Worcestershire NHS
Acute Hospitals NHS Trust

Worcestershire Acute Hospitals NHS Trust

Annual Report and Accounts 2010/11






Patients | **R**espect | **I**nvolvement | **D**elivery | **E**fficiency

Taking pride in our healthcare services

Introduction

Over the last year we have seen the start of some monumental changes in the NHS. The White Paper 'Equity and Excellence: Liberating the NHS' set out a bold vision for the future.

The key phrase was that patients will be at the heart of everything the NHS does - 'no decisions about me, without me'.

We launched our new Mission and Values in December 2010.

Our Mission - to be the safest, most patient-centred and efficient Trust in the West Midlands - demonstrates our own commitment to this, and additionally, our values ask staff to ensure that they put patients at the centre of all they do on a daily basis.

Throughout this report you will see a selection of the improvements and developments we have made over the last 12 months which demonstrate this commitment. You can also read about how our staff are working hard to deliver our other key values and take pride in the healthcare services that they deliver.

The second significant change is the move towards placing decision making in the hands of GPs and health professionals.

We are embracing the chance to engage more with our local GPs and we are already starting to build further on our relationship both with them, and our other key stakeholders, to explore how we can continue to improve local services for the benefit of our patients.

We don't always get it right. In March 2011, the Care Quality Commission (CQC) carried out an unannounced inspection at the Alexandra Hospital.

Regrettably the CQC found that we were not complying with the Essential Standards of Quality And Safety in respect of respecting and involving people who use the services, and meeting nutritional needs.

We issued an unreserved apology to the patients and their families that were affected by the care that the report refers to and an immediate action plan was put in place. You can read further details about this in Section 7.

We know there remain some significant challenges to overcome and our separate Quality Account outlines our key areas for improvement for the next 12 months. Despite the huge agenda ahead of us, our focus remains firmly on quality improvements, and patient safety and patient experience are at the centre of this.

We took the decision in June 2011 to self defer the reactivation of our Foundation Trust application until 2012 given the significant challenges we face in the immediate future. We will reassess our position in August 2011 and we are confident that, with the improvement agenda we have in place, Foundation Trust status will follow.

We are looking forward to the challenge and taking further steps towards fulfilling our Mission.

John Rostill
Chief Executive

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Section 1
A bit about us

Kidderminster Hospital and Treatment Centre

A bit about us

Our three hospitals - the Alexandra Hospital in Redditch, Kidderminster Hospital and Treatment Centre and Worcestershire Royal Hospital - hold an extremely important place at the heart of our local community, both as providers of healthcare and places to work.

We see or treat more than 750,000 patients every year. Of these, 95,000 will have undergone a planned or emergency operation, 130,000 will have attended A&E, and approximately 500,000 will have attended an outpatient appointment, including appointments with consultants or specialist nurses, diagnostic tests such as X-rays and minor surgical procedures.

At some point most of our county's 550,000 residents will have either been in hospital or know someone that has. It is therefore very important to us that our patients receive excellent care and would be happy to recommend our hospitals to their friends or family.

We are very proud of our 5,500 staff who enable us to deliver our healthcare services around the clock, 365 days of the year, and throughout this annual report you will be able to see for yourselves just a snapshot of some of our developments and achievements over the past 12 months.

Alexandra Hospital, Redditch

Worcestershire Royal Hospital, Worcester

Taking pride in our healthcare services

Our mission is to be the safest, most patient-centred and efficient Trust in the West Midlands. In order to achieve our mission, we ask our staff to live our values in their everyday work and take pride in the healthcare services they provide.

Our staff have demonstrated their commitment to living our values by signing our 'Patient Care...my responsibility' posters which are displayed for all patients to see in our reception areas and wards across our three hospitals.

Our **PRIDE** values

Patients at the centre of all we do
Respect everyone
Involve stakeholders in our work
Deliver safe effective services
Efficient use of resources

Section 2
Putting patients at the centre of all we do

Driving up nursing standards

Nursing staff across our three hospitals are working to drive up nursing standards across the Trust with the help of a new Strategy for Nurses and Nursing.

The Strategy describes five priorities that all nursing and healthcare support workers are asked to sign up to.

These are: offering a better patient experience, improving patient safety, enhancing professionalism and traditional values, educating and developing the workforce and leading in the clinical areas.

The Strategy also contains nine pledges that our nurses are asked to make to all patients.

The document was developed with the help of nursing staff, patients and members of the public, and reflects our commitment to deliver the best patient care possible every day and to ensure our patients have a good experience in our hospitals.

Our nurses pledge to:

Provide the highest standard of care at all times.

Meet, greet and treat everyone with respect and lead by example.

Treat colleagues, patients and visitors how we would want to be treated ourselves.

Recognise that anyone can be a role model no matter what their role.

If presented with a problem, 'own the problem' and resolve it.

Support colleagues when they are dealing with difficult issues.

Be champions for customer care and professionalism.

Commit to agreed professional standards of behaviour.

Be an advocate for patients, supporting their dignity.

"The Strategy builds on a strong foundation of existing good practice, but we can do even better. None of us can afford to accept sub-standard care, nor tolerate poor attitudes and behaviour. I believe it gives a clear way forward to drive up nursing standards that nurses in this Trust can commit to."

Helen Blanchard, Director of Nursing and Midwifery

"The strategy has been seen as a real opportunity for nurses to focus on improving patients experience during their hospital stay. There is a recognition this needs to be delivered by kind, competent and compassionate nurses who are proud of their profession and who take responsibility for ensuring patients receive the very best possible care."

Staff Nurses Lissy Thomas and Pauline Henley

Improving care for cancer patients

Cancer patients praised the Trust for the care and support received throughout their treatment in the 2010 National Cancer Patients' Experience Survey. Overall our results were in the upper 20 per cent of Trusts, which we were very pleased to see.

There have been many developments in cancer services over the last 12 months all of which are helping to improve the experience for our patients...

Members of the Oncology Project Stakeholder Reference Group take a look at the first plans for the new radiotherapy facility in the county.

Radiotherapy services are coming to the county

In February we announced that University Hospitals Coventry and Warwickshire NHS Trust (UHCW) will work with us and NHS Worcestershire to develop a radiotherapy facility in Worcestershire by 2014.

