

**Annual Report and Accounts Corporate Social Responsibility**



**2006 – 2007**



# Chairman's Introduction

*'Adversity has the effect of eliciting talents, which in prosperous circumstances would have lain dormant.'*

Written some 2000 years ago, that quote from Roman poet and satirist Horace remains true today – nowhere more so than in our Trust.

Thanks to the dedication, enthusiasm and skills of staff at all our hospitals we achieved what many thought was impossible in that we balanced the books (with a small surplus) in 2006/07. We also continued to deliver high quality patient care, with a number of noteworthy achievements and developments.

This was the first year of a three year financial recovery plan which, I believe, has the capacity to deliver unprecedented stability and security for Worcestershire's hospital services – something which must be in the best interests of our patients, our staff and our wider communities.

I would like to take the opportunity within this annual report to publicly give my thanks to all our staff who have achieved so much in such a short time. We have two more years of challenge to come, there remains much to do, and we cannot afford to be complacent. However, I hope 2006/07 will prove to be the year when we finally began to secure the long term future of acute hospital care in Worcestershire and look forward to continuing financial balance.

One of the most difficult aspects of the recovery plan was the need to make substantial savings on our pay costs. The Trust Board pledged, when this painful decision was taken, to work closely with staff side colleagues to manage the process sensitively, with compulsory redundancies to be avoided if at all possible.

Again, our staff rose to the challenge, finding new ways of working to help make savings while minimising the need for job losses. At year end, we had reduced our funded establishment by some 300 posts – but this was achieved with just 12 compulsory redundancies.

What is even more heartening is that in a year when so much of our focus had to be on matters financial, there was so much else achieved. Our achievements against a number of key targets are highlighted in

the Chief Executive's report and do not need repeating here. We also began to develop an extremely positive and productive working relationship with new partners in the local NHS economy following the formation of a single Primary Care Trust for Worcestershire and a new Strategic Health Authority covering the West Midlands. Further it is my intention that we continue to strengthen and develop relationships with all our stakeholders who are involved in the "health of the county."

As we begin the process of redesigning our hospital services for the future, the close involvement of the PCT as the principal commissioner of health services in Worcestershire is essential, as is input from other important stakeholders such as the County Council Health Overview and Scrutiny Committee and groups representing our patients such as the Patient and Public Involvement (PPI) Forum. This stakeholder engagement and support will be essential as we develop our proposals to move to Foundation Trust status.

I would also like to thank all the volunteers who make such a valuable contribution, amongst whom are the Alexandra League of Friends, Kidderminster League of Friends and the Friends of Worcestershire Royal Hospital, the WRVS and our three teams of Hospital Radio volunteers.

In times of challenge a strong team is needed and having thanked our staff and our volunteers, I must also thank my Executive and Non-Executive colleagues for their superb efforts throughout the year. It is only right that I should particularly thank John Darby, Non-Executive Director whose term of office finished at the end of April 2007. With his extensive experience he made a valuable contribution to the work of the Board and to the committees upon which he served. I wish him well for the future.

Finally I remain optimistic for the future because so many able and dedicated people, both inside and outside the Trust, share a common purpose – to secure the best possible health services for Worcestershire.

*Michael O'Riordan*



Michael O'Riordan presents Staff Nurse Brenda Baulch (Hazel Ward, WRH) with a certificate to mark her achievement of no sickness absence for 21 years.



## From the Chief Executive

The NHS – whether you judge it by our Trust, health services across Worcestershire, the West Midlands or nationally – is achieving great things.

Yes, mistakes sometimes get made (we are only human, after all). But overall, the picture is of a service which is continuously improving to meet the challenges of the 21st Century.

We are treating more people, more quickly than ever before. If you have ever waited four hours in A&E, or waited months in pain for an operation, or faced an agonising wait for the results of tests for possible cancer you will know that getting the right treatment at the right time is not just about hitting a target, it's about caring for people.

We are right to strive to bring waiting times down, and it is right that we are monitored on how we are doing. It is also right that our performance in other areas of concern to the public – such as reducing infection rates – is monitored.

By the end of March 2007 we had no patients waiting more than 11 weeks for a first outpatient appointment with a Consultant, and no-one waiting more than 20 weeks for an operation – compare this with just five years ago when the maximum wait we were aiming for was 15 months!

That is good news for patients, and waiting times will fall further still as we work towards our ultimate target of having no-one waiting more than 18 weeks – in total – from referral by their GP to receiving their treatment.

We also continue to see thousands of patients coming through our Accident & Emergency and Minor Injury Units.

The aim is to see, treat and admit or discharge at least 98% of these patients within four hours of their arrival. Unfortunately, despite our best efforts, we fell short of this target in 2006/07. Meeting it is a priority for 2007/08.

Another priority is tackling healthcare acquired infections like MRSA and Clostridium Difficile. Frustratingly, the huge efforts we made to reduce infection rates in our hospitals (efforts which were praised by the Strategic Health Authority and the

Department of Health) failed to keep infections at the level hoped for and we recorded 45 cases of MRSA against a target of 24. Two cases a month remains our target and we have also agreed with our PCT partners a target for reducing levels of CDiff infections.

So, we go into 2007/08 facing clear operational challenges before us (not to mention financial recovery). However, we can look back on 2006/07 with considerable satisfaction and, generally, a sense of a job well done.

Let's consider a 'typical' month – say February 2007. Although it is the shortest month of the year, across our sites we still saw 3,700 elective inpatients (including daycases), almost 5,000 emergency inpatients and more than 37,000 outpatients, plus around 7,000 A&E and MIU attendances.

Against this total of well over 50,000 'patient contacts' we received, during the month, just 43 complaints – compared to more than 600 'thank you' cards and letters, plus hundreds of boxes of chocolates and biscuits, as well as other gifts – and donations of more than £2,500.

This is a tribute to the professionalism of our staff – and there's no doubt that these expressions of gratitude are a huge morale booster.

I would like to add my thanks to our staff for their dedication. I am genuinely looking forward to the coming year and I believe we will continue to see further improvements in the excellent care we provide.

These improvements will be supported by close collaborative working and real partnership with our key stakeholders – in particular Worcestershire Primary Care Trust, our Patient and Public Involvement (PPI) Forum and the County Council Health Overview and Scrutiny Committee.



**John Rostill meets one of the few members of staff to have spent longer working in the NHS than he has. Maureen Burrow retired after more than 49 years in the NHS, having been a night shift staff nurse on Avon 1 at WRH for more than 40 years.**

# Operating and Financial Review

## Business Profile

Worcestershire Acute Hospitals NHS Trust was established in 2000 and is the leading provider of acute healthcare to patients throughout Worcestershire from three hospital sites: the Alexandra Hospital in Redditch, Kidderminster Hospital and the Worcestershire Royal Hospital in Worcester. Facilities are distributed across the three sites. There are 990 beds, over 5,000 staff employed and an annual income of almost £264 million.

## Performance in 2006/07

The financial year 2006/07 presented the Trust with significant challenges as the organisation entered the first full year of its three-year recovery plan to deliver sustainable financial balance and service improvement. Performance against key operational standards remained generally strong despite a significant increase in overall activity.

- Elective Admissions (Inpatient & Daycase) rose by 2.2% compared to 2005/06.
- Non Elective Admissions rose by 3.2% compared to 2005/06.
- Outpatient Attendances increased by 8% compared to 2005/06.

The Trust ended the year with a small surplus of income over expenditure of £53,000. It also reduced its underlying deficit from £20m to £4.5m during the year. As a consequence of this improved financial performance, the Trust is no longer subject to Department of Health or Strategic Health Authority Turnaround arrangements.

During the year the Trust Board approved a loan application to borrow £25m of cash to compensate for the organisation's historic financial deficit and to maintain liquidity. This loan must be repaid over five years. Over that period the Trust must generate surpluses of income over expenditure of at least £5m each year. The loan will also be subject to the payment of interest charges of approximately 5% per annum.

