rochdale	Ongoing
		Trustee	Burnley, Pendle and Rossendale CVS	Ongoing
		Chair	Crawshawbooth Community Association	Ongoing
		Chair – Interim Executive Board	Wentworth High School Salford	Ongoing
Mr Paul Fletcher	Non-Executive Director	No Declared Interests		
Mr George Boyer	Non-Executive Director	Proprietor	VMG Associates (Lancashire)	Ongoing
Mr Martin Hill	Non-Executive Director	Trustee	Brathay Hall Trust	Ongoing
		Chairman	Ribble Valley Enterprise Agency	Ongoing
Mr Roger Duckworth	Non-Executive Director	Non Executive Director	Manchester Jazz Festival	Ongoing
		Chairman	Brian Mercer Charity Trust	Ongoing
		Chairman	North West Area National Association of Decorative and Fine Arts Societies	Ongoing
Mrs Elizabeth Sedgley	Non-Executive Director	Company Secretary	Various local firms	Ongoing

trust structure



Remuneration Committee

The Trust's Remuneration Committee has overarching responsibility for the remuneration of, arrangements for the appointment of, and agreement of termination packages for, Executive Directors. The members of the Committee are the Non-Executive Directors of the Trust appointed by the Secretary of State and it is chaired by the Trust Chairman. The interests and details of the Non-Executive Directors are disclosed in the Directors' Register of Interests on page 51 of this Annual Report.

The Trust's policy is to award Directors a salary at the median point of that received by Directors in a number of similar sized peer Trusts in the region. The Trust is advised in relation to the comparator and peer organisations and the rates paid by them by independent consultants. The members do not anticipate a change in the remuneration policy in the forthcoming year.

The Trust does not make awards based on performance criteria as performance in the role of Director is assessed separately by the Chief Executive in relation to an Executive Director's role in leading the organisation and achieving performance objectives and by the Chairman in relation to performance as a member of the Trust Board. In assessing any awards during the course of the year the members of the committee have had regard both to the average salary of Executive Directors in peer organisations and to the fact that there has been a freeze in pay in force for the last two years. The Executive Directors have received changes in their remuneration only in relation to changes in their executive and operational duties and a general pay increase has not been awarded for this year.

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

The details and salary entitlements for Executive Directors are included in the annual accounts.

Audit committee

The Audit Committee is established as a Non-Executive committee of the Trust Board to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's

objectives. The Non-Executive Directors are members of the committee. Roger Duckworth and Liz Sedgley have relevant financial experience as fully qualified accountants. The committee is supported by the Director of Finance and the Deputy Chief Executive.

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

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

Delegated Duties

The committee provides assurance to the Trust Board on the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the organisation's activities to support the achievement of the organisation's objectives.

Specifically the committee is charged with reviewing the adequacy of all risk and control related disclosure statements supported by the Head of Internal Audit Statement, external audit opinion and other appropriate independent assurances, which enable the Chief Executive and the Trust Board to complete the Annual Governance Statement and declarations to regulatory bodies.

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

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

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

Work plan set by the Board
The committee has regard to the Audit Committee Handbook and the Standing Orders and Standing Financial Instructions of the Trust. The committee has an annual cycle of business which is included in the Trust's Committee Handbook and is approved by the Trust Board on an annual basis.

The Company Secretary, the Director of Finance and the Deputy Chief Executive/ Director of Clinical Care and Governance assist the Chair of the Committee in ensuring that agendas are appropriately structured to cover the committee's work plan and are received in a timely manner and are of an appropriate standard to enable the committee members to undertake their responsibilities.

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

Meetings and attendance
The committee has during the course of the year moved from a six-week to eight-week meeting schedule. Additional meetings can be arranged at short notice and are limited to consideration of specific issues.

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

The attendance of the members is detailed right:

Martin Hill (Chair)	George Boyer	Paul Fletcher	Roger Duckworth	Liz Sedgeley
100%	83%	83%	67%	83%

External Audit

External audit services have been provided throughout the year by the Audit Commission. Their work has been to audit the financial statements and provide an opinion on them and to form an assessment of the Trust's Use of Resources, Value for Money and systems of Internal Control. The external audit fee for the year was £151,900. The Audit Commission has undertaken additional non-audit work to provide assurance on the Trust's Quality Report at a cost of £15,000. The Audit Commission has also audited the Charitable Funds Accounts for the Trust in the year

Internal Audit

The Internal Audit service was provided by Audit North West. The service provided an independent and objective opinion to the Accountable Officer, the Board and the committee on the degree to which risk management, control and governance support the achievement of the organisation's agreed objectives and an independent and objective consultancy service to help line management improve the organisation's risk management, control and governance arrangements.
The committee considered and approved the contents of the Internal Audit Plan which was structured to enable the Head of Internal Audit Opinion to be provided for the year. The internal audit fee for the year was £115,200

Counter Fraud

The Counter Fraud Service was provided by Audit North West through a Local Counter Fraud Specialist. An annual plan for the service was approved and in place for the beginning of the financial year under review and regular progress reports have been received against the plan. The work plan undertaken in the year was based on a risk assessment to highlight areas at higher risk of potential fraud. The Counter Fraud fee for the year was £21,600.

During the course of the year the Counter Fraud service has worked closely with the Company Secretary to ensure that the Trust's policies and procedures were reviewed to ensure compliance with the Bribery Act 2011.

Our quality your account

The Trust has published its third annual Quality Account which is available in full on our website at www.elht.nhs.uk, on the NHS Choices website or in hard copy from the Company Secretary, East Lancashire Hospitals NHS Trust, Royal Blackburn Hospital, Haslingden Road, Blackburn BB2 3HH.

This report tells you what standard of care you can expect from us, how we measure quality of care, and how we aim to keep improving our services over the next year and beyond. The Trust's registration without conditions with the Care Quality Commission reflects the emphasis we place on patient safety in an environment of continuous improvement and learning.

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

Throughout the past year, using a range of feedback tools, we have asked and listened to patients, carers, visitors, local commissioners and other partners to establish what we should focus on when improving quality. This input and feedback has informed the development of our priorities outlined below. Further detailed information on our performance can be found in our Quality Account.
We have demonstrated our commitment to safety through participation in the Northwest Safety Express Initiative. In April 2011 a service transformation team joined the organisation following the Transforming Community Services transaction and our programme of safety walkabouts continues, providing frontline staff with an opportunity to talk with Board members about things in their workplace that they feel impact on safety and providing a tangible demonstration of the importance of safety.

We remain committed to supporting clinical teams in delivering effective, evidence based care which improves outcomes for patients. We have robust approaches in place to ensure our existing practices are reviewed against national guidance as it is published, and that plans are put in place to implement change where required.

Feedback from our patients and partners is essential in order that we focus on what matters to the patient and assist us to continue to focus on delivering high quality, supportive, patient centred care in which patients, carers and their families have confidence.

During 2011/12 the East Lancashire Hospitals NHS Trust provided and/ or sub-contracted eight NHS services. (*defined using the Care Quality Commission's regulated activities)

The services provided were:

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

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

Participation in Clinical Audits

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

During 2011/12, 39 National Clinical Audits and five National Confidential Enquiries covered NHS services that East Lancashire Hospitals NHS Trust provides.

During that period East Lancashire Hospitals NHS Trust participated in 97.4% of National Clinical Audits (compared to 92% in 2010/11) and 100% of National Confidential Enquiries which it was eligible to participate in.

The National Clinical Audits and National Confidential Enquiries that East Lancashire Hospitals Trust participated in, and for which data collection was completed during 2011/12 are listed below with the percentage sample submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.
National Clinical Audits

Audit Title	Audit Coordinator	Frequency	ELHT Participation	Required Sample Submission
NNAP: Neonatal Care	RCPCH	Continuous	Yes	100%
NDA: National Diabetes Audit	NCD/NCASP	Continuous	Yes	100%
ICNARC CMPD: adult critical care	CMPD	Continuous	Yes	100%
ICNARC NCAA: cardiac arrest	ICNARC	Continuous	Yes	100%
National Elective Surgery PROMs: four operations	AQUA	Continuous	Yes	100%
Adult cardiac interventions: coronary angioplasty	BCIS	Continuous	Yes	100%
National Vascular Database: peripheral vascular surgery	VSGBI	Continuous	Yes	100%
NJR: Hip, knee and ankle replacements	BOA/Northgate	Continuous	Yes	100%
NLCA: Lung cancer	RCP/NCASP	Continuous	Yes	100%
NBOCAP: Bowel cancer	BOA/Northgate	Continuous	Yes	100%
DAHNO: Head & neck cancer	BAHNO/NCASP	Continuous	Yes	100%
MINAP (inc ambulance care): acute myocardial infarction (AMI) & other acute coronary syndromes (ACS)	UCLH/NCASP	Continuous	Yes	100%
Heart Failure Audit	BSH/NCASP	Continuous	Yes	100%
NHFD: Hip fracture	NHFD	Continuous	Yes	100%
TARN: Severe trauma	TARN	Continuous	Yes	100%
NHS Blood & Transplant: potential donor audit	NHSBT	Continuous	Yes	100%
National Pain Database Audit: chronic pain services	BPS	Continuous	Yes	100%
National Childhood Epilepsy Audit (Epilepsy 12)	RCPCH	Continuous	Yes	100%
National Audit of Heavy Menstrual Bleeding	RCOG	Continuous	Yes	100%
SINAP: Acute stoke	RCP	Continuous	Yes	100%
National Sentinel Stroke Audit	RCP	Intermittent	Yes	100%
National Audit of Dementia	RCPsych	Intermittent	Yes	100%
National Falls & Bone Health Audit	RCP	Intermittent	Yes	100%
National Clinical Audit of Mgt of Familial Hypercholesterolaemia	RCP	Intermittent	Yes	100%