The project is now well underway and means that county cancer patients will have care closer to home, no longer having to travel outside of Worcestershire for treatment. The state-of-the-art radiotherapy facilities will also mean more effective targeting of tumours, less damage to surrounding tissue and less risk of complications.

The new arrangements will also enable almost all chemotherapy to be delivered within Worcestershire.

Improved pathway for Prostate Cancer patients

The Trust has been praised for its successful programme for prostate cancer patients.

The programme, for men who have undergone potentially curative treatment and are clinically stable, empowers them to self manage and provides support when they need it.

Men with a stable Prostate Specific Antigen (PSA) level for at least two years can now opt into holistic telephone assessment and monitoring by clinical nurse specialist Mary Symons, in order to identify and address their care needs.

"I act as a kind of 'safety net' - I can bring the patients back into acute services and listen to any worries they may have. Patients also have access to a website and an annual conference where they can obtain advice and additional information from staff and other patients."

Mary Symons, Clinical Nurse Specialist

Macmillan on hand to help

Support and advice for hospital patients, their families and visitors affected by cancer is now available on site at all three hospitals courtesy of Macmillan Cancer Support.

"As well as a wide range of information leaflets, we can also signpost visitors to local support services, as well as giving advice on financial support, emotional support, information for carers and even complementary therapies."

Angela Gillitt, Macmillan Information and Support Facilitator at the Alexandra Hospital

Spreading some magic in the children's cancer unit

Youngsters who attend the Children's Cancer Unit at Worcestershire Royal Hospital were treated to a belated Christmas party in February after the snow hampered the first attempt in December.

The children and their families were treated to a magic show from Colin Dymond and Snot the Dragon of Ace of Diamonds Magic Company.

Getting patients better, faster

Jo Ambrose underwent major bowel surgery the day before this picture was taken and went home the following day - just two days after surgery.

We are always seeking new and innovative ways to improve patient care and enhance their experience. The Enhanced Recovery Programme is being developed in a number of specialties and has already started for patients undergoing major bowel surgery.

It ensures patients are in the best possible health prior to their treatment, have the best possible care during their operation, and experience optimal rehabilitation after their procedure.

This means patients recover earlier (average length of stay for bowel surgery patients has reduced from nine days to five) and have fewer post-operative complications.

Jo Ambrose is pictured with Emma Chater, Enhanced Recovery Specialist Nurse.

"I have found the whole process from screening, pre-admission, surgery and my stay on the ward to be excellent. I have been well informed at every stage. The staff have been wonderful, I feel great and I am ready and looking forward to going home."

Jo Ambrose, patient

"Patients are supported throughout their treatment by a whole team of specialist staff. They are encouraged to participate in planning their healthcare and are offered appropriate advice and counselling from the outset. The programme starts from the initial outpatient visit, through the preoperative assessment, throughout their hospital stay and even following their discharge."

Emma Chater, Enhanced Recovery Specialist Nurse

Section 3
Respecting everyone

Respecting our patients

Eliminating mixed sex accommodation

It is important to us that all our patients are treated with dignity and that their privacy is respected while they are staying in one of our hospitals.

The Department of Health set standards for the 'virtual elimination of mixed sex' in 2009 and these were further refined during November 2010. With a very few exceptions, such as Intensive care units, same sex accommodation means: 'The room where your bed is will only have patients of the same sex as you. Your toilet and bathroom will be just for your gender, and will be close to your bed area'.

Our staff put in place a rapid and responsive plan to deliver same sex accommodation and eliminate mixed sex accommodation breaches and by April 2011 we were fully compliant with the delivering same sex accommodation requirements.

Championing dignity

Dignity Action Day, which is recognised by the Trust every year, aims to ensure people in care are treated as individuals, are given choice, control and a sense of purpose in their daily lives. Following this year's campaign in February, 130 members of staff signed up as registered Dignity Champions. We are continuing to encourage their colleagues to follow the lead.

A Dignity Champion is someone who believes passionately that being treated with dignity is a basic human right, not an optional extra. They believe that care services must be compassionate, person centred, as well as efficient, and are willing to try to do something to achieve this. Champions are all committed to taking action, however small, to create a care system that has compassion and respect for those using its services.

"I am a dignity champion because I believe that everyone should be treated with dignity and respect, particularly when they are unable to speak up for themselves."

Diane Healey, Nursing Administrator

Karen Titley, Dignity champion

Respecting our staff

Developing skills and expertise

Assessing the training needs of our staff is an important element of our appraisal process and once again we have provided a comprehensive development programme through the year.

Nearly 2,800 staff attended resuscitation training and around 3,000 staff attended mandatory training. Many staff will also have been supported to undertake local and external professional training activities.

To improve access to training, the Trust continues to look to provide workplace based training and e-learning. Excellent progress has been made with manual handling training which is now provided on the ward. We also continue to work closely with the University of Worcester and the West Midlands deanery in the training of nursing and medical staff.

Our Institute of Leadership and Management training levels 2, 3 and 5 go from strength to strength and early feedback on our new MBA programme with the University of Worcester has been very encouraging. Our 15 apprentices are also making an important contribution to our services and we look forward to continuing our programme into 2011/12.

In 2010/11 the Trust has been recognised by the Institute of Leadership and Management for the quality of leadership programmes provided; by the UK Resuscitation council for the provision of excellent resuscitation training; and Herefordshire and Worcestershire Chamber of Commerce for our excellent contribution to employee development.

Celebrating long service

Over 100 long serving members of staff were invited to attend an award ceremony in April 2010 to celebrate their loyalty and dedication to the NHS. Members of the Board were on hand to present them with the gift of their choice, badge and certificate and to thank them for their individual contribution within the many different roles in support of patient care.

Pictured are Rosemary Adams, former non-executive director with some of the staff who had given more than 25 years of service within acute services and Michael O'Riordan, former Chairman.

Supporting health and wellbeing

The health and welfare of staff continues to be a priority and under the banner of our Wellbeing Club we are able to offer a range of initiatives from our award winning self care programme, to zumba classes. We offer a supportive place to work by creating an environment where staff can request flexible working, childcare and carer support, as well as support for their health and wellbeing.

Our Sickness Absence, Health and Wellbeing Policy gives advice to managers on how we can support staff who become disabled or are unable to fulfil their full duties at work. This includes making reasonable adjustments to the workplace or to hours of work/ duties, or redeployment into another post.