The Trust exceeded its financial target of £12.05m for its capital expenditure by £0.2m (or 1.75%), following an unexpected change to the target figure made by the West Midlands Strategic Health Authority at the very end of the financial year. The Trust underspent its original target by £0.19m. The Trust made significant investment in new facilities, including the multi-disciplinary Education Centre at the Alexandra Hospital, a new catering facility at the Alexandra Hospital, upgrades to electrical switchgear, new and replacement medical equipment and the county-wide healthcare IT infrastructure.

The Trust's performance against key operational targets was as follows:

- Outpatient & inpatient waiting times, including the achievement of a maximum 20 week wait for inpatients and 11 weeks for outpatients by March 2007, were achieved.
- The 13 week maximum waiting time for (some) diagnostic tests was achieved.

- All three Cancer waiting time targets were achieved.
- Difficulties were experienced in the achievement of the 98% A&E emergency access target. Actual performance for the Trust for the whole of 2006/07 was 95.11%.
- A reduction in the number of cancelled operations by just over 42% on the previous year was achieved. The actual number of cancelled operations is now less than 1%.
- The Trust was unable to meet the target of reducing MRSA bloodstream infections by 20% year-on-year. In 2006/07 the Trust achieved a 10% year-on-year reduction in total numbers.

## Looking Forward to 2007/08 and Beyond

### Clinical Service Review

The Trust plans to conclude the Clinical Service Review during the current financial year. The review has clearly stated objectives of ensuring that the configuration of services are safe, affordable, high quality, accessible, sustainable and provide a foundation for future developments and improvements. The Trust will continue to consult with key stakeholders within the Worcestershire Health economy and work in partnership with Worcestershire Primary Care Trust on a full public consultation.

The delivery of the Clinical Service Review will demonstrate the achievement of a further step change in the organisation which will facilitate the delivery of radical improvements in the performance, culture and ethos of the organisation, whilst maintaining safe, high quality patient services in a suitable environment.

### Financial Issues – balancing the books and becoming a sustainable financial organisation by March 2008

The Trust has developed a three year financial recovery plan to deliver both in-year and recurrent financial balance. The recovery plan has several key elements to achieve the following objectives:

- To ensure that the Trust has a healthy income and expenditure position to facilitate the configuration of services in accordance with the clinical service review and to ensure that any loan repayments can be met.
- To ensure that the Trust has sound treasury management processes which deliver significant improvements in its cash position.
- To maintain and develop strong financial management and control within the Trust to ensure it is fit for purpose both now and in the future as a Foundation Trust.
- To ensure that there is a sound performance management framework in place to enable the Trust to monitor progress against its financial, operational and contractual targets, and to take early corrective action as necessary.
- To identify and manage business risks to ensure that the Trust's objectives progress unhindered.
- To ensure that the Trust's assets are optimised, protected and managed appropriately to sustain and improve the ongoing delivery of services.

The next 12 months will again present major financial challenges, as the Trust is required to generate sufficient surplus to allow the repayment of the first £5m instalment on the £25m cash loan. In addition to the savings found during 2006/07, the Trust will need to find further savings totalling in excess of £12m during the 2007/08 financial year to ensure that all financial targets and obligations can be achieved. This will be an ongoing challenge against a backdrop of increasing levels of activity, additional waiting time targets and the need to ensure that clinically safe services continue to be provided in line with agreed Service Level Agreements with Primary Care Trusts. The Trust's ability to deliver a financial surplus in 2007/08 to permit the repayment of the instalment of the loan is a crucial stepping stone to demonstrating the organisation's capacity and capability of becoming a sustainable financial organisation by March 2008.

#### **Effective systems to ensure performance targets are achieved, assessment and implementation of effective performance management arrangements**

Key performance indicators are reported on a monthly basis to either the Trust Board or the Finance and Performance Committee. The Finance and Performance Committee meets on a bi-monthly basis to ensure that there is a specific corporate focus on all aspects of financial and operational performance. The remit of the meeting includes the identification of key performance risks and understanding of early or preventative action the organisation will take to manage these.

#### **Listening to our Staff**

The Staff Opinion Survey has raised a number of concerns which need to be addressed. A joint management/staff side team have been tasked with developing an action plan for agreement with the Executive Team and presentation to staff and the Trust Board. As a key interim measure managers have been tasked with ensuring that all staff receive an appraisal within the 12 months to 30th September, 2007. This position will be monitored by the respective Executive Directors.

#### **Developing and Maintaining Effective Governance Systems**

The Trust plans to ensure that there is sufficient management capacity at all levels within the organisation to communicate, maintain and develop governance principles in a meaningful and understandable manner. The Trust's scheme of delegation, and management and committee structures will be reviewed to ensure that appropriate controls exist over all aspects of governance.

The Trust also aims to ensure that the governance principles are more firmly embedded within the organisation through job descriptions, appraisals and personal development plans, with monitoring again taking place through the Trust's assurance committees.

#### **Foundation Trust Status**

Achievement of financial balance for a second consecutive year would allow the Trust to proceed with an application for Foundation Trust status.

The Trust plans to achieve foundation status, and is participating in a development programme led by the Strategic Health Authority. Achieving recurrent financial balance and addressing the liquidity problems caused by the historic deficit are obligatory elements of development towards Foundation Trust status. The Trust has established a Foundation Trust Working Group as a formal committee of the Board, led by a non-executive director.

#### **Service Developments**

For 2007/08, the national change in the capital financing regime for NHS Trusts has resulted in the need for a reduction against previously planned capital expenditure. The Trust plans to invest in excess of £8m in 2007/08 on the maintenance of the infrastructure of buildings and services, the replacement and development of clinical and medical equipment, and the expansion of the IT infrastructure. The Trust will also consider investment in the development of clinical services at the Alexandra Hospital, including both ward and operating theatre areas.

#### **Regulatory Issues**

The Healthcare Commission has developed a new approach for reviewing the performance of NHS organisations and awarding annual performance ratings.

The Trust has submitted a Standards For Better Health self-assessment of the core standards which identifies areas achieved and where further improvement is necessary. The Trust has ensured each standard has a lead executive and project manager. The Trust has identified just one standard where it has assessed itself as not meeting the standards. The standard "C21" relates to cleanliness levels in clinical and non-clinical areas being required to meet the national specification for clean NHS premises. The Trust has assessed itself as non-compliant on the Redditch and Kidderminster Hospital sites. The Trust has earmarked resources to address this issue during the 2007/08 financial year, and will monitor progress towards achieving the standard through its assurance committees.

The external auditors are appointed on the Trust's behalf by the Audit Commission. The cost incurred in respect of the external auditors in 2006/07 was £225,000. Of this sum £8,000 was the cost of the Section 19 letter produced on the 2005/06 accounts, with the balance representing work associated with statutory audit activities and National Fraud Initiatives.

The Trust had an Audit Committee in place throughout 2006/07, with the following directors being members of the Committee; Mr J Darby (Chair), Mrs R Adams, Mr C Beardwood, Mrs A Willis, Mr A Newman.

An explanation as to how the Trust has treated its pension liabilities can be found at note 1.13 in the full published annual accounts.

# 2006/07: That was the year that

Back in April 2006, we received confirmation that our high standards of clinical care, patient safety and staff training at the Alexandra, Kidderminster and Worcestershire Royal Hospitals had enabled us to pass two rigorous independent assessments with flying colours.

For the first time, the Trust successfully achieved Level Two accreditation for both general clinical services and maternity services in the national Clinical Negligence Scheme for Trusts (CNST).

The award followed a total of four days of site visits and staff interviews by CNST reviewers. The reviewers carried out a detailed analysis of the measures in place to deliver the highest possible standards of clinical care, protect patient safety and ensure that staff receive the training they require.