Audit Title	Audit Coordinator	Frequency	ELHT Participation	Required Sample Submission
National Comparative Audit of Blood Transfusion: O negative blood use	NCABT	Intermittent	Yes	100%
National Comparative Audit of Blood Transfusion: platelets	BTS	Intermittent	Yes	100%
British Thoracic Society: pleural procedures	BTS	Intermittent	Yes	100%
British Thoracic Society: COPD	BTS	Intermittent	Yes	100%
British Thoracic Society: paediatric pneumonia	BTS	Intermittent	No	100%
British Thoracic Society: paediatric asthma	BTS	Intermittent	Yes	100%
British Thoracic Society emergency use of oxygen	BTS	Intermittent	Yes	100%
British Thoracic Society: adult asthma	BTS	Intermittent	Yes	100%
College of Emergency Medicine: paediatric fever	CEM	Intermittent	Yes	100%
College of Emergency Medicine: vital signs in majors;	CEM	Intermittent	Yes	100%
College of Emergency Medicine: renal colic	CEM	Intermittent	Yes	100%
National Inflammatory Bowel Disease: ulcerative colitis & Crohn's disease	RCP	Intermittent	Yes	100%
National Audit of Back Pain Management	OHCEU	Intermittent	Yes	100%
National Care of the Dying Audit	MCPCIL/LCP	Intermittent	Yes	100%
National Health Promotions in Hospitals Audit	DoH/RCN	Intermittent	Yes	100%

Key to Audit Coordinator abbreviations	
AQUA	Advancing Quality Alliance
BAHNO	British Association of Head and Neck Oncologists'
BCIS	British Cardiovascular Intervention Society
BOA	British Orthopaedic association
BPS	British Pain Society
BSH	British Society for Heart Failure
BTS	British Thoracic Society
CEM	College of Emergency Medicine
CMP	Case Mix Programme
DoH	Department of Health
LCP	Liverpool Care Pathway for the Dying
MCPCIL	Marie Curie Palliative Care Institute Liverpool
NCABT	National Comparative Audit of Blood Transfusion
NCASP	National Clinical Audit Support Programme
NCD	National Clinical Directors
NHFD	National Hip Fracture database
NHSBT	NHS Blood & Transport
Northgate	Northgate Information Solutions
ICNARC	Intensive Care Audit & Research Centre
OHCEU	Occupational Health Clinical Effectiveness Unit
RCN	Royal College of Nursing
RCOG	Royal College of Obstetrics & Gynaecology
RCP	Royal College of Physicians
RCPCH	Royal College of Paediatrics and Child Health
RCPsych	Royal College of Psychiatry
TARN	Trauma Audit & Research Network
UCLH	University College London Hospitals NHS Foundation Trust
VSGBI	Vascular Society of Great Britain and Ireland

Confidential Enquiries

Audit Title	Audit	Frequency	ELHT Participation	
Surgery in Children	NCEPOD	Once	Yes	100%
Peri-operative Care	NCEPOD	Once	Yes	100%
Cardiac Arrest Procedures	NCEPOD	Once	Yes	100%
Bariatric Surgery	NCEPOD	Once	Yes	100%
Alcohol Related Liver Disease	NCEPOD	Once	Yes	100%

Key to Audit Enquiry Coordinator abbreviations	
NCEPOD	National Confidential Enquiry into Patient Outcome and Death

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

- We have maintained visible leadership – Board and clinical leaders have participated in Board to ward walk rounds and reviews of services
- We have continued participation in the Advancing Quality Initiative: We have used PROMS (Patient Reported Outcome Measures) PEMS (Patient Experience Measures) and have undertaken initiatives as part of the Quality, Innovation, Productivity and Prevention initiative (QIPP)
- We continue to participate in the Mortality Reduction Initiatives
- The Trust participated in the National Safety Express Initiative as a host organisation and the feedback informs our improvement work
- The Trust has implemented the "safety thermometer" and received national recognition for its measuring for improvement approaches
- The Trust is participating in the North West Nurse Transparency Audit
- The Trust has participated in "enter and view" visits by the Local Involvement Network (LINks)
- We have increased the number of clinical safety bundles in use in key clinical pathways across the organisation
- Visible nursing leadership has been maintained with our Matrons and identified Leaders monitoring our standards and nursing indicators.
- Involvement in a range of clinical networks can be demonstrated including: Stroke, cardiac, trauma, neonatal, cardiac and cancer
- We have strengthened the complaints/PALS triaging process to ensure more effective management of concerns raised and we have ensured an increase in face to face complaints handling to resolve concerns directly
- Internal governance reviews and responsive reviews have been systematically implemented and we introduced internal responsive reviews and we are monitoring areas of concern aligned to practice. This has led to the development of directorate quality and risk profiles across the Trust mirroring those used by the Care Quality Commission
- A strengthening of the human resources and organisational development functions in the organisation has supported our quality initiatives
- We have developed a Trust Medical Education Board to oversee and develop medical education within the Trust.
- Our improving patient experience work plan and monitoring arrangement with a specific focus on privacy and dignity and nutrition and hydration has enabled us to respond to patient feedback and concerns whilst improving the quality of care we deliver.

Clinical research

Clinical research involves us gathering information to help understand the best treatment, medication or procedures for patients. It also enables new treatments and medications to be developed. Research must receive ethical approval by a committee responsible for ethics.

The number of patients receiving NHS services provided or sub-contracted by East Lancashire Hospitals NHS Trust from April 1, 2011 to March 31, 2012 that were recruited during that period to participate in research approved by a research ethics committee was 3154. This exceeds the number reported last year. The Trust participated in 70 NIHR (National Institute of Health Research) studies, third highest in Cumbria and Lancashire, with the highest number of interventional studies, and recruited the highest number of patients to these studies (2905) in the region.

Participation in clinical research demonstrates our commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinical staff stay abreast of the latest possible treatment possibilities and active participation in research leads to successful patient outcomes. East Lancashire Hospitals NHS Trust was involved in conducting 185 clinical research studies in the following clinical areas during 2011/12:

- Paediatrics (Including medicines for children)
- Stroke medicine
- Neurology/ neurodegenerative conditions
- Diabetes
- Cancer
- Gastroenterology
- Cardiovascular
- Critical Care
- Orthopaedics
- Rheumatology
- Women's Health, Gynaecology, Obstetrics and Midwifery
- Dermatology
- Ophthalmology

Patient safety work recognised

Our staff scooped a national award recognising their work to improve patient safety.

The Trust won the "Measurement for Improvement" category at the National Safety Express Coalition in London. We were awarded for an "outstanding" measurement plan developed to tackle key areas of patient safety – falls, pressure ulcers, venous thromboembolism (blood clots) and catheter acquired urinary tract infections.

The Trust has set challenging targets to reduce all these incidents and its measurement plan is a key tool in the battle - making sure staff can focus on areas for improvement for their patients.

Deputy Director of nursing John Goodenough said: "This award is welcome recognition for all the hard work being done by our staff to help reduce avoidable harm to our patients. We will continue working closely with our partner NHS organisations to share learning and best practice and improve patient safety."

As well, in the last three years the Trust has contributed to providing research data to multi centre studies that the main research centres publish their findings of the overall study data. It is often these large multicentre trials that provide answers to research questions that improve our knowledge of what is effective care to our patients. The Trust may at times be acknowledged in these publications as a contributory site but it is rare that individuals will be acknowledged as co-authors due to the nature and number of the collaborators involved in such studies. Any such publications are difficult to identify by literature searching techniques but any such publications have resulted from our involvement in NIHR research, which shows our commitment to transparency and desire to improve patient outcomes and experience across the NHS. Our engagement with clinical research also demonstrates East Lancashire Hospitals NHS Trust commitment to testing and offering the latest medical treatments and techniques.

measuring performance

Performance against our key Quality Pledges

Infection Prevention and Control – MRSA

- We pledged to continue to achieve a year on year reduction in the numbers of hospital and community acquired (post 48 hours) MRSA cases.
- We achieved our reduced target for MRSA and have continued to demonstrate a year on year reduction.

Infection Prevention and Control – Clostridium Difficile

- We pledged to achieve a year-on-year reduction in the number of C Difficile cases.
- We achieved this and can demonstrate a year-on-year reduction.

Patient Harm (Adverse event /incident reporting)

- We said that we would aim to report on all eligible patients related incidents to the National Patient Safety Agency and the National Reporting and Learning Service (NRLS). We aimed to have a lower percentage incidence of death, severe and moderate harm than the national reported level for large acute Trusts such as ours.
- In keeping with our pledge we have increased the number of incidents reported to NRLS and continued to decrease the rate of reported harm caused. East Lancashire Hospitals has a strong incident reporting culture. The most recent report (March 2012) shows we are in the top 25% of similar Trusts for reporting incidents and for the rate of harm occurring from these incidents. The narrative provided by the National Patient Safety Agency congratulates Trusts who achieve this in their reporting.