We have met the Employment Services 'two ticks' criteria for disabled people and have put in place a Single Equality Scheme which covers race, gender and disability.

Policies are in place to deal with Dignity at Work (Harassment and Bullying), Violence and Aggression, and Whistle-blowing. We monitor all employment issues through our HR Committee.

Our staff and what they tell us

The 2010 national staff opinion survey results were published by the Care Quality Commission (CQC) in April 2011.

We have seen clear improvements in the number of staff benefitting from regular, well structured appraisal as well as scoring highly in areas like infection control and hygiene, quality of job design and staff agreeing that their role makes a difference to patients.

Recognising hospital heroes

The Staff Achievement Awards was another opportunity to recognise the excellence of our staff. In November 2010 more than 400 staff attended a special event which not only marked 10 years as a countywide Trust but also acknowledged some of the outstanding achievements of our staff during that time.

Age profile - Headcount

Key

- 16 - 20 yrs
- 21 - 25 yrs
- 26 - 30 yrs
- 31 - 35 yrs
- 36 - 40 yrs
- 41 - 45 yrs
- 46 - 50 yrs
- 51 - 55 yrs
- 56 - 60 yrs
- 61 - 65 yrs
- 66 plus

Gender breakdown

Staff Group	Gender	Headcount
Add Prof Scientific and Technical	Female	109
	Male	40
Additional Clinical Services	Female	828
	Male	113
Administrative and Clerical	Female	933
	Male	126
Allied Health Professionals	Female	257
	Male	33
Estates and Ancillary	Female	324
	Male	128
Healthcare Scientists	Female	124
	Male	46
Medical and Dental	Female	246
	Male	372
Nursing and Midwifery Registered	Female	1815
	Male	87
Students	Female	21
	Male	1
Grand Total		**5603**

Section 4
Involving stakeholders in our work

Learning from successes and mistakes

Former patients, their relatives and carers have taken the opportunity to share their experiences of care at a series of 'How was it for you?' sessions. The sessions are a chance for patients and the public to meet informally with John Rostill, Chief Executive, and Helen Blanchard, Director of Nursing and Midwifery, and raise both positive and negative elements of their experience.

"The sessions have proved very successful as we can get a very clear feel for where we have done well, or where we need to improve, and feed these experiences directly back to the staff to take action. It's part of our approach to ensure we are close to what is happening in our hospitals."

Helen Blanchard, Director of Nursing and Midwifery

We also listen and act on feedback from a variety of other sources, including patient surveys, compliments and complaints, and feedback on the NHS Choices and Patient Opinion websites. Full information is available in our Quality Account 2010/11.

Responding to complaints

Complaints form part of essential feedback to the Trust about our services and show us where and how people are not happy with the service they are receiving.

The Chief Executive, or an executive deputising for him, sees all complaints received and decides how the concerns will be investigated.

Complaints are investigated by a senior person, and often an early meeting is offered to address concerns that have been raised.

After a thorough investigation of the facts a response is sent from the Chief Executive, often with a detailed action plan of what has been, or is going to be done, as a result of the complaint.

Patients working on behalf of patients

Our Patient and Public Involvement (PPI) forum members have continued to work hard over the last 12 months to ensure we are doing things well for, and on behalf of, our patients, their carers and the public.

The PPI have carried out independent and unannounced visits to many of our wards and departments so that they can get a good overview of how things work and make recommendations for improvements.

Following patient feedback, an audit of nutrition resulted in a review of our menus, and allowed us to address patient choice and availability of food out of hours.

The members also supported the Food for Thought group in promoting 'protected meal times' across the Trust, which ensures that those patients who require extra help at meal times are not interrupted.

As part of the Trust's Patient Environmental Action Team they have also carried out audits which have successfully driven up the standards in infection control and privacy and dignity across all three hospitals, in partnership with domestic services and our matrons.

> "We try and ensure that all of our actions are focused on improving the patient experience and, where possible, influence policy and planning services for patients."
>
> **Pat Fisher, PPI member**