In May we welcomed HRH Princess Alexandra back to the hospital which bears her name. 20 years after she officially opened the Alexandra Hospital, Her Royal Highness kindly agreed to open the hospital's newest development – the Redditch Orthopaedic Centre.

The £2 million centre brings together in one specially designed area a wide range of outpatient services for orthopaedic patients. The unit has 12 consulting rooms to house fracture clinics and orthopaedic and rheumatology outpatient clinics, as well as X-ray facilities and a plaster room so patients do not have to travel outside the department once they arrive.

The education and information facilities provide a wide range of literature and audio-visual resources to ensure that patients have access to all the information they need about their condition and the treatment they are receiving.

Financial support for the Orthopaedic Centre came from central NHS funds through the Action On Orthopaedics initiative, as well as capital from the West Midlands South Strategic Health Authority and the Trust's own capital funds, as well as a generous contribution from the Alexandra's League of Friends,

who donated the proceeds of their summer fete to equip a patient information room.



June saw the launch of our bid to secure satellite radiotherapy services for Worcestershire, with the support of patient and user groups from across the county.

The Three Counties Cancer Network, Worcestershire Cancer User Group, Arden Cancer Network User Group (Redditch & Bromsgrove branch) and Wyre Forest Patient and Carer Group (part of Greater Midlands Cancer Network), all pledged to work together to lobby health chiefs, MPs and other key opinion formers to win support for our bid.

We remain hopeful of securing the funding needed to build a satellite radiotherapy unit with two linear accelerators (linacs). If successful, the development would save thousands of cancer patients from having to make gruelling journeys to hospitals outside the county to receive their lifesaving treatment.

A unique multi-media event in June saw our Chairman, Chief Executive and other members of the Senior Management Team joining a groundbreaking live radio debate hosted by BBC Radio Hereford and Worcester in partnership with several local newspapers.

Under the title 'Your Health, Your Future' the two and a half hour live broadcast covered many aspects of the challenges currently facing the local health economy and also looked forward to what the future might hold for the county's NHS services.

Our efforts to modernise pharmacy services to better meet the needs of our patients were rewarded in August when a national Healthcare Commission (HCC) survey awarded the service a rating of 'Good' (the second highest category).

Efforts by staff at all sites to achieve demanding waiting time targets, offer greater convenience and choice to patients and put in place processes to deal with key health issues such as obesity secured us an overall rating of 'Fair' for our services under the new Annual Performance Ratings published by the Healthcare Commission for the first time in October 2006.

The financial challenges of 2005/06 meant we received a rating of 'Weak' for use of resources, but given the progress made since we are optimistic of improving this performance when the next set of ratings are published.

# WAHT...

October also saw the beginning of a new era of partnership working in Worcestershire's health economy with the formation of a single Primary Care Trust (PCT) for the county.

In November we announced a successful bid by the Cardiac Rehabilitation Team at the Alexandra for a £9,500 bid from the Cardiac Network to improve rehabilitation services for local cardiac patients.



Members of the Radiology Team at Worcestershire Royal Hospital

And there was more good news for patients across the county in December when our Radiology team announced they had met all national waiting time targets three months ahead of schedule. It meant no-one in the county was waiting more than 13 weeks for CT, MRI, ultrasound, DEXA or nuclear medicine scans, with the majority having their scans in a much shorter time. This was achieved despite the team also carrying out more examinations than expected (more than 300,000 a year).



Members of the original Alexandra Estates Team

In December we marked 20 years of the Alexandra Hospital with a special supplement in Connect, the trust magazine, which was celebrating a milestone of its own with the 30th edition.

The new year started on a high note in January when a team from the Trust travelled to London as finalists in

the Working Families Employer Awards ('Silver Service' category) in recognition of the flexible working opportunities offered to our staff approaching retirement age.

Staff benefits were in the spotlight again in February we began a series of Heart and Soul Days designed to help our staff achieve a healthy work/life balance. The events offered everything from advice for carers to a chance to try bellydancing. (There is more information on Heart and Soul in the Corporate Social Responsibility supplement of this Annual Report)

In March we launched a poster campaign to raise awareness of the services provided by the Minor Injuries Unit at Kidderminster. In partnership with PCT colleagues this has now been expanded to a countywide campaign designed to promote all Worcestershire's



Minor Injuries Units to patients who may be able to get the treatment they need without having to go to an Accident and Emergency unit.



View of the library facilities in the new Education Centre at the Alexandra Hospital

Also in March, three years of planning came to fruition with the opening of the new, purpose built £3 million Education Centre at the Alexandra offering state of the art facilities and technology for all groups of staff. Along with the Charles Hastings Education Centre at WRH and the Education Centre in the Kidderminster Treatment Centre, we now have staff training and development facilities at all sites which are the envy of many other Trusts.

# Senior Management Team (at 31 March 2007)

## Michael O’Riordan, Chairman

### Committees:

Chairman: Finance & Performance and Remuneration Committees.  
His tenure runs until November 2009

### Interests:

Chairman of the Healthcare Purchasing Consortium. Member of the Worcestershire Partnership Board, member of the Worcestershire Health and Social Care Board, Chairman of the Trustees of Birmingham Citywatch and Trustee of the Charles Hastings Education Centre.

## John Rostill, Chief Executive

### Committees:

Member: Finance & Performance, and Donated Funds Committees

### Interests:

Chairman of NHS Employers Policy Board & Assembly

## Dr Charles Ashton, Medical Director

### Committees:

Chairman: Area Prescribing Committee, Trust Children’s and Education Committees

Member: Finance & Performance, Clinical Assurance and Donated Funds Committees.

### Interests:

Member of NHS Confederation Council and NHS Employers Assembly.

Some private practice undertaken.

Has received sponsorship from pharmaceutical companies to attend educational conferences.

## Graham Bennett, Interim Director of Finance

### Committees:

Member: Finance & Performance and Donated Funds Committees and Foundation Trust Working Group

### Interests:

Company Director, Graham Bennett Associates Ltd.

## Glen Burley, Director of Operations/Deputy Chief Executive (until September 2006)

### Committees:

Member: Finance & Performance, Corporate & Organisational Assurance Committees and Foundation Trust Working Group

### Interests:

No interests declared

## Clive Walsh, Director of Operations

(from November 2006)

### Committees:

Member: Finance & Performance, Corporate & Organisational Assurance Committees and Foundation Trust Working Group

### Interests:

Spouse works for Heart of Birmingham Teaching PCT

## Jeff Crawshaw, Director of Human Resources

### Committees:

Member: Finance & Performance, Donated Funds, Corporate & Organisational Assurance Committees and Foundation Trust Working Group

### Interests:

No interests declared

## Rachel Overfield, Director of Nursing and Midwifery

### Committees:

Chair: Matrons/Senior Nursing Forum

Member: Worcestershire Safeguarding Board; Finance & Performance, Clinical Assurance, Donated Funds Committees.

### Interests:

No interests declared

## Dr Chris Phillips, Associate Medical Director, Alexandra Hospital

### Committees:

Member: Finance & Performance and Clinical Assurance Committees

### Interests:

Some private practice undertaken. Minority shareholder, Worcestershire Imaging Centre. Family interest in company providing ultrasound services.

## Mr Michael Corlett, Associate Medical Director, Kidderminster Hospital (until November 2006)

### Committees:

Member: Finance & Performance and Clinical Assurance Committees and Foundation Trust Working Group

### Interests:

Some private practice undertaken.