Patient Safety Leadership Walk Rounds

- Our pledge and commitment for 2011/12 was that we would continue to undertake patient safety leadership walk rounds throughout the year to ensure that the patient safety and quality agenda had a high profile within the Trust. We achieved this pledge.

Complaints

- Our aim for 2011/12 was to further reduce the level of complaints to below 0.5 complaints per 1000 patient contacts. When compared to other Trusts in the Northwest we are in the lowest 30% of Trusts for complaints per 100 admissions. We have achieved this aim but feel we have we more to do.

Nurse sensitive outcome indicators for NHS provided care

- We aimed to continue to implement and monitor nurse sensitive outcome indicators. For example we have indicators in place for prevention of falls, pain management, infection prevention, pressure ulcer care, medication management and communication. These collectively have informed the development of this overall report. These are indicators which we know matter to the patients and have an impact on the experience of our patients.

Privacy and Dignity

- We aimed to ensure the privacy and dignity of our patients.
- We aim to be within the best performing Trusts using the privacy and dignity responses of the National Inpatient Survey and to consistently achieve above 85% positive results when using the patient experience surveys locally across our Trust services.

Nutrition and hydration

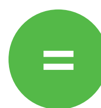
- Our aim and commitment for 2011/12 was to prevent inappropriate weight loss and dehydration of our service users and aim to be within the top 20% of Trusts with regard to rating hospital food and choices using the responses of the National Inpatient Survey.

Eliminating Mixed Sex Accommodation (EMSA)

- Our aim/commitment for 2011/12 was to maintain full compliance with the national requirements for the Elimination of Mixed Sex Accommodation to our patients and aim to be within the best performing Trusts using the responses of the National Inpatient Survey.

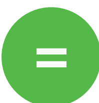
Stroke

- We aimed in 2011/12 to further improve our performance in respect of stroke and TIA (Transient Ischemic Attack) and to achieve the clinical targets and requirements set in the National Operating Framework.



Advancing Quality

- We aimed in 2011/12 to ensure continuous implementation of the Advancing Quality initiatives and the patient experience measures agreed within the quality contract and for us to meet the quality thresholds expected of the Trust



Management of Fractured Neck of Femur(hip)

We aimed to achieve:

- Operating on 70% of patients with a fractured neck of femur within 36 hours ✔
- Implementing care pathways ✔
- Ensure that 90% of patients arriving in the emergency department are transferred to an orthopaedic ward within four hours of arrival. =
- Develop joint admissions and perioperative care protocols to be used by orthopaedics, medicine and anaesthetics. =

Staff experience and feedback

- Our aim for 2011/12 was to aim to achieve national staff survey results comparable with the very best, and as a minimum improve on the areas of poor performance in the 2010 survey.

Priorities for improvement

Our priorities for improvement for 2012/13 are to achieve the following:-

Safe Care

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

Effective Care

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

Personalised Care

- Improve on the national and local patient experience survey question responses
- Maintaining dignity through implementing our approach to eliminating mixed sex accommodation.

How we will monitor our priorities

Our reporting system for monitoring and reporting on quality will tell all staff from the wards to the Board, how we are doing and where we can improve further. We use a number of tools to measure our progress on improving quality and these tools inform the reports we present to the Trust Board and it sub-committees. Our Board performance report includes the quality indicators and this is reported to the public and published on the Trust website.

your world
our world

Sustainability report

We are committed to protecting the environment we are part of and work in and this report summarises the position for 2011/12.

Waste

	Actual 2010/11	Target 2011/12	Actual 2011/12
Clinical waste (@ £390.47/T)	779 T	740 T	701 T
Domestic waste to landfill (@ £162.32/T)	665 T	632 T	722 T

Up-date on existing initiatives

- Clinical waste – new contract with SRCL
- Domestic waste – new contract with BIFFA
- Currently recycling approximately 20.3% of all waste by weight
- New waste bins procured for high volume areas Royal Blackburn Hospital (e.g. Medical Assessment Unit, Emergency Department) have improved segregation and produced a better than anticipated reduction in clinical waste but at the expense of achieving the domestic waste target

Proposals

- Procure new bins for remaining areas
- Review recycling contracts
- Continue with clinical waste reduction
- Target domestic waste reduction and re-cycling

Energy / Carbon

	Actual 2010/11	Target 2011/12	Actual 2011/12
Total gas consumption	71.9 GWh	69.7 GWh	68.4 GWh
Total electricity consumption	26.7 GWh	25.9 GWh	26.2 GWh
Total energy consumption	98.6 GWh	95.6 GWh	94.6 GWh

Up-date on existing initiatives

- Rationalisation of the estate is helping to reduce energy consumption
- Capital investment to replace Royal Blackburn Hospital entrance doors – works started 2012
- Carbon Reduction Commitment (CRC) – narrowly missed the gold standard following review, qualitative assessment pass 86% (minimum 60%), quantitative assessment fail 2.146% (minimum 2.5%), next steps to press on with estate rationalisation, energy champions and capital investment
- The Trust maintained compliance for those applicable buildings falling under the Energy Performance of Buildings Directive and Display Energy Certificates are on public display
- Proposed photo-voltaic installation at Burnley General Hospital shelved due to severe reduction of feed-in tariff. Capital investment re-allocated to new boiler serving the Wilson Hey building reducing reliance on steam for heating

Proposals

- Energy champions to target energy savings at department level

Capital allocation for energy saving schemes

The pilot study to retrofit high frequency/low energy lighting into existing lighting units at Burnley General Hospital has proved successful and will be extended to all hospital streets and areas which are illuminated 24 hours a day.

A proportion of the allocation has been used to improve insulation when flat roof membranes are replaced.

Double glazing has been fitted to the restaurant area at Burnley General Hospital.

Lighting controls

Refurbishment of the Edith Watson building into office accommodation continues to adopt the lighting control systems first specified in the Family Care divisional offices. The ELCAS offices and consultants / secretaries offices from Pennine House will also benefit from these controls.

Purchase only "A" rated portable appliances

Procurement continues through the Trust PEAT Standardisation Group to have only approved "A" rated appliances as the Trust standard.

Sustainability

The Trust has a Sustainable Development Management Plan which aims to consider all of the issues highlighted and in addition investigate:

- Increased use of alternative fuel vehicles especially electric and Bio Fuel vehicles
- Reduction of C02 Emissions by 2% over three years through increased space utilisation outlined in the Estate strategy
- Reduction in the total number of business miles by 5% over two years
- Committing to purchase Fair Trade tea /coffee products and sustainability elements within procurement standards
- Reduction in NHS carbon emissions by 10% from the baseline of 2007 by 2015
- Reduction in domestic waste tonnage by 5% over 2 years
- Reduction in clinical waste tonnage.

our staff your care

Staff Survey report

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

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

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

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

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

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

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

- Open forums
- 'Team Brief' (Trust wide communications process)
- 'Conversations with Mark Brearley', our open forum quarterly meetings with the Chief Executive
- Service/ team development workshops
- National staff opinion survey, the results are shared with staff and Trust wide and divisional action plans are developed to address specific issues.

- Celebrating success
  - Long service awards
  - Staff achievement awards (achievement of qualifications)
  - Staff recognition awards (STAR Awards)

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

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

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

These groups include:
- Health and Wellbeing Group
- Policy, Terms and Conditions Group
- Health and Safety Committee

Other groups are convened as and when required and appropriate.

Our 2011 staff survey results

The 2011 survey results are generally more positive than those achieved in 2010. Compared to the 2010 results, seven key findings have deteriorated whilst 27 have improved.

The four key findings for which East Lancashire Hospitals NHS Trust compares most favourably with other acute trusts in England are:
- The percentage of staff working extra hours
- The percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months
- Percentage of staff reporting errors, near misses or incidents witnessed in the last month
- The percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver.

The four key findings for which East Lancashire Hospitals NHS Trust compares least favourably with other acute trusts in England are:
- The percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month
- Staff recommendation of the Trust as a place to work or receive treatment
- The percentage of staff receiving health and safety training in the last 12 months
- The percentage of staff suffering a work related injury in the last 12 months.

The areas that have improved most since the 2010 survey are:
- The percentage of staff agreeing their role makes a difference to patients
- The percentage of staff feeling satisfied with the quality of work and patient care they are able to deliver
- The percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months
- The percentage of staff appraised in the last 12 months

The areas where staff experience has deteriorated compared to 2010 are:
- The percentage of staff having equality and diversity training in the last 12 months (when compared with other acute trusts in England the score is better than average)
- The percentage of staff receiving health and safety training in the last 12 months.

The results would rate the Trust as a good performer with 20 scores above average, 11 average and seven worse than average when compared to other acute trusts across the country.

The overall staff engagement figure is below average when compared to other acute trusts, however we have improved upon our 2010 score by 9 points from 3.49 to 3.58 (national average 3.62)

Equality and diversity

13% of our staff are from ethnic minority backgrounds. This is marginally lower than the target which is based on local population data. We will continue to monitor equality indicators and take positive action to ensure we employ a workforce that represents the population we serve.