Some of our members of the Patient and Public Involvement forum

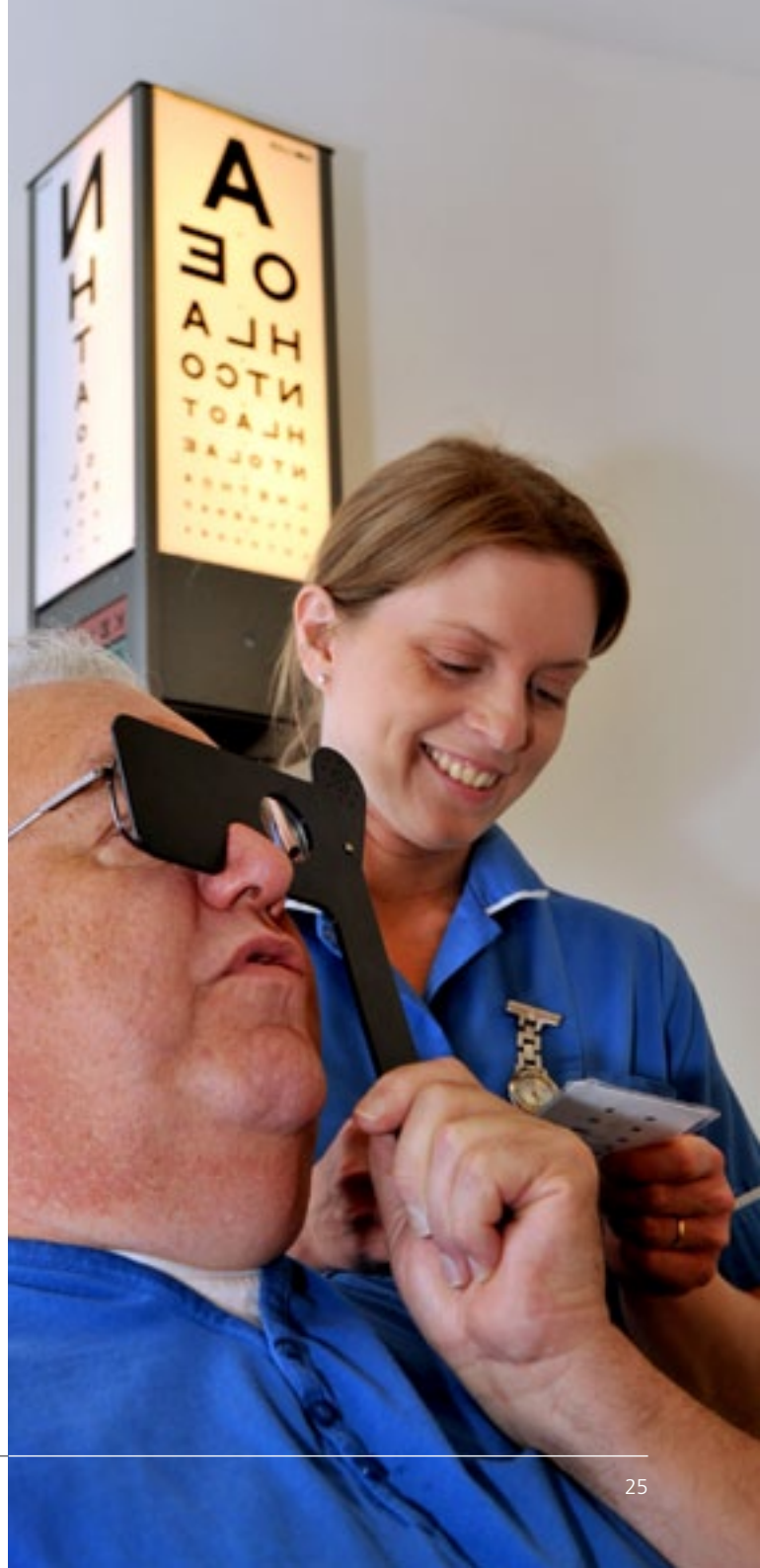
A valuable LINk to our community

Worcestershire Local Involvement Network (LINk) continued to work with the Trust during 2010-2011, and we are very grateful for their continued interest and support.

"Our programme included patient discharge, and we worked with the Trust, Community Hospitals, West Midlands Ambulance Service, Adult Social Care and care and nursing homes in order to investigate how the system for discharge works and what would help to make improvements to the experience for patients. Staff talked to us, explained issues, suggested improvements, and help us to write a comprehensive report.

"At all times the Trust has responded to questions, or issues raised, in a very positive way, and we look forward to continuing to work together during the coming year. We wish the Trust well in 2011-2012, especially in the light of the uncertainty of what the future for the NHS holds."

Ann Montague-Smith, LINk Chair



Joint Hospital Boards take shape

Over the last year, alongside our new Clinical Commissioning Group colleagues in Wyre Forest, South Worcestershire and Redditch and Bromsgrove, we have developed three joint boards to bring hospital and primary care clinicians together to begin to explore how we can improve local services.

These regular meetings are already proving successful and we are looking forward to further strengthening our links with our new commissioners.

"The joint arrangements are proving helpful. Local clinicians from the Alexandra Hospital and Redditch and Bromsgrove GPs are working together to improve healthcare locally. Together we are striving to ensure patient journeys from home to hospital and back again are as seamless as possible."

Dr Richard Davies, Vice Chair Redditch and Bromsgrove Clinical Commissioning Group

"The monthly forum provides a mechanism for GPs to raise service issues which are discussed by our four GP representatives on the Liaison Board and consultant colleagues. The constructive dialogue enables changes to be quickly agreed and implemented. Each meeting focuses on a different specialty with a GP and consultant collaborating to suggest new ways of working aimed at improving both patient care and efficiency. A new pathway for the diagnosis and treatment of leg ulcers is already delivering better care to patients and ensuring good use of resources."

Dr David Farmer, Chair of South Worcestershire Clinical Commissioning Group Hospital Liaison Board and Vice Chair of South Worcestershire Clinical Commissioning Group

"The benefits of this enhanced clinical dialogue are already being seen. In particular, the board is allowing the relationship between primary care and hospital staff to develop which is leading to joint discussions around how services can be better integrated. This is already leading to better services for local people."

Simon Hairsnape, Chief Officer, Wyre Forest Clinical Commissioning Group

The voice of our communities

Our Shadow Council of Governors met four times in 2010/11 to hear about latest developments at our three hospitals, and work towards building up their involvement in a number of key areas as we work towards Foundation Trust status.

A number of committees have now been developed including the Nominations Committee (responsible for the appointment of our Chairman and Non-Executive Directors), Membership Development Committee, and Sustainable Development Committee whose members have particular expertise in energy saving, utility management, carbon reduction and other green issues.

"Along with the other Shadow Governors I am looking forward to working with the Acute Trust to reach Foundation Trust status. We are all keen to get even more involved in the working of the Trust. We are already joining in with many of the initiatives such as Patient Safety and having input into the radiotherapy pathway for Worcestershire. We also need to try and build up constituency awareness of who we are and what we are doing for the community and this will be one of the objectives which the Membership Committee will have to address. These are challenging times but should prove beneficial for all if we can work together with all colleagues in the healthcare sector."

Eve Meredith, Shadow Governor

Pictured: Our Shadow Council of Governors

Section 5
Delivering safe effective services

Scan-tastic!

A brand new, state of the art MRI scanner was installed at Kidderminster Hospital in September 2010.

The £2 million scanner offers patients access to the latest diagnostic procedures including faster scanning techniques, and has given us the opportunity to develop new services - for instance, breast MRI for new cancers and follow ups, and whole body imaging to show cancer spread.

"It has been a tremendous asset - we scanned nearly 4,000 patients in the first six months. We have reduced the countywide waiting list for MRI scans, we run an extended day service to accommodate people who cannot make it during normal working hours, we offer an instant access service to some outpatient clinics and we have become the first hospital in the country to offer GPs the ability to book appointments for their patients through Choose & Book."

Victoria Clegg, MRI Superintendent Radiographer

In good heart

Worcestershire heart attack patients requiring primary angioplasty treatment can now be treated at Worcestershire Royal Hospital, rather than having to travel to a Heart Attack Centre in Birmingham, Coventry or Wolverhampton.

The Worcestershire Primary Percutaneous Coronary Intervention (PPCI) service has been available since January 2011 and operates Monday to Friday during working hours.

Primary angioplasty is a procedure used to treat the narrowed or blocked coronary arteries of the heart a short time after a heart attack. The process involves a catheter being inserted directly into an artery in the leg and a balloon inflated in the blocked artery. The balloon expands the artery and a stent is inserted.