## Dr Steve Graystone, Associate Medical Director, Worcestershire Royal Hospital

### Committees:

Chairman: Health Records, Resuscitation and Research and Development Committees

Member: Finance & Performance and Clinical Assurance Committees, Foundation Trust Working Group and Acute Trust ICT Board

### Interests:

Some private practice undertaken

## Rosemary Adams, Non Executive Director

### Committees:

Chairman: Clinical Assurance Committee

Member: Finance & Performance, Donated Funds, Audit and Remuneration Committees

Her tenure runs until April 2009

### Interests:

No interests declared

## Colin Beardwood OBE, Vice Chairman and Non Executive Director

### Committees:

Chairman: Donated Funds Committee and Acute ICT Programme Board

Member: Finance & Performance, Audit and Remuneration Committees  
His tenure runs until October 2007

### Interests:

Non Executive Director, West Midlands Enterprise Group

Non Executive Director, Midlands Industrial Association Limited

Business Governor, Worcester College of Technology

Governor, Trinity High School, Redditch

Vice President, Birmingham Valuation Panel

Family member works for Mencap

## John Darby, Non Executive Director (until April 2007)

### Committees:

Chairman: Audit Committee

Member: Finance & Performance, Clinical Assurance and Remuneration Committees and Foundation Trust Working Group

### Interests:

Director, Rockland Consulting Ltd, Company Secretary, Torch Trust for the Blind

## Andrew Newman, Non Executive Director

### Committees:

Chairman: Foundation Trust Working Group

Member: Finance & Performance, Audit and Remuneration Committees

His tenure runs until November 2009

### Interests:

Owner and Director of Sterling Consulting Group Limited

Non Executive Director, B E Wedge Holdings Limited

## Avril Willis, Non Executive Director

### Committees:

Chairman: Corporate & Organisational Assurance Committee

Member: Finance & Performance, Audit and Remuneration Committees

Her tenure runs until November 2009

### Interests:

Vice Chairman of Furness Building Society

Non Executive Director, Furness Mortgage Services Limited

## Board Development

The role of our Non-Executive Directors is a crucial part of ensuring high standards of governance in the Trust. They act as a 'critical friend' scrutinising the management of the organisation and holding the Executive Directors to account for their actions. They also act as 'Ambassadors' for the Trust.

Non-Executive directors are chosen for their wealth of knowledge in all walks of life, including business, industry, education and local government and their specific skills. Their appointments (for a fixed four-year term) and remuneration are approved by the NHS Appointments Commission.

Between them, the Non-Executive Directors and our Chairman Michael O'Riordan chair a number of committees which report directly to the Trust Board.

Through 2006/07, our Chairman and the Non-Executive Directors, Rosemary Adams, Colin Beardwood OBE, John Darby, Andrew Newman and Avril Willis took part in a series of workshops, seminars and development days designed to improve their knowledge and understanding of some of the key issues affecting the modern NHS.

They included a seminar on the 'High Performing Board' provided by the Audit Commission, a workshop on the digital X-ray system PACS, run by the Strategic Health Authority, and a series of internal seminars covering a wide range of topics including: Public Health, Pandemic Flu and the Major Incident Plan; Equality and Diversity; Marketing and ICT.

## Emergency Planning Statement

The Trust completed a review of its core major incident plans during 2006/07 and there is an ongoing process for reviewing the structure and content of all emergency plans. An Acute Emergency Planning Group reporting to the Corporate & Organisational Assurance Committee has been established to oversee activities and ensure suitable assurance is given relating primarily to the core emergency planning activities of risk assessment, plan development, training and exercising.

## Dealing with Complaints

During 2006/07 our complaints team combined with the bereavement officers and Patient Advice and Liaison Service (PALS) to form a single Patient Services Department, based at the Alexandra Hospital but covering all three sites offering help, advice, guidance and support to patients and visitors.

We were pleased to see another reduction year-on-year in the number of formal complaints received in 2006/07. The total – 431 – marked the fourth year in a row that the number has fallen (from 766 in 2002/03, to 638 in 2003/04, 568 in 2004/05 and 477 in 2005/06).

However, although we can take some satisfaction from our considerable achievements in reducing the number of complaints, there is no room for complacency.

We have revised our approach to complaint handling and during the year we introduced a number of initiatives in an endeavour to improve response times and resolve more complaints at the first stage of the procedure.

Instead of putting every written complaint through an identical process, we now identify on receipt any which we feel can be answered quickly because the information required is readily available.

For those complaints that require more detailed investigation, a designated senior member of staff takes direct responsibility for ensuring that an appropriate response is sent as quickly as possible.

We strive to respond promptly and fully to all complaints, we aim to learn from our mistakes - and we are prepared to say 'sorry' when we have got things wrong.

Of the 431 complaints received in 2006/07, we responded to 279 within our target time of 20 working days – an overall rate of 64%. However, we hope this will improve during 2007/08 as the new complaint handling system takes full effect.

# FINANCIAL STATEMENTS

## Foreword to the Accounts

These accounts for the year ended 31st March 2007 have been prepared by Worcestershire Acute Hospitals NHS Trust under Section 98(2) of the National Health Services Act 1977 (as amended by Section 24(2), Schedule 2 of the National Health Service and Community Care Act 1990) in the form which the Secretary of State has, with the approval of the Treasury, directed.

## Introduction

The Trust was established in 2000, following the merger of acute hospital services in Worcester, Redditch and Kidderminster. The Trust was established with an underlying deficit of £6.7m, which meant that its ongoing expenditure was greater than its ongoing income. This underlying deficit increased over the years and in 2005/06 stood at £20m. The Trust received substantial non-recurrent support over this period to assist its financial position, but even so, overspent in total by £31.8m up to 31st March 2006.

In April 2006 the Trust approved a Recovery Plan, which included unprecedented levels of savings, to deliver financial balance each year and to address its underlying deficit. In accordance with this Plan, the Trust achieved a small surplus in 2006/07 and had reduced its underlying deficit from £20m to £4.5m by 31 March 2007. The remaining deficit will be addressed during 2007/08.

Although it was originally intended that the Trust would receive non-recurrent support of up to £17.5m in 2006/07 from the West Midlands Strategic Health Authority, this arrangement was changed during the year. Instead, the Worcestershire PCT paid the Trust an extra £13.4 million for additional patient activity carried out for its patients. This additional work and associated income has been included in the service level agreement and therefore the Trust's income budgets for 2007/08.

In March 2007, the Trust obtained a cash loan of £25m from the Department of Health to address once and for all the liquidity problems caused by the historic overspends. This loan was not treated as income as it will be repaid over a five year period and is therefore included in the Trust's liabilities in the Balance Sheet. However, the Trust will need to create revenue surpluses of £5m a year for the next five years to generate the cash necessary to finance loan repayments. The revised Financial Plan approved by the Board in April 2007 therefore makes provision for the delivery of these surpluses.

The financial performance of the Trust is shown below in the summary financial statements. In accordance with the codes of Conduct and Accountability, details of directors' remuneration, management and administration costs and compliance with the CBI Better Payments Code are given on pages 10 to 16.