Minority ethnic representation in the workforce is shown below.

	wte	%age
White British	**4,597**	**85%**
Minority Ethnic	**732**	**13%**
Unknown	**108**	**2%**
Total	**5,437**	**100%**

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

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

Equality objectives set for 2012 - 2016

- Establish an equality and diversity committee responsible and accountable for delivering the following high level objectives;
- Equality impact assessment/analysis of policies, strategies, projects and functions
- Implementation of the Equality Delivery System (EDS):
- Better health outcomes for all
- Improved patient access and experience
- Empowered, engaged and included staff
- Inclusive leadership at all levels
- Progress the recommended actions arising from the Recruitment Equality Monitoring Report
- Eliminate discrimination/harassment - Develop the bullying and harassment support advisors service

- Improve patient data gaps
- Enhance the use made of data to understand patient equality issues
- Disaggregate health inequalities by protected groups

The Equality and Diversity Committee ensures compliance with the legislative framework, the Equality Delivery System and relevant Care Quality Commission outcome standards.
Equality monitoring information is published on the Trust's website.

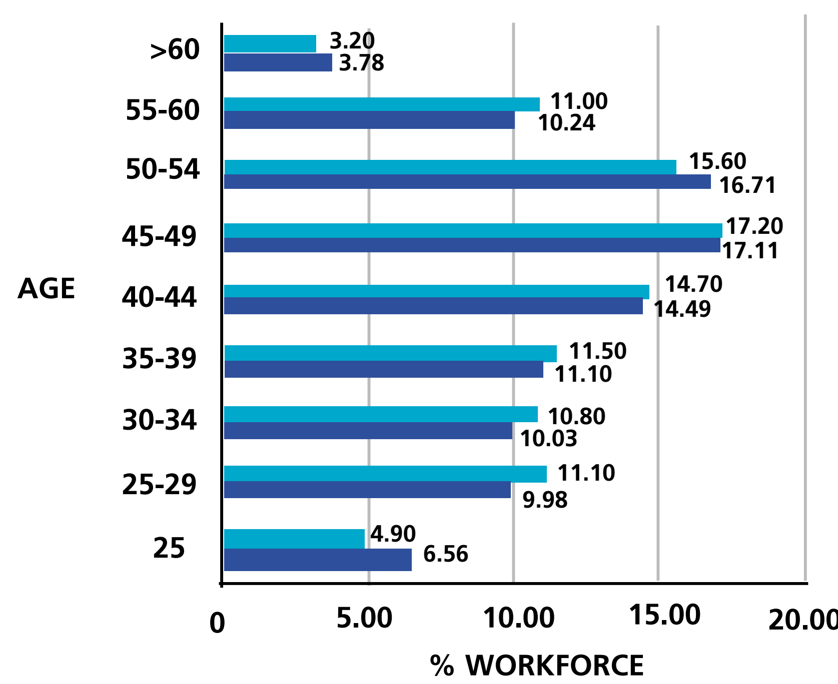
Did you know?

There are more than 500 volunteers working for East Lancashire Hospitals NHS Trust, ranging from students looking for experience in the NHS to retired people. Some volunteers are patients who wish to 'give something back'.

Many of our volunteers work on the wards and clinical areas whilst others work on reception or information desks. Some help our chaplaincy team, some are language translators and some hospital radio broadcasters. Thankyou to them all!

Age Profile
The major demographic shift towards an ageing population in the UK requires us to plan solutions for potential staff shortages and flexibility in employment to ensure the recruitment and retention of talented workers. We actively monitor our age profile. Our age profile can be seen below with a comparison against other NHS Trusts in the North West health economy.

ELHT Age Profile



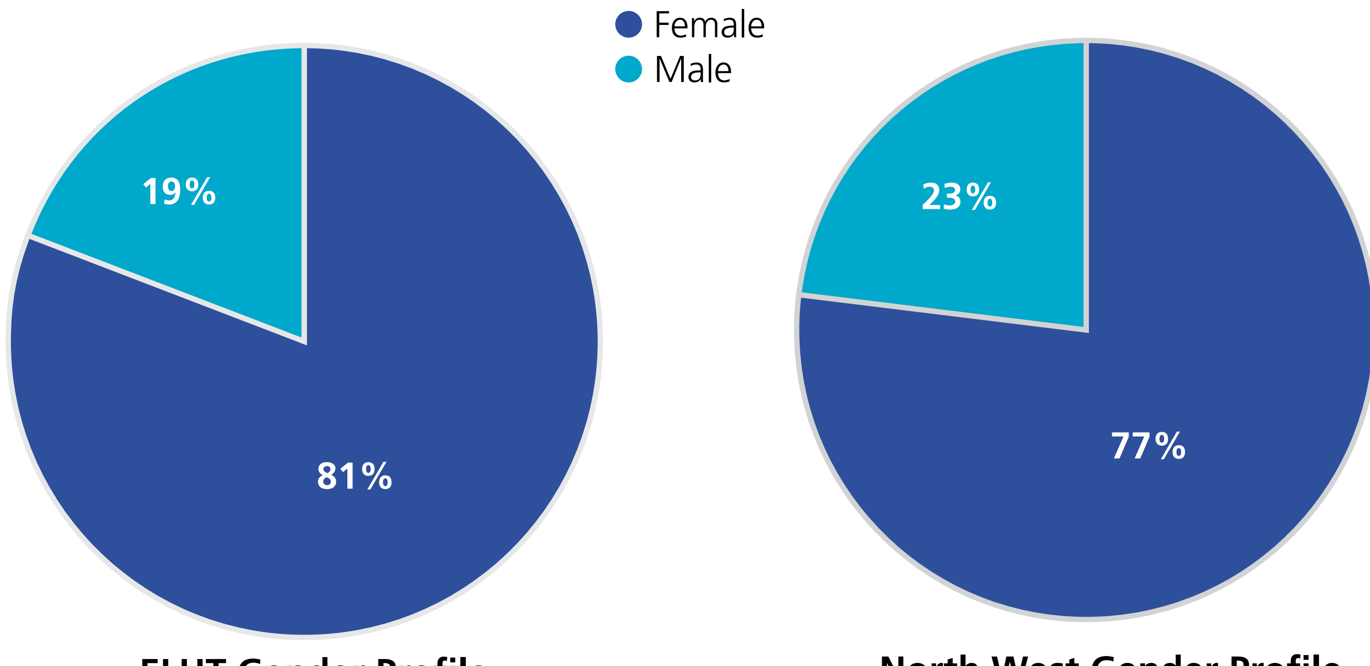
Our age profile is not untypical of other organisations across the North West economy.

We operate a flexible retirement policy to provide a strategic and effective response to demographic change, aimed at retaining experienced staff with valuable skills. This policy allows workers approaching retirement to:

- Retire and return to work after retirement
- Reduce working hours – 'wind down'
- Reduce responsibilities or change role – 'step down'

Recruitment initiatives are ensuring the continuous supply of new workers to counteract the 'outflow' of employees through retirement.

Gender Profile – We monitor our gender profile. The current profile is typical of profiles of other NHS organisations in the North West as below:



Sickness absence data

The Trust has steadily improved its sickness absence rates since 2007/8 and significant improvements were achieved in 2011/12. Historic performance and future targets are highlighted in the table.

Year	%
2007/8	**5.50**
2008/9	**5.10**
2009/10	**4.90**
20010/11	**4.40**
Year	%
20011/12	**4.00**
20012/13	**3.50**
20013/14	**3.00**
20014/15	**3.00**
20015/16	**3.00**

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

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

- Staff Numbers
- Sickness Absence
- Staff Turnover
- Vacancies
- Temporary staffing expenditure

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

Performance against these indicators together with targets for future years is shown in the table below:

	Target	Actual			
	2012/3	2011/12	2010/11	2009/10	2008/9
Sickness Absence (%)	3.50	4.19	4.40	4.94	5.07
Annual Staff Turnover (%)	8.50	9.00	9.22	9.69	13.34
Temporary Staff Spend (£000's)	9,000	9,390	11,063	12,239	

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

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

The health and wellbeing of staff is a key aspect of the Human Resource Strategy and we will continue to work to provide a safer and healthier workforce and to reduce sickness absence to the target of 3%.

governance statement

Scope of responsibility

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

The governance framework of the organisation

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

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

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

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

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

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

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

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

The system of internal control has been in place in East Lancashire Hospitals NHS Trust continuously for the year ended 31 March 2012 and will be in place throughout 2012/13 as an iterative process.

Risk assessment

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

A Trust Executive Director has lead responsibility for the development and implementation of the Risk Management Strategy and Plan which is designed to cover the organisation's risk profile. The Trust Board has approved these arrangements and associated documents. A lead Executive Director has been identified for each principal risk defined within the Assurance Framework and these are mapped to the Care Quality Commission's Essential Standards of Quality & Safety and NHS Operating Framework requirements with the Framework being subject to ongoing, iterative review by the Executive Directors and Trust Board. Newly identified risks are reported through to Board via Governance Committee and the Trust Board has in place a schedule for reviewing the Assurance Framework in the public part of Trust Board. Trust Board papers summarise the risks and mitigation.