The procedure is regarded as being the best intervention that produces the most effective results and outcomes for heart attack patients

We are delighted that plans are progressing to enable the service to operate 24 hours a day, 7 days a week.

National award finalists

We were delighted to be shortlisted in two categories for the National Patient Safety Awards this year. The categories were Board Contribution to Patient Safety and Education and Training in Patient Safety.

The news followed the decision taken by the Trust Board in 2009 to join the national Patient Safety First Campaign and to sign up to the Leading Improvement in Patient Safety Initiative (LIPS). These have provided a focus on and means to measure patient safety improvements.

Patient Safety
AWARDS 2011
FINALIST

Board Contribution to Patient Safety

The successful introduction and roll out of regular patient safety walkrounds across the Trust has improved the visibility of board members, non-executive directors and governors and resulted in over 130 actions being followed through.

An increased focus on reducing deaths has seen the Trust improve against the Dr Foster HSMR (hospital standardised mortality rate) with 391 fewer deaths than expected and 109 lives saved by increased monitoring of deteriorating patients and avoiding cardiac arrests.

One of the factors highlighted was the need to reduce the number and severity of falls. This has been addressed by monitoring when and where falls occur and introducing simple but effective measures to identify and safeguard patients at risk of falling.

The result is a reduction in harm from falls, resulting in fractured neck of femur, from 1 fall in every 12.5 days to one fall in every 22.4 days. Our aim is to reduce this further and achieve a 40 per cent reduction in falls by July 2012 from our April 2010 figures.

Education and Training in Patient Safety

The Trust's Critical Care Outreach Team were shortlisted for the Education and Training in Patient Safety category for their training package for Health Care Assistants (HCA), in recognition of the role they play in assessing and identifying deteriorating patients on the ward. The course entitled 'Stick with ACT' is provided on a USB stick and refers to Assessment and Communication Training. It offers a whole study day programme which can be adapted for mini sessions and enables HCAs to improve their assessment skills and knowledge of undertaking basic observations. The success of this training has contributed to our reduction in Hospital Standardised Mortality Rate and cardiac arrests.

Always prepared

Emergency preparedness remains a high priority for the Trust.

Regular training events ensure that staff who have a significant role during major incidents are equipped to deal with major incidents. In July 2010 an exercise took place involving executive directors to explore the potential consequences in the aftermath of a terrorist attack. In September 2010, the Health Protection Agency facilitated an 'EMERGO' major accident exercise and hospital staff played out the scenario in real time using pseudo patients and staff.

Restructuring during 2010/11 has resulted in the need to undertake a fundamental review of the Trust's Business Continuity Plans (BCP) which is currently underway with corporate BCPs due for completion in the autumn of 2011. Even so, the Trust is in a strong position, to declare compliance with resilience-related standards.

"We hold regular training events to ensure staff are equipped to deal with incidents should they arise. These events have helped us to learn and improve our plans."

Lorraine Wilde, Emergency Planning Manager.

Section 6
Efficient use of resources

Getting more for less

As well as striving to continually improve the quality of care our patients receive, it is also very important that we maximise the use of all of our resources and work as efficiently as possible.

We've made significant progress in terms of our efficiency this year thanks to our procurement team who have been working together with clinical staff to ensure that, where possible, our ordering of products and services is consistent across our hospitals and we get the best value for money from our suppliers.

Over the past 12 months the team, engaged with key stakeholders, has standardised a whole range of consumables across the Trust; including knee and hip prosthesis used in surgery, thermometers, disposable drapes and gowns in theatres, the introduction of PVD packs, safety needles and anti-embolism stockings used on the wards. They have also put new contractual arrangements in place for a variety of equipment including; blood pressure monitors, insulin pumps and hearing aids. Such changes have saved an estimated £1.13 million in the last year!

Other simple efficiency savings have also been made by making our ordering and delivery processes smoother, and simple changes such as exchanging our bottled water coolers for plumbed-in systems, which has saved the Trust 74% of costs during the year, plus it means a reduction in deliveries and collections coming to the sites.

"By working closely with stakeholders, the procurement team continues to appropriately challenge conventional use of resources across the whole of the supply chain; to deliver savings benefits and maintain quality standards, minimising our risks via robust supplier contracts, standardising and rationalising products via efficient routes of supply, and competitively tendering influenceable expenditure, to continually ensure that value for money is achieved."

David Yeomans, Head of Procurement

Having a plan and sticking to it

Our beds are a precious resource and we work very hard to ensure that we balance our limited capacity and the demand for beds as much as possible. We know that if we get the balance right, our patients have a much better experience.

One of the things we are doing to help improve the balance is to make sure that patients' admission and discharge dates are planned.