For a full copy of the Annual Accounts, please contact; Director of Finance, Worcestershire Acute Hospitals NHS Trust, Worcestershire Royal Hospital, Charles Hastings Way, Worcester WR5 1DD. Telephone 01905 760393

## SUMMARY FINANCIAL STATEMENTS

### INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED

**31 March 2007**

	<b>2006/07</b>	2005/06
	<b>£000</b>	£000
Income from activities	<b>242,838</b>	224,807
Other operating income	<b>20,963</b>	21,261
Operating expenses	<b>(257,862)</b>	(246,269)
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>5,939</b>	(201)
Cost of fundamental reorganisation/restructuring*	<b>0</b>	0
Profit/(loss) on disposal of fixed assets	<b>(60)</b>	0
<b>SURPLUS/(DEFICIT) BEFORE INTEREST</b>	<b>5,879</b>	(201)
Interest receivable	<b>449</b>	378
Interest payable	<b>0</b>	0
Other finance costs - unwinding of discount	<b>(55)</b>	(54)
Other finance costs - change in discount rate on provisions	<b>0</b>	(243)
<b>SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR</b>	<b>6,273</b>	(120)
Public Dividend Capital dividends payable	<b>(6,220)</b>	(4,832)
<b>RETAINED SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>53</b>	(4,952)

# NOTE TO THE INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 March 2007

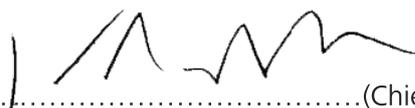
	31 March 2007 £000	31 March 2006 £000
Retained surplus/(deficit) for the year	53	(4,952)
Financial support included in retained surplus/(deficit) for the year - NHS Bank	0	0
Financial support included in retained surplus/(deficit) for the year - Internally Generated	<u>0</u>	<u>5,000</u>
Retained surplus/(deficit) for the year excluding financial support	<u><u>53</u></u>	<u><u>(9,952)</u></u>

Financial support is income provided wholly to assist in managing the NHS Trust's financial position. Internally generated financial support is financial support received from within the local health economy, consisting of the area of responsibility of the West Midlands Strategic Health Authority.

In 2006/07 the provision of financial support has been replaced by a regime of loans and deposits with the Department of Health. Details of loans received or deposits placed with the Department of Health can be found in notes 14.2 and 15.1 in the full published accounts.

## BALANCE SHEET AS AT 31 March 2007

	31 March 2007 £000	31 March 2006 £000
<b>FIXED ASSETS</b>		
Intangible assets	715	337
Tangible assets	172,248	161,853
Investments	<u>0</u>	<u>0</u>
	<u>172,963</u>	<u>162,190</u>
<b>CURRENT ASSETS</b>		
Stocks and work in progress	3,740	3,722
Debtors	28,483	35,845
Investments	0	0
Cash at bank and in hand	<u>141</u>	<u>115</u>
	<u>32,364</u>	<u>39,682</u>
<b>CREDITORS:</b> Amounts falling due within one year	<u>(24,879)</u>	<u>(29,790)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<u>7,485</u>	<u>9,892</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>180,448</u>	<u>172,082</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	<u>(20,000)</u>	<u>0</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	<u>(4,124)</u>	<u>(3,131)</u>
<b>TOTAL ASSETS EMPLOYED</b>	<u><u>156,324</u></u>	<u><u>168,951</u></u>
<b>FINANCED BY:</b>		
<b>TAXPAYERS' EQUITY</b>		
Public dividend capital	145,860	166,526
Revaluation reserve	34,351	27,728
Donated asset reserve	1,442	1,521
Government grant reserve	391	444
Other reserves	(861)	(861)
Income and expenditure reserve	<u>(24,859)</u>	<u>(26,407)</u>
<b>TOTAL TAXPAYERS' EQUITY</b>	<u><u>156,324</u></u>	<u><u>168,951</u></u>

Signed:  (Chief Executive)

Date: 21/06/07

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 March 2007

	2006/07 £000	2005/06 £000
Surplus/(deficit) for the financial year before dividend payments	6,273	(120)
Fixed asset impairment losses	(2,956)	(676)
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	11,172	5,288
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	45	72
Defined benefit scheme actuarial gains/(losses)	0	0
Additions/(reductions) in "other reserves"	0	0
<b>Total recognised gains and losses for the financial year</b>	<b>14,534</b>	<b>4,564</b>
Prior period adjustment	0	(1,392)
<b>Total gains and losses recognised in the financial year</b>	<b>14,534</b>	<b>3,172</b>

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March 2007

	2006/07 £000	2005/06 £000
<b>OPERATING ACTIVITIES</b>		
Net cash inflow/(outflow) from operating activities	12,681	9,554
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	449	378
Interest paid	0	0
Interest element of finance leases	0	0
Net cash inflow/(outflow) from returns on investments and servicing of finance	449	378
<b>CAPITAL EXPENDITURE</b>		
(Payments) to acquire tangible fixed assets	(10,754)	(12,262)
Receipts from sale of tangible fixed assets	0	0
(Payments) to acquire intangible assets	(464)	(337)
Receipts from sale of intangible assets	0	0
(Payments to acquire)/receipts from sale of fixed asset investments	0	0
Net cash inflow/(outflow) from capital expenditure	(11,218)	(12,599)
<b>DIVIDENDS PAID</b>		
Net cash inflow/(outflow) before management of liquid resources and financing	(4,308)	(7,499)
<b>MANAGEMENT OF LIQUID RESOURCES</b>		
(Purchase) of investments with DH	0	—
(Purchase) of other current asset investments	0	0
Sale of investments with DH	0	—
Sale of other current asset investments	0	0
Net cash inflow/(outflow) from management of liquid resources	0	0
Net cash inflow/(outflow) before financing	(4,308)	(7,499)
<b>FINANCING</b>		
Public dividend capital received	4,334	9,000
Public dividend capital repaid (not previously accrued)	(25,000)	(1,501)
Public dividend capital repaid (accrued in prior period)	0	0
Loans received from DH	25,000	—
Other loans received	0	0
Loans repaid to DH	0	—
Other loans repaid	0	0
Other capital receipts	0	0
Capital element of finance lease rental payments	0	0
Cash transferred (to)/from other NHS bodies	0	0
Net cash inflow/(outflow) from financing	4,334	7,499
Increase/(decrease) in cash	26	0

# Directors' Remuneration

## Salaries and allowances for Senior Managers

Name and title	2006-07			2005-06		
	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to nearest £100) £	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to nearest £100) £
M. O'Riordan - Chairman	20-25	0	700	20-25	0	700
J. Rostill - Chief Executive	145-150	0	300	140-145	0	100
G. Burley - Director of Operations	45-50	0	200	85-90	0	600
C. Walsh - Director of Operations	40-45	0	0	0	0	0
D. Moon - Director of Finance	0	0	0	60-65	0	400
G. Bennett - Interim Director of Finance	165-170	0	0	75-80	0	0
J.Crawshaw - Director of Human Resources	75-80	0	4000	75-80	0	2800
R.Overfield - Director of Nursing and Midwifery	80-85	0	600	80-85	0	100
C. Ashton - Medical Director	40-45	125-130	1000	40-45	125-130	600
C Phillips - Associate Medical Director	15-20	140-145	700	15-20	115-120	0
S Graystone - Associate Medical Director	10-15	115-120	0	10-15	105-110	0
S. Ellwood - Non Executive Director	0	0	0	00-05	0	0
C. Nicholls - Non Executive Director	0	0	0	00-05	0	300
C. Beardwood - Non Executive Director	05-10	0	200	05-10	0	200
R.Adams - Non Executive Director	05-10	0	100	05-10	0	200
J.Darby - Non Executive Director	05-10	0	500	05-10	0	500
A.Willis - Non Executive Director	05-10	0	100	00-05	0	0
A.Newman - Non Executive Director	05-10	0	100	00-05	0	300

The remuneration of Executive Directors is determined by the Remuneration Committee, in accordance with NHS guidance and with regard to their roles and the complexity of their duties, and approved by the Trust Board.

The Remuneration Committee, which is made up of the Chairman and all non Executive Directors is responsible for determining the pay and conditions of employment for Executive Directors and receives and ratifies recommendations from other committees such as the Consultant's Clinical Excellence Award Committee.

In determining the pay of Executive Directors the Committee agrees and twice a year reviews the annual objectives of the Directors. The Committee also compares each year Executive Director pay against comparative salaries in the NHS. Cost of living awards are made in line with Department of Health guidance. For 2006/07 Executive Directors were awarded 1% cost of living increase from April 2006 and further 1.2 % from November 2006.

### Notes

**D.Moon** - Director of Finance left 30/10/05

**G.Burley** - commenced a secondment to South Warwickshire General Hospitals on 01/10/06, all figures shown above

relate to the period 01/04/06 to 30/09/06. Pension Benefits will be included within the Accounts of South Warwickshire General Hospitals.