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

The overarching performance management system within the Organisation ensures that controls are in place to identify and manage any risks to the delivery of key performance targets. National priorities in the NHS Operating framework have been systematically reported to Trust Board and are monitored through the Assurance Framework

Data security and Information Governance risks are explicitly considered and assessed. No lapses of data security requiring reporting to the Information Commissioner have occurred during 2011/12

The risk and control framework

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

The Trust's Risk Management Strategy and Plan is reviewed annually and provides the Trust with a process of risk

identification, evaluation, treatment planning and monitoring that has formed an assurance framework.

The Trust's Assurance Framework identifies the following areas:

- The Trust's principal objectives
- The principal risks associated with achieving those objectives
- Controls and deterrents to minimise or avoid the principal risks
- The positive assurances available to the Trust in the form of reports/ assessments – from both internal & external sources
- The gaps in controls and assurances that need to be put in place to give the Board assurance that the organisation has effective control over its risks and that systems are in place to achieve its objectives

Equality impact assessments are integrated into the Trust processes.

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

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

Within the Assurance Framework identified gaps in control and gaps in assurance are monitored and reported. During 2011/12 these related to embedding further Trust systems and processes, as well as issues relating to realising the benefits of the Transforming Community Services Transaction, achieving the requirements of the Foundation Trust Trajectory and the impacts of Commissioning strategies where the Trust is reliant on third party action.

The Trust manages gaps in assurance via the following actions:

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

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

- Continued work with our partners on transformation – realising the benefits of the Transforming Community Services transaction
- Further development of Contracts and SLA's in line with the Trust's Business Plans

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

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

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

The Trust has undertaken a climate change risk assessment and developed an Adaptation Plan, to support its emergency preparedness and civil contingency requirements, as based on UK Climate Projections 2009 (UKCP09) to ensure that this organisation's obligations under the Climate Change Act are met.

The Trust is compliant with CQC Essential Standards of Quality & Safety
Review of the effectiveness of risk management and internal control
As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal

Did you know?

We help many local students gain valuable work experience in our Trust and in 2011/12 there were 40 general work experience students across all departments and services. In addition we hosted 75 nursing cadets in the Trust.

control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work.

The overall level of the Head of Internal Audit Opinion is: Full Assurance.

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

My review is also informed by:

Internal and external information as outlined below

- Detailed reports from the Trust's internal auditors and the Audit Commission
- Performance and financial reports to the Trust Board
- Strategic Health Authority performance management reports
- Commissioning PCT performance management reports
- Governance reports to the Audit & Governance Committees and Trust Board
- Compliance action plans as part of the Governance programme
- Patient Environment Action Teams (PEAT) inspection
- Care Quality Commission Inspections and Visits
- National Health Service Litigation Authority Accreditation process
- Royal College inspections/ accreditations
- Information Governance risk assessments against the Information Governance Toolkit
- External assessments/assurances covering a range of operational areas including the following:
    - Audit Commission
    - Care Quality Commission – Service Reviews
    - Care Quality Commission/ Picker – Patient & Staff Surveys
- During 2011/12 the recommendations from the Breast Screening review were implemented. The National Quality Assurance team on their next identified improvement in the service provision.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board and the Audit and Governance Committees.
A plan to address weaknesses and to ensure continuous improvement of the system is in place.
The Board and the Audit and Governance Committees have been actively engaged in the ongoing

development and monitoring of the Assurance Framework. These bodies will continue to shape the iterative development of the Assurance Framework for 2012/13 and undertake regular reviews of the Assurance Framework and the action plans in place to address gaps in controls and/or levels of assurance.

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

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

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

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

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

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

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

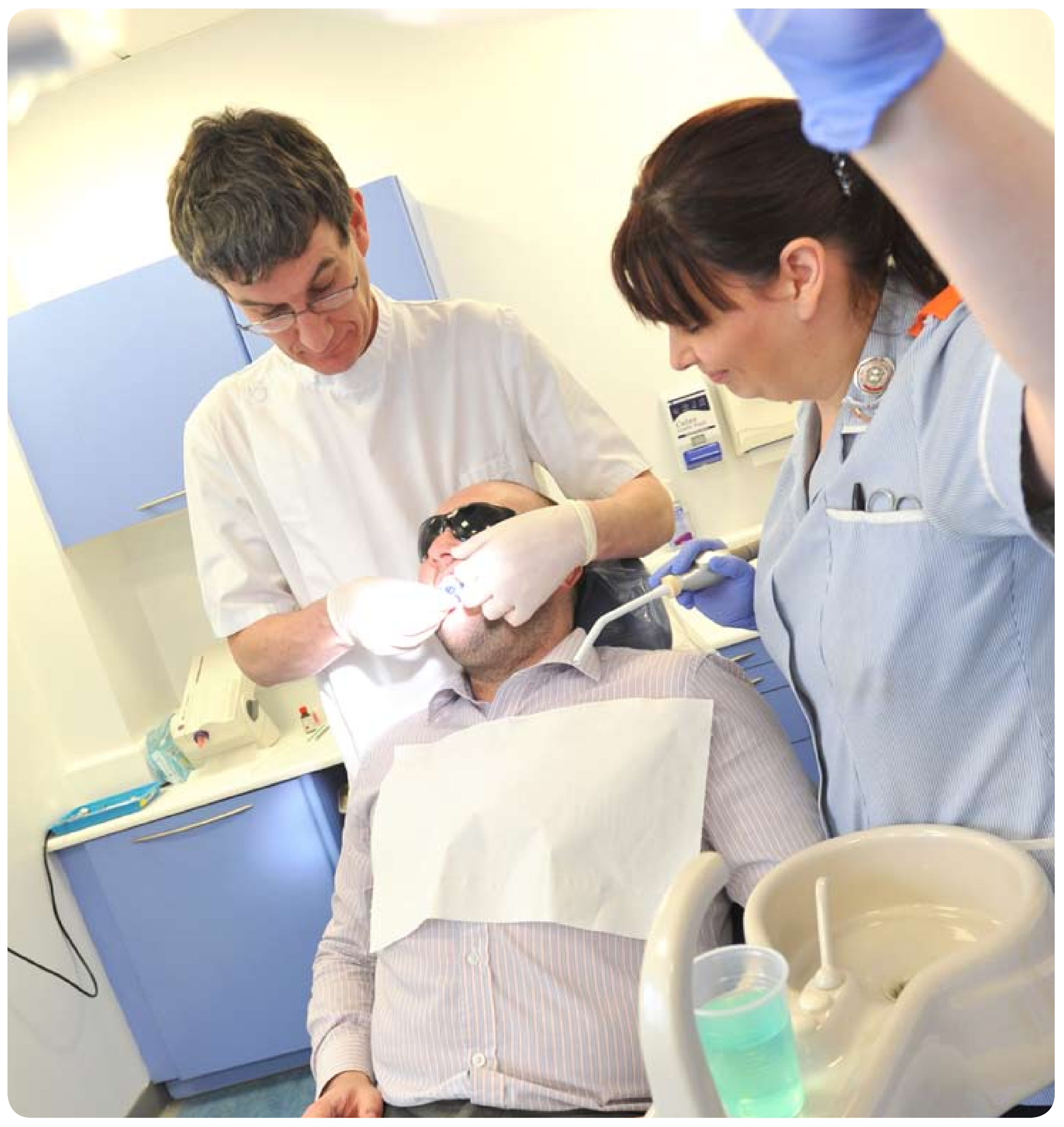
My review confirms that East Lancashire Hospitals NHS Trust has a generally sound system of governance and stewardship that supports the achievement of its policies, aims and objectives.

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

M Brearley

April 17, 2012

your money
our care



Financial review for the year ending 31 March 2012

Financial duties

The Trust ended 2011-12 with a surplus of £13.9 million, including some technical items. After removing these technical items, the Trust's underlying surplus was £3.025million which equates to 0.78% of turnover. This surplus is retained by the Trust and in the short term will help to improve the Trust's liquidity. In the medium to long term this cash will be available to support capital investment

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

	2011-12	2010-11
Break even duty	✔	✔
In year – the Trust must achieve an in year revenue break even position (before technical items)	✔	✔
Cumulative – the Trust must deliver a cumulative break even position (before technical items)	✔	✔
Capital Resource Limit – the Trust must not exceed its resource limit	✔	✔
External Financing Limit – the Trust must not exceed its financing limit	✔	✔
Rate of return – the Trust must generate a rate of return equal to 3.5% +/- 0.5%	✔	✔

Summary financial position

In 2011-12 the Trust reported a year end revenue surplus of £13.867m including technical gains. The underlying revenue position excluding these technical gains was £3.025 million. The revenue break even position is reported as:

	2011-12 £000	2010-11 Re-stated £000	2010-11 £000
Total loss / (surplus) for the year	(£13,867)	£9,483	£8,423
Add back exceptional items:			
Statement of financial position			£1,959
Statement of comprehensive income	£10,899	(£10,104)	(£11,105)
Adjustments in respect of donated asset reserve	(£57)	(£102)	
Underlying in year surplus	**(£3,025)**	**(£723)**	**(£723)**

Accounts re-statement

During 2011-12 the Trust was required to eliminate its donated asset reserve in order to comply with national accounting changes. This meant that the Trust could no longer charge depreciation on its donated assets to a reserve but instead had to charge the cost to its income and expenditure account (Statement of Comprehensive Income). For performance monitoring this is not measured by the Department of Health (DH), and so this cost is adjusted in the financial position. This necessitated re-stating the accounts for 2010-11.