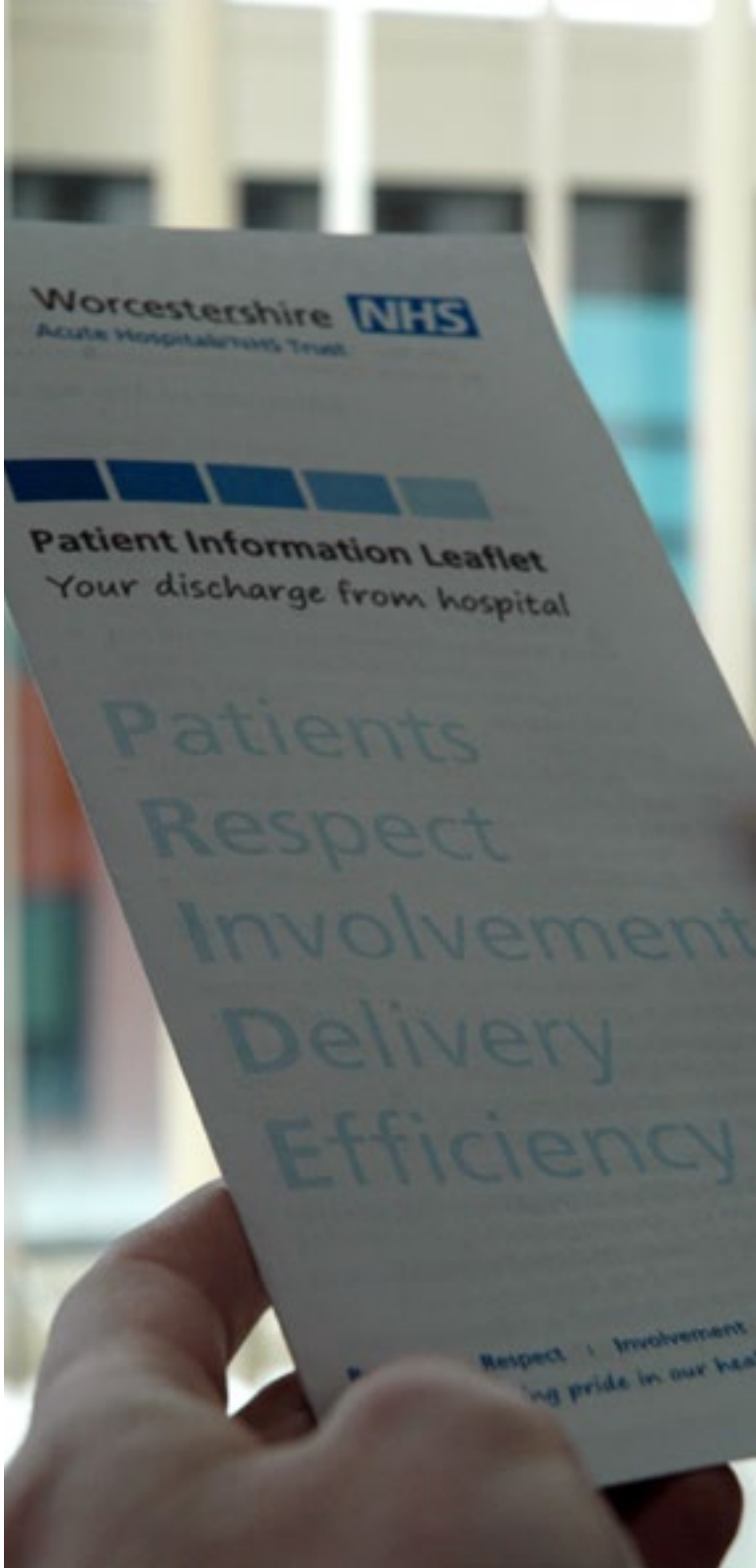
As a result, patients know how long they should expect to be in hospital and the time of day they will be discharged in advance and can plan accordingly.

It also means that the time our staff spend managing the results of mismatches between demand and capacity will be freed for patient care.

Further, patients needing admission can have confidence they will not be cancelled or have a long wait in A&E.

"The use of the Expected Date of Discharge has now been widely embraced by staff across the Trust. We have seen a significant drop in the length of hospital stay for patients. However, we recognise that we need to continue to improve both the timeliness and the quality of the discharge process."

Dr Simon Hellier, Clinical Director for Medicine at Kidderminster and Worcestershire Royal Hospital



Reducing our carbon footprint

Over the past 12 months we have started looking at a range of initiatives to reduce our carbon footprint and energy consumption as part of our commitment to consider the environmental impact of our business activities.

We know that in committing to good corporate citizenship, we must consider our performance in areas such as travel, procurement, facilities management, workforce, community engagement and building management.

Over the last 12 months we have:

- Created a Sustainable Development Committee to establish, develop and coordinate the implementation of policy supporting the Sustainability agenda
- Signed up to the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme
- Signed up to the Good Corporate Citizen Assessment Model to enable it to monitor progress
- Produced a draft Sustainable Development Management Plan for consideration and subsequent approval at Board Level
- Started collecting data for the creation of a CRC league table which is to be published in Autumn 2011.

"Whilst recognising the significant challenges going forward, the Trust will strive to meet the requirements of the NHS's sustainability and carbon reduction agenda by addressing economic, social and environmental factors."

Peter Male, Director of Estates Development

Section 7
Taking pride in our healthcare services

Following the substantial media coverage of the CQC's Dignity and Nutrition for Older People report, the confidence and morale of staff at all three of our hospitals was understandably affected.

Following the CQC visit a number of immediate and follow-up actions were put in place, including commissioning an independent review into dignity and nutrition across our three hospitals which will report back at the end of June 2011.

The independent review will aim to ensure that the actions put in place are sustainable. In addition, the review will provide learning which can be used throughout the Trust in relation to our systems and processes and ensure quality care provision.

We apologised unreservedly to the patients and their families that were affected by the care that the report referred to. We must now move on from this and use it as a catalyst for improvement and importantly rebuilding the confidence and trust of our local community.

We are confident we can do this
At the same time as recognising the areas where we need to improve, it is equally important that we also continue to recognise and celebrate the many achievements of our staff.

Despite the effect the CQC report had on them, what has been evident to see on subsequent ward visits by the senior management and clinical teams, as well as an array of external visitors, is the enormous sense of pride our team has when it comes to the services they are delivering, and their determination and commitment to making sure all of our patients have a good experience when they visit us.

I think that the achievements highlighted throughout this annual report serve to demonstrate this and we must harness this sense of pride to ensure we can continue to make further improvements moving forward.

Harry Turner,
Chairman

Some of the actions put in place following the CQC visit include:

- Review of accountability and responsibility of ward clinical leadership
- Unannounced visits using the CQC outcomes commenced
- Updated malnourishment policy
- Introduced role of mealtime co-ordinator Trust wide
- Developed professional standards at mealtimes
- Incorporated nutrition training into the preceptorship programme
- Added fluid monitoring to the care and comfort rounds documentation
- Greater scrutiny through Board safety visits
- Monthly reports on complaints and quality to Board
- Strengthened role of the Quality Assurance Committee to include scrutiny.