**C.Walsh** - commenced on secondment from South Warwickshire General Hospitals on 01/11/06, all figures shown above relate to the period 01/11/06 to 31/03/07.

**G.Bennett** - Interim Director Finance commenced 1/11/05. The figure quoted under Salary represents the payment of a fee to Graham Bennett Associates Ltd and there are no additional costs for National Insurance or Superannuation.

**A.Newman** - The figure quoted under Salary represents payments to Sterling Consulting Group Ltd.

**S.Ellwood** - Non Executive Director left 30/09/05

**C.Nicholls** - Non Executive Director left 31/10/05

## Pension Benefits

Remuneration for Non Executive Directors is in accordance with statutory limits. As Non Executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for Non Executive members.

	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in Lump sum at aged 60 (bands of £2,500) £000	Total ac- crued pension at age 60 at 31 March 2007 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2007 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2007 £000	Cash Equivalent Transfer Value at 31 March 2006 £000	Real in- crease in Cash Equivalent Transfer Value £000	Em- ployer's contribu- tion to stake- holder pension £000
J. Rostill - Chief Executive	0.0-2.5	0.0-2.5	70-75	215-220	0	1325	0	0
G. Burley - Director of Operations	0	0	0	0	0	292	0	0
C. Walsh - Director of Operations	0.0-2.5	2.5-5.0	20-25	70-75	316	270	16	0
D. Moon - Director of Finance	0	0	0	0	0	253	0	0
J.Crawshaw - Director of Human Resources	0.0-2.5	0.0-2.5	25-30	85-90	417	388	14	0
R.Overfield - Director of Nursing and Midwifery	0.0-2.5	0.0-2.5	25-30	75-80	319	293	14	0
C. Ashton - Medical Director	0.0-2.5	2.5-5.0	35-40	110-115	543	505	17	0

**2006-07 Annual Accounts of Worcestershire Acute Hospitals NHS Trust**

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

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Department of Health.

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

21/06/07 Date  Chief Executive

**2006-07 Annual Accounts of Worcestershire Acute Hospitals NHS Trust**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure of the trust for that period. In preparing those accounts, the directors are required to:

-apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury

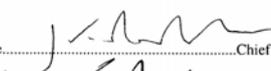
-make judgements and estimates which are reasonable and prudent

-state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in accounts.

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

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

By order of the Board

21/06/07 Date  Chief Executive  
21/6/07 Date  Finance Director

**Independent Auditors' Report to the Directors of the Board of Worcestershire Acute Hospitals NHS Trust on the Summary Financial Statements**

We have examined the summary financial statement set out on pages 10 – 16. This report is made solely to the Board of Worcestershire Acute Hospitals NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission.

**Respective Responsibilities of Directors and Auditors**

The directors are responsible for preparing the Annual Report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements within the Annual Report with the statutory financial statements. We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statements.

**Basis of opinion**

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statements' issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our audit opinion on those financial statements.

**Opinion**

In our opinion the summary financial statements are consistent with the statutory financial statements of the Trust for the year ended 31 March 2007.



Mark Stocks – District Auditor

Date: 21.06.07

Audit Commission  
2nd Floor  
No 1 Friarsgate  
1001 Stratford Road  
Solihull  
West Midlands  
B90 4EB

**Statement on Internal Control**

**The purpose of the system of internal control**

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

- identify and prioritise the risks to the achievement of the 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 Worcestershire Acute Hospitals NHS Trust for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts.

**For a full copy of the Statement of Internal Control, please contact Director of Finance, Worcestershire Acute Hospitals NHS Trust, Worcestershire Royal Hospital, Charles Hastings Way, Worcester, WR5 1DD. Telephone 01905 760393.**

# Staff costs and numbers

	2006/07			2005/06
	Total	Permanently Employed	Other	
	£000	£000	£000	£000
Salaries and wages	130,117	123,869	6,248	132,475
Social Security Costs	10,125	10,125	0	9,873
Employer contributions to NHS Pension Scheme	15,145	15,145	0	14,786
Other pension costs	0	0	0	0
	<u>155,387</u>	<u>149,139</u>	<u>6,248</u>	<u>157,133</u>

## Average number of persons employed (expressed as whole time equivalents)

	2006/07			2005/06
	Total	Permanently Employed	Other	
Medical and dental	524	514	10	516
Ambulance staff	0	0	0	0
Administration and estates	946	933	13	1,023
Healthcare assistants and other support staff	694	691	3	735
Nursing, midwifery and health visiting staff	1,592	1,501	91	1,583
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	658	658	0	664
Social care staff	0	0	0	0
Other	8	8	0	11
Total	<u>4,422</u>	<u>4,305</u>	<u>117</u>	<u>4,533</u>

## Employee benefits

There were no Employee Benefits for the year 2006/07.

## Management costs

	2006/07	2005/06
	£000	£000
Management costs	8,769	8,686
Income	263,801	246,068
Management Cost as a percentage of Total Income	3.32%	3.53%

Management costs are defined as those on the management costs website at [www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en](http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en)

## Retirements due to ill-health

During 2006/07 there were 14 (2005/06, 14) early retirements from the NHS Trust on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £522,735.11 (£699,990.42). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

# Better Payment Practice Code

## Measure of compliance

	2006/07	
	Number	£000
Total Non-NHS trade invoices paid in the year	70,579	91,127
Total Non NHS trade invoices paid within target	29,378	31,593
Percentage of Non-NHS trade invoices paid within target	42%	35%
Total NHS trade invoices paid in the year	7,286	28,818
Total NHS trade invoices paid within target	631	3,920
Percentage of NHS trade invoices paid within target	9%	14%

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

## The Late Payment of Commercial Debts (Interest) Act 1998

	2006/07 £000	2005/06 £000
Amounts included within Interest Payable (Note 9) arising from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0

## Profit/(Loss) on Disposal of Fixed Assets

	2006/07 £000	2005/06 £000
Profit on disposal of fixed asset investments	0	0
(Loss) on disposal of fixed asset investments	0	0
Profit on disposal of intangible fixed assets	0	0
(Loss) on disposal of intangible fixed assets	0	0
Profit on disposal of land and buildings	0	0
(Loss) on disposal of land and buildings	0	0
Profits on disposal of plant and equipment	0	0
(Loss) on disposal of plant and equipment	(60)	0
	(60)	0

The 2006/07 Annual Accounts and Annual Report for the Trust's Donated Funds will be available upon request from the Director of Finance from October 2007. The contact address details are;

Director of Finance, Worcestershire Royal Hospital, Charles Hastings Way, Worcester WR5 1DD

# HUMAN RESOURCES

Major HR challenges during 2006/07 included the need to manage as sensitively as possible the job reductions which were needed to support our financial recovery plan.

Building on the successful management/staff side partnership developed during the implementation of Agenda for Change, management and union representatives held regular meetings to discuss and monitor the reductions, which saw a fall in our workforce from a funded establishment of 4,742 whole time equivalent (wte) to a workforce of just over 4,200 wte. (Bringing our workforce back down to the size it had been in November 2004). Although this reduction was undoubtedly a major challenge, the efforts to avoid compulsory redundancy wherever possible meant that compulsory redundancies were limited to a total of 12 during the year.

As a major employer of part-time staff, we continue to employ more than 5,000 people, more than 50% of them working part-time. More than 85% of our staff are female.

NHS terms and conditions are widely recognised as extremely attractive and these combined with our excellent working environments have contributed to a significant decrease in staff turnover.