Impairment charges

During the year the Trust incurred impairments as a result of demolishing parts of its redundant estate, which have been charged against its revaluation reserve. It has also incurred negative impairment charges (reversals of previous years) as a consequence of the increased valuation of its assets. In total the combined impact is a net gain on revaluation, which is shown as a benefit to the statement of comprehensive income. It should be noted that prior to 2008-09 impairment costs were funded by the Department of Health.

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 2011-12 the EFL set by the Department of Health was a negative £6.496 million. This represents the net cash movement that the Trust requires to manage its planned activities in the year. The target is a negative figure which means that the Trust did not need external sources of cash in order to deliver its plan. The Trust undershot its EFL target by £6.076 million which was due to increased capital related payables and improved cash management which means that higher cash resources were held by the Trust at year end.

Capital Resource Limit (CRL)

The CRL relates to the Department of Health's measure on how well Trust's control their spending on capital schemes. Trust's are permitted to spend up to their CRL. In 2011-12 the CRL set by the Department of Health was £7.712 million. This represents the total value that the Trust could invest in capital in 2011-12. The Trust under spent against this target by £0.46 million, which represents the underspend on its capital programme, the receipt of disposal proceeds £0.301 million and costs incurred in respect of donated assets. This resource will be carried forward to 2012-13.

Better Practice Payments Code

Although it is not a financial duty, Trust's are requested to ensure that 95% of undisputed invoices are paid within 30 days of receipt of the goods or invoice, whichever is the latter. The Trust has improved upon last years performance by improving the systems for how it processes payments and also from its overall strengthened financial position.

Payments made to non NHS organisations (value)		
	2011-12 £000	2010-11 £000
Total invoices paid	£89,804	£108,634
Total invoices paid in target	£87,896	£97,608
Percentage achievement	98%	90%

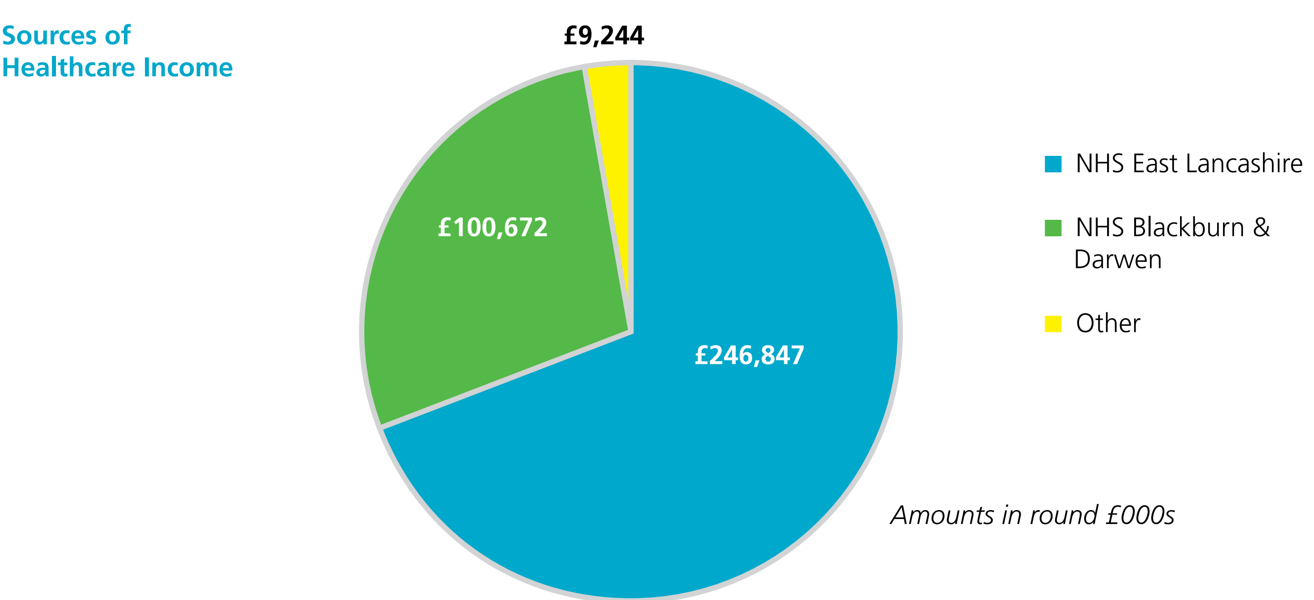
The Trust continues to support the Department of Health's prompt payment code which is a payment initiative developed by HM Treasury and the Institute of Credit Management (ICM).Details of the code can be found at www.promptpaymentcode.org.uk

Investment Revenue

The Trust receives revenue from the interest earned on the management of its cash balances. Interest received in 2011-12 amounted to £132,000 compared with £73,000 earned in 2010-11. This still remains remains relatively low compared with historic years due to the low interest rates available to investors.

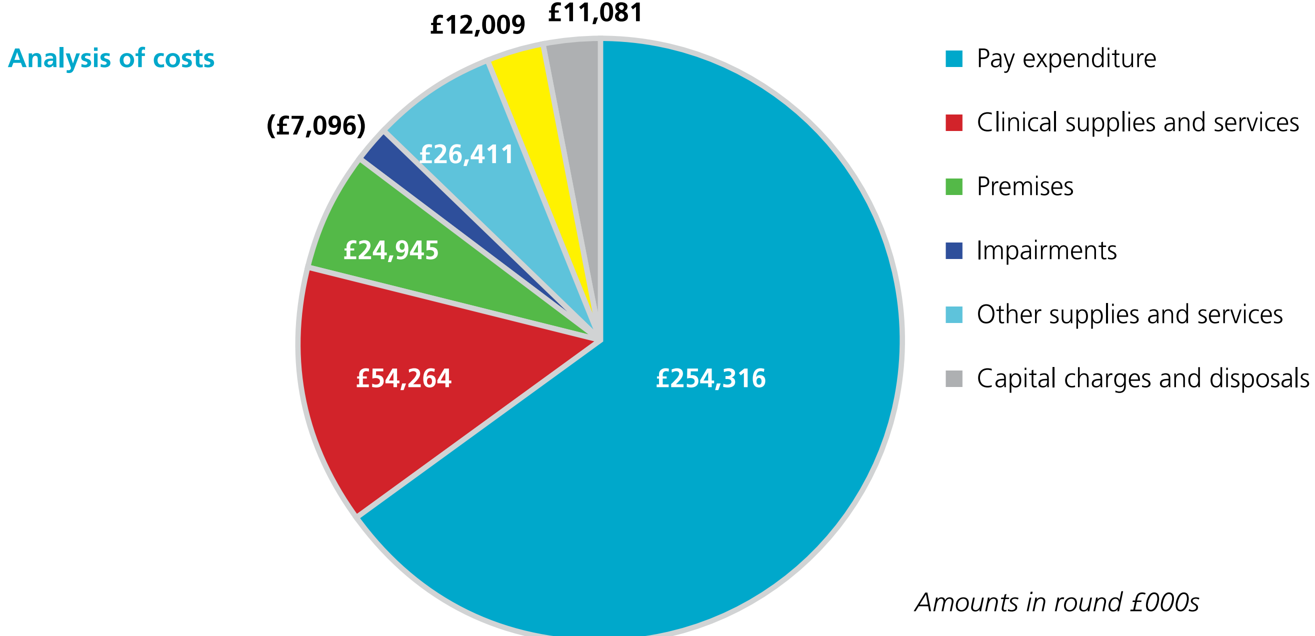
Where our money comes from

In 2011-12 the Trust received total income of £389 million compared with £342m in the previous year. It should be noted that of this increase some £42.8 million related to services which transferred from East Lancashire Primary Care Trust (PCT) as part of Transforming Community Services. Most of the Trust's income comes from PCTs who purchase healthcare on behalf of their local populations. The Trust negotiates an annual contract with its PCTs for the payment of services. Much of this contract is driven by a nationally determined tariff.
For healthcare services provided to people living in East Lancashire and Blackburn with Darwen the Trust received £348m in 2011-12, with a further £9m received for services to people from elsewhere.



Where our money goes
From a total spend of £376 million, £254 million or 68% is spent on the cost of salaries and wages. Throughout the year the Trust employed an average of 6,482 staff including 702 doctors, 2,173 nurses, 1,368 healthcare assistants and 918 scientific and technical staff.

A further £54 million was spent on clinical supplies and services such as drugs and consumables used in providing care to patients. In addition to this the Trust spent £25 million on running and maintaining its premises.



Capital Investment
The Trust has continued to invest in its healthcare facilities on all sites although its planned development of the Urgent Care Centre on the Blackburn site has been delayed now until 2012-13. The remainder of its estate investment focussed primarily on improving existing infrastructure and in continuing to rationalise the estate. In total the Trust invested £7.7 million in new building works, improvements and equipment across all its sites. This expenditure was financed largely from its internally generated resources (depreciation) although it did receive £0.5m from the Department of Health towards the redevelopment of the Child and Adolescent Mental Health Services (CAMHS) on the Burnley site. A summary is provided below:

	£m
CAMHS development	0.5
Medical equipment	1.5
Estate infrastructure and environmental improvements	3.3
Information Technology Equipment	1.8
Other expenses including fees	0.6
Total	**7.7**

Accounting Issues
During 2011-12 the Trust was required to eliminate its donated asset reserve in order to comply with national accounting changes. This meant that the Trust could no longer charge depreciation on its donated assets to a reserve but instead had to charge the cost to its income and expenditure account (Statement of Comprehensive Income). For performance monitoring this is not measured by the Department of Health, and so this cost is adjusted in the financial position. This necessitated re-stating the accounts for 2010-11.