Section 8
Who's who

Who's who

Harry Turner
Chairman
(from Nov 2010)
Non-Executive Director
(until Oct 2010)

Interests:
Non-Executive Director *- Metrovacasa Hotels (Spain)*
Non-Executive Director *- Southwest Charters LDA (Portugal) (until June 2010)*
Magistrate *- South Worcester*
Trustee *- Charles Hastings Education Centre (from Nov 2010)*

John Rostill OBE
Chief Executive

Interests:
no interests declared

Rosemary Adams
Non-Executive Director
(until Oct 2010)

Interests:
no interests declared

Dr Charles Ashton
Medical Director

Interests:
no interests declared

Graham Bennett
Interim Director of Finance
(from Dec 2010 to Apr 2011)

Interests:
Company Director *- Graham Bennett Associates*

Helen Blanchard
Director of Nursing & Midwifery

Interests:
no interests declared

John Burbeck
Non-Executive Director
(from Jan 2011)
His tenure runs until 31 Dec 2014

Interests:
Director *- Burbeck Ltd*
Director *- Kids Taskforce*
Spouse is the Chief Executive of The Joint Clinic

Jeff Crawshaw
Director of Human Resources

Interests:
no interests declared

Bryan McGinity
Non-Executive Director
(from Jan 2011)
His tenure runs until 31 Dec 2014

Interests:
Trustee and Treasurer *- Wychavon CAB*
Vice Chairman *- South Worcestershire FE College*
Company Secretary *- Natasha McGinity Ltd*

Phil Milligan
Chief Operating Officer
(until July 2010)

Interests:
Director *- P K Healthcare Ltd*
Director *- Roxton Nursing Home Ltd*

Jane Rhead
Non-Executive Designate
Her tenure runs until 31 Mar 2013

Interests:
Partner is Chairman of Wolverhampton City PCT

Michael O' Riordan
Chairman
(until Oct 2010)

Interests:
Chairman *- Healthcare Purchasing Consortium*
Trustee *- Charles Hastings Education Centre*
Director *- Worcestershire Education Co Ltd (Trading arm of Charles Hastings Education Centre)*
Member *- Worcestershire Partnership Board*
Member - Worcestershire Health & Social Care Partnership

Michael Shepherd
Non-Executive Director
(until Aug 2010)

Interests:
Consultant *- Martineau Solicitors, Birmingham and London*
Non-Executive Director *- Rubery Owen Holdings Ltd*

Andrew Sleigh
Non-Executive Director
(from Jan 2011)
His tenure runs until 31 Dec 2014

Interests:
Development Committee Member *- University of Worcester*

Mike Stevens
Director of Finance & Business Development
(until Nov 2010)

Interests:
No interests declared

Nichola Trigg
Non-Executive Director
Her tenure runs until 31 Oct 2015

Interests:
Director & Company Secretary *- Redcliffe Catering Ltd*
Director & Company Secretary *- Redcliffe Event Management Ltd*
Director & Company Secretary *- Redcliffe Hotels & Catering Ltd*
Director *- Trigg Administration Services Ltd*

Lynne Todd
Non-Executive Director
(from Jan 2011)
Her tenure runs until 31 Dec 2014

Interests:
Associate Director *- Shine Business Research*
Honorary Contract - Hospital Lay Manager (CAMHS) *- Birmingham Children's Hospital*
Magistrate *- Redditch*

Committees as at 31 March 2011

Remuneration

Chair: Michael O'Riordan (to October 2010), Harry Turner (from November 2010)

Members: Harry Turner (to October 2010), Nichola Trigg, Jane Rhead, Rosemary Adams (to October 2010), Michael Shepherd (to October 2010), Lynne Todd (from Jan 2011), John Burbeck (from Jan 2011), Andrew Sleigh (from Jan 2011), Bryan McGinity (from Jan 2011)

Donated Funds

Chair: Michael O'Riordan (to October 2010), Harry Turner (from November 2010)

Members: April 2010 to December 2010 - Michael Shepherd, Jeff Crawshaw and Mike Stevens.

From January 2011 - John Rostill, Dr Charles Ashton, Helen Blanchard, Jeff Crawshaw, Graham Bennett (until April 2011), Jane Rhead, Bryan McGinity, Andrew Sleigh, Lynne Todd, Nichola Trigg, Harry Turner (to October 2010)

Audit

Chair: Nichola Trigg (to December 2010), Bryan McGinity (from January 2011)

Members: April 2010 to December 2010 - Harry Turner and Jane Rhead.
From January 2011 - Andrew Sleigh and Nichola Trigg

Integrated Governance
(from April 2010 to October 2010)

Chair: Michael Shepherd (April 2010 to August 2010), Rosemary Adams (August 2010 to October 2010)

Members: Rosemary Adams, Harry Turner

Quality Assurance
(from November 2010)

Chair: Nichola Trigg (November 2010 to December 2010), Lynne Todd (from January 2011)

Members: John Burbeck

Sustainable Development
(April 2010 - December 2010 when it transferred to Council of Governors))

Chair: Harry Turner

Members: Jane Rhead, Peter Male, Gordon Reddish, Peter Behrendt, David Tibbutt.

Section 9
Operating and financial review

Operating and Financial Review

Business profile

Worcestershire Acute Hospitals NHS Trust was formed on 1 April 2000 following the merger of Worcester Royal Infirmary NHS Trust, Kidderminster Healthcare NHS Trust, and Alexandra Healthcare NHS Trust. Across its three main sites, the Trust manages approximately 1,000 beds, 5,500 employees and has an annual income of almost £322 million.

Financial Performance in 2010/11

Against a backdrop of a significantly challenging economic environment, the Trust managed to meet all of its statutory financial responsibilities in 2010/11.

Operating Performance

Against the statutory duty to breakeven, the Trust managed to deliver an operating income & expenditure surplus of £287k (before any impairments or technical IFRS adjustments).

Whilst this was lower than the original planned surplus of £1.9m, this still represented a significant achievement for the Trust, given the pressures to maintain and improve performance and quality standards. In overall terms, the Trust reported an increase in its income base of 3%, which covered a similar increase in its cost base. The main financial pressures were related to the cost of pay increments, meeting waiting list targets and non pay inflation on major contracts.

The Trust was still able to make its 4th repayment of £5m on its £25m working capital loan, which was taken out in the 2006/07 financial year through the Department of Health. This interest bearing loan was taken out to support the Trust's liquidity through its period of financial recovery.

The £5m repayment made in 2010/11 has been managed through slowing down a number of capital expenditure projects and management of working balances.

Capital Cost Absorption Rate

The Trust is required to absorb the cost of capital at a rate of 3.5%, which is calculated by dividing the dividends paid on public dividend capital by the average value of relevant net assets. The rate achieved in 2010/11 was 3.3%.

Capital Spending

The Trust has a statutory duty to remain within its capital resource limit, which in 2010/11 amounted to £8.4m. Against this target, the Trust charged £8.0m on capital investments. As well as ensuring that the Trust's estate was maintained to statutory and regulatory standards, the Trust was able to improve its IT infrastructure and medical equipment. In particular, a significant investment was made in bringing a new MRI scanner to Kidderminster Hospital.