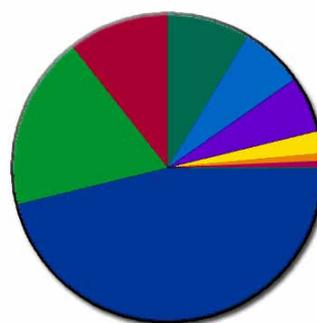
Building on work done to achieve Improving Working Lives Practice Plus the promotion of work-life balance and healthy workplace has continued throughout the year. Heart & Soul days – focussed on improving health and lifestyle - have attracted a great amount of interest. The Trust, as a finalist in the Working Families Employer Awards, received national recognition for the work on Flexible Working and Flexible Retirement.

Matters of equality and diversity are not confined to the Acute Trust but affect the whole Worcestershire health

community. Recognising the need for a consistent approach to the delivery of health services and employment we have with our colleagues in other health services developed a Disability Equality Scheme and a Gender Equality Scheme. It is our intention to develop this work to ensure we meet the needs of the whole population in Worcestershire.

Our priorities for 2007/08 include implementing the national changes to medical staff training and employment (known as Modernising Medical Careers) in August, responding to the 2007 Staff Opinion Survey results, continued focus on staffing levels and costs and introducing the new electronic payroll and HR system.

Ethnic Profile	Trust %	Worcestershire %
Asian Bangladeshi/BritBan	0.07	0.18
Asian Indian/Brit Indian	4.4	0.30
Asian Other	0.83	0.08
Asian Pakistani/Brit Pak	0.77	0.54
Black African	0.5	0.06
Black Caribbean	0.56	0.21
Black Other	0.15	0.03
Chinese	0.29	0.20
Mixed Other	0.07	0.14
Mixed White/Asian	0.04	0.20
Mixed White/Blk African	0.04	0.31
Mixed White/Blk Caribbean	0.07	0.04
Not Stated	1.16	0.00
Other Stated Origin	1.87	0.00
White British	86.8	95.65
White Irish	0.44	0.77
White Other	1.89	1.27



Staff groups

A & C	945
Ancillary	339
Maintenance	25
Medical & Dental	545
Nursing & Midwifery	2390
Pharmacy	38
Therapies	304
Scientific & Technical	458
Trust Manager	145
<b>Total</b>	<b>5189</b>

# Chairman's Introduction



This Corporate Social Responsibility supplement to our Annual Report and Accounts sends out an important message about the Trust, which is that even in the most challenging times, we make a positive contribution to the county of Worcestershire – helping to improve the skills base in the local workforce, boosting the local economy and contributing to local good causes.

Last year our Trust spent well over £1,000,000 buying goods and services from local suppliers across Worcestershire. Many millions of pounds more, paid by us in wages, will be spent by our staff with businesses in the county.

As well as this direct boost to the fortunes of businesses in the county, we have a key role to play in equipping Worcestershire with a working population who have the skills needed to meet the challenges of the 21st Century.

Our workforce of more than 5,000 people is, as I have said before, our most valuable asset. We believe it is important to provide them with opportunities to improve their skills and learning, not only for the good of the Trust but also to enhance the skilled workforce of Worcestershire.

The Trust's Professional Development team have provided a variety of workshops to introduce new skills to clinical staff to enable them to enhance their current roles and develop services to provide more effective patient care.

## RECOGNISING DEDICATION

### Long Service Awards – the Chairman's View

"It is not often I have the chance to say a personal 'thank you' to large numbers of staff but our latest Long Service Award ceremony gave me an opportunity to recognise and reward the invaluable contribution made over many years by our staff, some of whom have spent all their working lives with the local health service.

"At the most recent ceremony, held in the Charles Hastings Education Centre at Worcestershire Royal Hospital, I met with members of staff from across our three hospitals who between them had spent more than 1000 years working for the NHS in Worcestershire.

"From a patient's perspective it is easier to recognise the worth of a clinical role such as a doctor or nurse but so many different roles, clinical and non-clinical are needed to ensure the care and treatment of that patient is of the highest standard.

"Seven members of our team of biomedical scientists were represented, along with a wide range of clinical staff including health care assistants, nurses and consultants. Awards were also made to housekeepers, porters, medical secretaries, health record assistants, pharmacists, radiologists and facilities and estates personnel.

Our National Vocational Qualification (NVQ) centre has provided Level 2 NVQ's to a range of staff in direct care and administration areas which have supported them to develop their role and apply their knowledge to providing better care for our patients.

During 2006/7, our Training and Development Department received accreditation as a centre to deliver management development programmes to first line and middle managers. These programmes have proved to be very successful with more than 50 managers having completed or currently completing Certificates in first line management and Diplomas in management which will give them leadership and management skills to face the challenges of managing and leading staff and services effectively.

A major part of our commitment to CSR is the commitment we make to our staff to support and nurture them, not just in terms of their professional development but also helping them to achieve a healthy work life balance. Flexible working opportunities and a range of other 'family friendly' policies are often cited by new employees as a major reason for choosing us.

And not content with delivering high quality healthcare, many of our staff also spend their spare time contributing to local and national charities or other good causes – you will see a few examples on the following pages.

Thank you for taking the time to read this supplement. I hope you find the range of activities encouraging – and perhaps even inspiring.

"Each has a particular role to play and I was pleased to play my part in recognising and congratulating them on their loyalty and dedication to the NHS.

"Each awardee received a gift, certificate and badge. Those members of staff who were unable to attend on the day will be invited to specially arranged informal presentations with our Chief Executive John Rostill.



Non-Executive Director Colin Beardwood CBE and Chairman Michael O'Riordan are pictured with awardees from across the Trust

# GOING THE EXTRA MILE

Our hospitals are very fortunate to benefit from gifts and donations and the fund raising efforts of patients, relatives and the local community.

However, many of our staff are also involved in fund raising for charities and other good causes supporting those with ill health or who are less fortunate.

**Dean Brown** is a man with a mission – to run marathons! Dean, who works in Supplies/Distribution at the Alexandra Hospital ran his first London marathon in 1992 and finished the April 2007 London marathon in 4 hours 55 minutes. His best time so far over the distance was 4 hours 15 minutes for the Dublin marathon in October 2006. Dean says: "I train regularly and like to run marathons as often as I can. For me it is not so much about winning or the fastest time but I do enjoy running. It is mentally and physically stimulating, I never feel tired and find the exercise energising. It gives me a 'feel good factor' and has enabled me to fund raise for many charities supporting patients with Diabetes, Asthma, Heart and other illnesses."



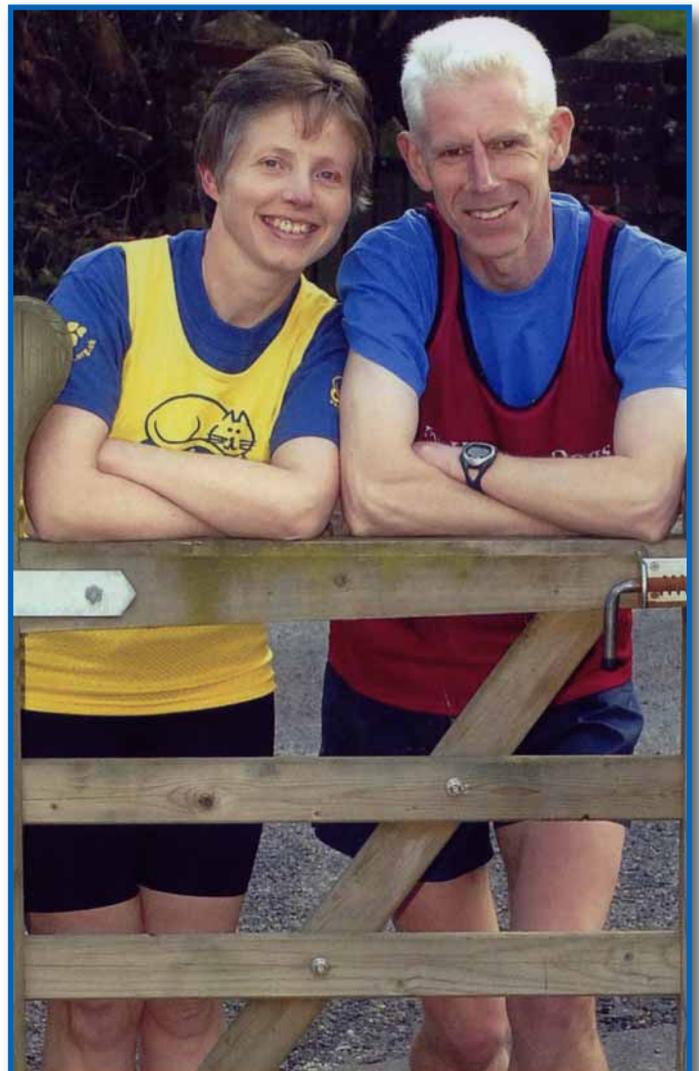
Dean getting ready to run!