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's external auditors are the Audit Commission. The audit services provided in 2011-12 included the audit of the Trust's financial statements and a value for money audit. The cost of these audits was £184,000.

Financial Outlook for 2012-13
The financial outlook for the National Health Service and the Trust continues to be extremely challenging. The effect of the wider economic recession, combined with service pressures from increasing demand for services and public expectation means that trusts must continue to drive efficiency savings. For 2012-13 it is anticipated that the Trust will have to release about 4.2% of total resources.
Over the next twelve months the Trust will further increase its focus on the pathways of care that it provides to patients. Improved outcomes for patients will support the Trust in driving productivity and efficiency gains, helping us to make the best of the resources that we have available to us. Much of the focus of pathway re-design will be within Medicine and Community services where it is expected that patients will benefit from more streamlined and integrated care.

The Trust has agreed its contracts with PCTs in respect of the anticipated levels of income and patient activity to ensure that patients are treated within agreed timescales and to agreed national standards.

The Trust will continue to develop and improve its sites and facilities. A key part of this programme will be to develop the existing Urgent Care facilities on the Burnley hospital site by building a new Urgent Care Centre so that the existing services can be provided out of a single building. In addition to this the Urgent Care faciities on the Blackburn site will also be improved. This plan is supported by the Department of Health and the Strategic Health Authority who have earmarked £9 million to carry out the capital works. The Trust is also expecting to receive a number of properties from local PCT's which are required to provide the community services which have transferred to the Trust.

The Trust continues to be on target to become a Foundation Trust in line with the national Department of Health agenda and timescales. The Trust has signed a Tripartite Formal Agreement (TFA) which is being monitored by the Department of Health and the Strategic Health Authority and which sets out the required timescale to achieve this. Integral to this process is the requirement for the Trust to submit its long term financial plan along with its overall strategic plan to the Department of Health and to Monitor (the economic regulator for Foundation Trusts) who will assess whether the Trust will be able to deliver against this plan, and will also assess whether its financial and activity assumptions are robust, realistic and deliverable. The Trust remains fully committed to the Foundation Trust objective as this is in the best interest of its patients, its staff and the wider economy.

Summary financial statements
These financial statements are summaries of the information contained within the annuals accounts of East Lancashire Hospitals NHS Trust for 2011-12. The Trust's auditors have issued an unqualified report on these accounts.

For a full understanding of the Trust's financial position and performance, copies of the full accounts are available on request and enquiries should be addressed to:
Frances Murphy
East Lancashire Hospitals NHS Trust
Royal Blackburn Hospital
Haslingen Road
Blackburn
Full accounts are also available on the Trust's website:
www.elht.nhs.uk

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31st MARCH 2012		
	2011-12	2010-11
	£000	£000
		(restated)
Employee benefits	**(254,315)**	(229,259)
Other costs	**(110,270)**	(111,518)
Revenue from patient care activities	**367,341**	320,429
Other Operating revenue	**22,456**	21,496
Operating surplus/(deficit)	**25,212**	1,148
Investment revenue	**132**	58
Other gains and (losses)	**(264)**	(198)
Finance costs	**(7,454)**	(7,021)
Surplus/(deficit) for the financial year	**17,626**	(6,013)
Public dividend capital dividends payable	**(3,759)**	(3,470)
Retained surplus/(deficit) for the year	**13,867**	(9,483)
Other Comprehensive Income		
Net gain/(loss) on revaluation of property, plant & equipment	**4,568**	1,060
Net actuarial gain/(loss) on pension schemes	**0**	0
Total Comprehensive Income for the year	**18,435**	(8,423)

1 - the presentation of comparative figures has been restated to match the requirement from the Department of Health for 2011/12 to separately identify employee benefits in the SOCI .
2 - the presentation of comparative figures has been restated to match the International Financial Reporting requirements that the Donated Asset Reserve is eliminated and in year charges are charged to the SOCI. This change in accounting guidance also affects the Statement of Financial Position, Statement of Changes in Taxpayers Equity, Statement of Cashflows and note 4.
In reporting the financial position for 2011-12, all transactions associated with Transforming Community Services and the transfer of Provider Services from East Lancashire PCT on the 1st April 2011 have been fully included. It is not practical to restate all disclosures and notes for this transaction, however comparative figures have been included where possible and where they provide more detail to the disclosure notes. Comparative figures are also provided under notes 3 to 8. The Trust received £42.8m additional income to provide these services.

	2011-12	2010-11
Reported NHS financial performance for the year	**£000**	£000
		(restated)
Retained surplus/(deficit) for the year	**13,867**	(9,483)
IFRIC 12 adjustment	**(3,803)**	(2,727)
Impairments	**(7,096)**	12,831
Adjustments in respect of donated asset reserve elimination	**57**	102
Adjusted retained surplus/(deficit)	**3,025**	723
The notes on pages 5 to 35 form part of these accounts.		

A Trust's Reported NHS financial performance position is derived from its Retained surplus/(Deficit), but adjusted for the following:-
a) The revenue cost of bringing PFI assets onto the balance sheet (due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009/10) - NHS Trusts' financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to PFI, which has no cash impact and is not chargeable for overall budgeting purposes, should be reported as technical. This additional cost is not considered part of the organisation's operating position.
b) Impairments to assets - an impairment charge is not considered part of the organisation's operating position.
In reporting the Trust's financial position, the Trust has overpaid its required dividend to the Department of Health and has included a year end debtor in this respect as follows.

	2011-12	2010-11
	£000	£000
PDC dividend: balance receivable/(payable)	**41**	(32)

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2012			
	31 March 2012	31 March 2011	1 April 2010
		(restated)	(restated)
	£000	£000	£000
Non-current assets:			
Property, plant and equipment	**256,684**	252,283	262,007
Intangible assets	**431**	329	339
Trade and other receivables	**1,566**	1,612	1,466
Total non-current assets	**258,681**	254,224	263,812
Current assets:			
Inventories	**3,417**	3,433	3,315
Trade and other receivables	**13,755**	11,116	14,931
Other current assets	**28**	0	0
Cash and cash equivalents	**7,397**	908	401
Non-current assets held for sale	**2,820**	0	0
Total current assets	**27,417**	15,457	18,647
Total assets	**286,098**	269,681	282,459
Current liabilities			
Trade and other payables	**(28,802)**	(25,942)	(33,012)
Provisions	**(703)**	(443)	(464)
Borrowings	**(2,697)**	(5,234)	(4,482)
Capital loan from Department (1)	**(1,300)**	(1,300)	(1,300)
Total current liabilities	**(33,502)**	(32,919)	(39,258)
Non-current assets plus/less net current assets/ liabilities	**252,596**	236,762	243,201
Non-current liabilities			
Provisions	**(2,912)**	(2,017)	(2,179)
Borrowings	**(123,680)**	(126,376)	(131,990)
Capital loan from Department (1)	**(3,250)**	(4,550)	(5,850)
Total non-current liabilities	**(129,842)**	(132,943)	(140,019)
Total Assets Employed:	**122,754**	103,819	103,182
Financed By:			
Taxpayers' Equity			
Public Dividend Capital	**159,352**	158,852	149,792
Retained earnings	**(65,402)**	(79,436)	(71,913)
Revaluation reserve	**28,804**	24,403	25,303
Total Taxpayers' Equity:	**122,754**	103,819	103,182

1 - the presentation of comparative figures has been restated to match the requirement from the Department of Health for 2011/12 to separately identify capital loans from the Department of Health in the SOFP.

Comparative figures have been restated in the SOFP, as well as in note 24, so that the current and non-current borrowings reflect the changes made to the PFI models, from which PFI related entries in the accounts are derived, referred to in the footnote to note 29.