"This year I have been accepted not only for the London but also the Dublin and New York marathons in October/November. I will be meeting up with lots of friends from the marathon fraternity and am really looking forward to the events. I am running all three for the 'Get Kids Going' charity raising money for disabled children and young adults to participate in sports using specially designed and built wheelchairs. The charity also supports them with 'sports grants' and encourages training to become national, world and paralympic champions. I know how much enjoyment I get from sport so it's great to be able to help others feel the 'buzz' and sense of achievement from participating."

To find out more check [www.justgiving.com/causier/](http://www.justgiving.com/causier/)

First time marathon runner **Julie Draper** ran the London marathon in April and completed the course in 4 hours 40 minutes. Julie works for ENT Consultants at Kidderminster and raised money for 'Cats Protection'. Julie explains: "I had watched my husband Kevin run in London marathons and wanted to be part of the race myself. The atmosphere is fantastic! I ran a couple of 'Race for Life' events followed by a number of 10k races and a few half marathons and then began intensive training three or four times a week and at weekends in preparation for the 'big one'! My choice of charity was to support the organisation which had rescued and then re-homed two cats for me. Husband, Kevin ran for 'Hearing Dogs for Deaf People' (more ENT orientated!) We held lots of fund raising events as we had to raise 'X' amount of money (as stipulated by the charity), due to the fact that we both took up Gold Bond places which the charities have to pay for. However, we actually managed to raise more than the minimum amount for both charities. My own personal challenge was to finish the race, enjoy it and not to 'walk' it at any point. Achieving all my goals was great."

Julie raised over £1,000 for her charity.



Julie with husband Kevin

**The Giggling Greens** are a team of seven people from the Occupational Therapy Department and one Social Worker at the Alex who took part in a walking 24 hour 'Relay for Life' event for Cancer Research UK. Team Leader, Kristen Morgan says: "Cancer touches so many people's lives and the event appealed to us as a way to raise money for a worthy cause whilst having fun." Colleague, Laura Boke attended the meetings with the Redditch branch organisers and adds: "They helped create ideas for fundraising events. Our team chose to collect money outside B&Q for a day, ran a quiz night, various raffles and auctioned a huge coca cola bear as well as collecting personal donations in support of the Relay for Life."

Survivors' walked the first lap and then the relay began in earnest. The Team collectively completed 24 hours of walking around the Abbey Stadium track. They also joined in various 'feature' laps including walking in underwear (the tiger print thong worn by John!), dressing to represent a country in the conga and in the three-legged lap.

Kristen adds: "The weekend was a fun and rewarding experience for everyone. Although exhausted and a bit red from the very hot weather we were very happy to have exceeded our goal of raising £2,000 by at least £500. All teams involved raised an estimated £63,000. We would like to take this opportunity to thank all that supported us with donations and a pre-warning we will be after you next year!"



Members of the Giggling Greens team

**Emma Hall-Robinson** is the Trust wide Clinical Lead Physiotherapist for Neurology and Rehabilitation and has recently been involved with fund raising for a Barn Dance in aid of the County Air Ambulance. Emma says: "We had a big response but it was a very big barn, so much of my effort was spent in selling tickets for the event. Although I played only a small part in the overall organisation I was happy to do so to support family and friends in raising money for an excellent cause. On the day over 250 people attended and enjoyed dancing, a pig roast and a really good atmosphere. The total raised was £2,000."

Front cover picture shows l-r Emma Hall-Robinson – Clinical Lead Physiotherapist for Neurology and Rehabilitation Trust wide with colleagues, Chantelle Chadwick – Occupational Therapist/Clinical Specialist Neurology and Senior Physiotherapists Rhian Evans and Claire Nancarrow.

## Young Champions

A group of Wyre Forest school children visited Kidderminster Treatment Centre as part of an initiative to raise health awareness and user involvement. The event was organised by the former Wyre Forest PCT, the Worcestershire Patient and Public Involvement Forum and hosted by the Trust.

The idea was to give children an opportunity to find out more about their local hospital and question staff about their roles. They played out typical patient journey scenarios, learned how people can get the most from their health service, and discussed important public health topics to raise awareness about healthy lifestyles.

Thirteen 'young champions', aged 12-19 years, were given a tour round Outpatients and the Minor Injury Unit. They had the chance to operate blood pressure machines and eye sight testing equipment, under supervision. They also took part in health quizzes, and received demonstrations from community health staff on diabetes testing, body mass indexing and 'quit-smoking' awareness.



Pupils using eye examining equipment with (left) Janie Thomas Chair of the Worcestershire PCT Patient and Public Involvement Forum and Dawn Robbins, Matron - Minor Injury Unit, Kidderminster Treatment Centre

# Striking a Healthy Balance



Ann and Kath explain: "Many staff are already taking advantage of child and elder care support, flexible working/retirement opportunities, exercise classes and occupational health advice. However, the Heart and Soul Days gave us the opportunity to promote not only these but much more

Reaching out to staff on each site and keeping them up to date with the support and advice services offered by the Trust was the aim of the series of 'Heart and Soul Days' held across the Trust.

Organisers Ann Hart, staff support co-ordinator and Kath Ackah, work life balance officer made sure that staff at the Alexandra, Kidderminster and Worcestershire Royal hospitals not only received expert help and advice but also enjoyed a wide range of interesting and entertaining activities.

of interest to staff. Make-overs, safe slimming, diabetes checks, healthy eating advice, Indian head massage, Bowen techniques, discounted travel, quit smoking advice and individual training plans were just some of the extra attractions. Many staff also enjoyed the chance to try out Tai Chi and belly dancing!" as shown above.

It is all part of the Trust's initiative to promote a healthy lifestyle with a good work/life balance."

## Working Families – Silver Service Award 2006



l-r Alistair Darling MP – Secretary of State for Trade and Industry, Sarah Jackson – Chief Executive Working Families, Kath Ackah – Work Life Balance Officer, Annie Wilson – Nurse Specialist, Ann Hart – Staff Support Co-ordinator and Janet Hamer – Assistant Director of Human Resources. Photograph courtesy of Klarke Caplin.

A lot of hard work has been undertaken as part of our commitment to improving work/life balance for trust staff approaching retirement. Our proactive approach was rewarded when our application in the Silver Service category was highly commended reflecting our support for staff to work longer and help them keep working by means of flexible retirement, flexible working and part time working.

Flexible retirement enables staff to maintain their career and manage their work/life balance before fully retiring. A large number of staff choose to retire and then return to

work in a part time capacity. The Trust also benefits from retaining the skills of the staff who are highly experienced in their roles, whether they are clinical or non clinical, in delivering high quality healthcare.

As finalists in the Silver Service category we were up against Trent Valley Division Staffordshire Police and Cambridge University Hospitals NHS Foundation Trust, who were the eventual winners.

Representatives from the Trust attended The Employer Awards day in London which was sponsored by the Adjust the Balance Project and are pictured above.