The notes on pages 5 - 35 form part of this account.
The financial statements on pages 1 to 4 were approved by the Audit Committee on 7th June 2012 and were signed and authorised for issue on its behalf by:

..(Chief Executive) **7th June 2012**

STATEMENT OF CHANGES IN TAXPAYER'S EQUITY FOR THE YEAR ENDED 31st MARCH 2012				
	Public dividend capital	**Retained earnings**	**Revaluation reserve**	**Total reserves**
	£000	**£000**	**£000**	**£000**
Balance at 1 April 2011	**158,852**	**(80,881)**	**24,157**	**102,128**
Other adjustments	0	1,445	246	**1,691**
Restated balance at 1 April 2011	158,852	(79,436)	24,403	**103,819**
Changes in taxpayers' equity for 2011-12				
Retained surplus/(deficit) for the year	0	13,867	0	**13,867**
Net gain / (loss) on revaluation of property, plant, equipment	0	0	4,568	**4,568**
Transfers between reserves	0	167	(167)	**0**
New PDC Received	500	0	0	**500**
Balance at 31 March 2012	**159,352**	**(65,402)**	**28,804**	**122,754**
Changes in taxpayers' equity for 2010-11 (restated)				
Balance at 1 April 2010	149,792	(73,460)	25,066	**101,398**
Other adjustments	0	1,547	237	**1,784**
Restated balance at 1 April 2010	**149,792**	**(71,913)**	**25,303**	**103,182**
Retained surplus/(deficit) for the year	0	(9,483)	0	**(9,483)**
Net gain / (loss) on revaluation of property, plant, equipment	0	0	1,060	**1,060**
Transfers between reserves	0	1,960	(1,960)	**0**
New PDC Received	9,060	0	0	**9,060**
Balance at 31 March 2011	**158,852**	**(79,436)**	**24,403**	**103,819**

Comparative figures have been restated to include the elimination of the donated asset reserve.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2012		
	2011/12 £000	2010/11 Restated £000
Cash Flows from Operating Activities		
Operating Surplus/Deficit	**25,212**	1,148
Depreciation and Amortisation	**11,745**	11,662
Impairments and Reversals	**(7,096)**	12,831
Donated Assets received credited to revenue but non-cash	**(152)**	(132)
Interest Paid	**(7,454)**	(7,143)
Dividend paid	**(3,832)**	(2,814)
(Increase)/Decrease in Inventories	**16**	(118)
(Increase)/Decrease in Trade and Other Receivables	**(2,574)**	3,014
(Increase)/Decrease in Other Current Assets	**(28)**	0
Increase/(Decrease) in Trade and Other Payables	**1,322**	(3,907)
Provisions Utilised	**(319)**	(296)
Increase/(Decrease) in Provisions	**1,474**	235
Net Cash Inflow/(Outflow) from Operating Activities	**18,314**	14,480
Cash Flows from Investing Activities		
Interest Received	**137**	57
(Payments) for Property, Plant and Equipment	**(5,916)**	(17,056)
(Payments) for Intangible Assets	**(202)**	(95)
Proceeds of disposal of assets held for sale (PPE)	**37**	92
Net Cash Inflow/(Outflow) from Investing Activities	**(5,944)**	(17,002)
Net Cash Inflow/(Outflow) Before Financing	**12,370**	(2,522)
Cash Flows from Financing Activities		
Public Dividend Capital Received	**500**	9,060
Loans repaid to DH - Capital Investment Loans Repayment of Principal	**(1,300)**	(1,300)
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT	**(5,233)**	(4,862)
Capital grants and other capital receipts	**152**	131
Net Cash Inflow/(Outflow) from Financing Activities	**(5,881)**	3,029
Net Increase/(Decrease) In Cash And Cash Equivalents	**6,489**	507
Restated Cash and Cash Equivalents at Beginning of the Period	**908**	401
Cash And Cash Equivalents at Year End	**7,397**	908

1 - the presentation of comparative figures has been restated to match the requirement from the Department of Health for 2011/12 to separately identify provisions utilised from other changes in provisions in the SOCF.

Remuneration Report

Directors' pensions								
	Real Increase/ (Decrease) in pension at age 60	Real Increase/ (Decrease) in Lump sum at age 60	Total accrued pension at age 60 at 31 March 2012	Lump sum at age 60 related to accrued pension at 31 March 2012	Cash Equivalent Transfer Value at 31 March 2012	Cash Equivalent transfer Value at 31 March 2011	Real Increase/ (Decrease) in Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				(to nearest £100)
	£000	£000	£000	£000	£000	£000	£000	£00
Mr M Brearley Chief Executive	5 - 7.5	15 - 17.5	55 - 60	175 - 180	1,134	910	180	0
Mrs D Whittingham Interim Chief Executive	Full pensions disclosures have been provided the Annual Report of Calderdale and Huddersfield NHS Foundation Trust.							
Mr J Wood Director of Finance	0 - 2.5	5 - 7.5	30 - 35	95 - 100	482	369	102	0
Mrs C M Schram Medical Director	disclosure withheld							
Mr G R Jones Medical Director	disclosure withheld							
Mrs L J Wissett Director of Clinical Care and Governance	5 - 7.5	20 - 22.5	50 - 55	155 - 160	923	791	108	0
Mrs V Bertenshaw Director of Operations	0 - 2.5	2.5 - 5	40 - 45	125 - 130	778	665	93	0

The information contained in the Remuneration Report has been subject to audit. As Non-Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non-Executive members.

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

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

Directors' remuneration								
	2011/12				2010/11			
	Salary	Other Remuneration	Bonus Payments	Benefits in kind	Salary	Other Remuneration	Bonus Payments	
	(bands of £5,000)	(bands of £5,000)	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £5,000)	(to
	£000	£000	£000	£00	£000	£000	£000	£00
Non Executive Directors								
Mrs H Harding - Chair	20 - 25	0	0	0	20 - 25	0	0	0
Mr E P Fletcher - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mr G S Boyer - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mr M Hill- – Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mrs E Sedgley - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Mr R Duckworth - Non Executive Director	5 - 10	0	0	0	5 - 10	0	0	0
Executive Directors								
Mr M Brearley Chief Executive (started 01/05/11)	150 - 155	0 - 5	0	0				
Mrs D Whittingham (see note 1 below) Interim Chief Executive (left 30/04/11)	5 - 10	0	0	0	85-90	0	0	0
Mr J Wood Director of Finance	125 - 130	0	0	57	125 - 130	0	0	50
Mrs C M Schram Medical Director	60-65	disclosure withheld	0	0	55 - 60	disclosure withheld	0	0
Mr G R Jones Medical Director (until 31/12/11)	40-45	disclosure withheld	0	0	55 - 60	disclosure withheld	0	0
Mrs L J Wissett Director of Clinical Care and Governance	125-130	0 - 5	0	0	125 - 130	0 - 5	0	0
Mrs V Bertenshaw Director of Operations	100 - 105	0 - 5	0	0	105 - 110	0 - 5	0	0
		Total				Total		
		£000				£000		
Band of Highest Paid Director's total remuneration		155-160				185-190		
Median Total Remuneration		£21,241				£21,435		
Ratio		7.4 : 1				8.7 : 1		

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.

For 2011-12 the Trust is required to report the value of the highest paid director in the organisation and to compare this with the median remuneration of all other staff. This comparison is expressed as a ratio. For 2011-12 the highest paid director earned in the banded range £155k - £160k, whilst the median (mid point) salary was £21,241. This gives a ratio of 7.4:1. Comparitive information for 2010-11 indicates that the highest paid director was in the banded range £185k - £190k , with a median of £21,435 and a ratio of 8.7:1. In 2011-12 the median pay calculation includes in-house bank nursing which was introduced during 2011-12; this is not included in the 2010-11 median calculation.

The median pay calculation does not include external agency staff costs. All agency is paid via invoices and includes commission charges to the agencies. Given the complexities in estimating an annualised median pay calculation for this cost element, the Trust has agreed with its auditors that this element can be excluded for this new disclosure.
In 2011-12, 21 members of staff received remunerations in excess of the highest paid director. These were all consultant medical staff, whilst in 2010-11, 7 members of staff were remunerated higher than the highest paid director, again these were all senior medical staff.
Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

NOTE:
1 The Interim Chief Executive carried dual accountability for Calderdale & Huddersfield NHS Foundation Trust and East Lancashire Hospitals NHS Trust. The table above reports the proportion of salary costs attributable to East Lancashire Hospitals NHS Trust. Calderdale and Huddersfield NHS FT will disclose their proportion of the salary costs. The salary proportions have been agreed by the The Remuneration Committees of each Trust.

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 trusts' 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 trusts' 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.

Balance Sheet
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. The balance sheet is a known as the Statement of Financial Position under IFRS.

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

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

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

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

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

Current Asset Or Current Liability
An asset or liability the NHS trust expects to hold for less than one year.

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

External Auditor
The independent professional auditor appointed by the Audit Commission, who reviews the accounts and issues an opinion on whether the accounts present a true and fair view.

External Financing Limit
A measure of the movement in cash an NHS trust is allowed in the year, set by the government.

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

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

Financial Statements
Another term for the annual accounts.

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

Impairment
A decrease in the value of an asset.

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

International Financial Reporting Standards
The accounting standards that the NHS has adopted from April 2009.

International Standards On Auditing (United Kingdom And Ireland)
The professional standards external auditors must comply with when carrying out audit.

Inventories
Stock, such as clinical supplies.

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

Manual For Accounts
An annual publication from the Department of Health, which sets out the detailed requirements for NHS trust accounts.

Non Current Asset Or Liability
An asset or liability the NHS trust expects to hold for more than one year.

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

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

Payables
Amounts the NHS trust owes.

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

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

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

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

Receivables
Amount owed to the NHS trust
Remuneration Report.
The part of the annual report that discloses senior officers' salary and pensions information.

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

Statement Of Cash Flows
This shows cash flows in and out of the NHS trust during the period.

Statement Of Change In Taxpayers Equity
One of the primary statements-it shows the changes in reserves and public dividend capital in the period.

Statement Of Comprehensive Income.
The income and expenditure account, and the public sector equivalent of the profit and loss account. It shows what income has been earned in the year, what expenditure has been incurred and hence the surplus or deficit for the year.

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

Annual Governance Statement.
A statement about the controls the NHS trust has in place to manage risk.

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

Those Charged With Governance
Auditors terminology for those people who are responsible for the governance of the NHS trust, usually the Audit Committee.

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

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

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

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