Cash Management

The Trust has a statutory target to manage within its External Financing Limit, which for 2010/11 was a negative target of £3.519m. The

Trust managed this by undershooting the target by £2.314m, through careful management of working balances and capital payments. However, this requirement did have an adverse impact on the trust's ability to improve its performance against the Better Payments Practice Code. The Trust has signed up to the Prompt Payments Code, but the Trust's overall performance (including both NHS and Non-NHS creditors) showed that 53% of invoices by value (or 41% of invoices by volume) were paid within the target of 30 days. Further details of compliance with the code are given in note 13.1 of the Trust's 2010/11 Accounts.

Other Information

The Trust's external auditor is the Audit Commission, to whom a fee of £168,000 (including VAT) has been paid in 2010/11 for the statutory audit of the Trust. In addition the Trust is required to obtain external assurance on their Quality Accounts for 2010/11. The Department of Health has asked the Audit Commission to mandate a piece of value for money work on quality accounts for NHS Trusts. The scale fee for this piece of work has been proposed at £15,000 + VAT. No further work has been requested from the Audit Commission by the Trust in respect of further assurance services or other services.

The Trust's Directors have confirmed that they are not aware of any relevant audit information which has not been brought to the attention of the Trust's auditors.

As part of the external auditor's responsibilities, they are expected to provide two opinions on the Trust's finances. Firstly, as in previous years, they provided the Trust with an unqualified audit opinion on the Trust's financial statements, confirming they were free of material error and gave a true and fair view of the Trust's financial position. Secondly they provided an audit opinion on the Trust's processes for delivering value for money. This was again unqualified, except for the fact that the Trust had to rely upon non-recurrent measures in 2010/11 to delivery its statutory break-even duty.

Confirmation as to how pension liabilities have been treated by the Trust are contained within notes 1.6 of the Trust's 2010/11 Accounts. This accounting treatment also applies to the figures reported with the Directors' Remuneration statement detailed later within the Annual Report. Only the summary financial statements are provided within this Annual Report and these may not contain sufficient information for a full understanding of the Trust's financial position and performance.

Full copies of the annual accounts can be obtained on request by contacting Michael White, Assistant Director of Finance, Finance Department. Aconbury East, Worcestershire Royal Hospital, Charles Hastings Way, Worcester, WR5 1DD or telephone 01905 760393.

The Trust confirms that it is compliant with the guidance issued by HM Treasury (Managing Public Money) relating to the setting of charges for information.

Operational Performance

The Trust's generally performed well against key operational targets, as stated below:

- The Trust achieved five of the six cancer targets for the year, but narrowly failed to achieve the 85% target for the 62 day cancer waiting times - urgent GP referral all cancers. The Trust's performance level for 2010/11 was 83.45%.

- The Trust narrowly failed to achieve the Thrombolysis (60 minutes call to needle time) target, achieving performance of 66.67% against a target of 68%. Further work is being undertaken with NHS Worcestershire and West Midlands Ambulance Service NHS Trust to ensure this health economy wide target can be achieved in 2011/12.

- The Trust achieved the A&E waiting time target of 95%, ending the year with a performance of 95.86%.

- The Trust achieved the cancelled operations 28 day re-admission target, but failed to achieve the target for cancellations to be less than 0.8% of all operations. Against this target, the Trust's performance was 0.93%.

- The Trust maintained its performance in respect of MRSA, with the number of cases

in 2010/11 of 8 being at the same level as in 2009/10. However as the trust's target for 2010/11 had been reduced to 5, the Trust failed against this target.

- For Clostridium Difficile, the Trust was able to reduce the number of trust acquired cases beyond day 2 from 125 down to 92, a reduction of 26%.

The Trust's Sickness Absence Figures for 2010/11 were as follows:

	2010-11 Number	2009-10 Number
Total days lost	43,146	45,928
Total staff years	4,665	4,489
Average working days lost	9.2	10.2
Overall Sickness Absence Rate	4.21%	4.47%

The Trust's overall activity levels for 2010/11 show that increased numbers of patients were treated across all patient classifications as follows:

- Total Inpatient activity rose from 67,767 patients in 2009/10 to 71,196 patients in 2010/11, an increase of 0.6%.

- The total number of Daycases treated increased from 37,024 in 2009/10 to 40,556 in 2010/11, a rise of 9.5%.

- The total number of Outpatient attendances rose from 475,600 in 2009/10 to 483,751 in 2010/11, an increase of 1.7%.

- The total number of A&E attendances increased from 138,198 in 2009/10 to 140,032 in 2010/11, a rise of 1.3%.

Looking forward to 2011/12 and beyond

Financial Outlook

The next 3-5 years will be a major challenge for the Trust as it will be for the entire NHS in the wake of the economic downturn. Despite the commitment to maintain real terms growth in NHS spending, the fact that the demand and cost for healthcare have historically exceeded the GDP deflator by between 4-5% means that the way that healthcare is delivered will need to be radically reformed. This has been translated into a Department of Health drive to deliver an efficiency challenge of between £15bn and £20bn over the next 4 years.

Over the same timeframe, NHS Worcestershire have indicated that it is planning to reduce the number of patients referred to acute hospitals by 14% by investing in alternative forms of care, largely in a primary care or community setting. This would require the Trust to resize its capacity and cost base over and above the estimated annual efficiency targets of circa 4%.

In response to both the national and local financial challenges and in recognition of the fact that the Trust needs to move to a stronger, sustainable financial position, the Trust Board has signalled that a stepped change will now be required in both productivity and innovation, whilst ensuring that quality and safety are the prime drivers. To strengthen the planning and delivery of its financial savings target, the Trust has established a Quality, Improvement, Productivity and Performance (QIPP) Board. This will ensure that the Trust has the infrastructure and capacity in place to deliver its financial targets, both in the short and medium term.

For 2011/12, the Trust Board has set a plan to again breakeven, which will require an in year cost improvement requirement of circa £15m, equating to some 5% of total cost base. Given that a number of costs are essentially fixed (e.g PFI contracts) , the real terms savings requirement will be even higher.

Fraud and Corruption Statement

In December 1999 Secretary of State Directions were issued to NHS Trusts(revised November 2004). These directions set out the roles and the responsibilities of each Health Body in countering Fraud and Corruption. A key requirement is for each NHS body to nominate and appoint a Local Counter Fraud Specialist (LCFS) suitably trained and accredited to carry out operational responsibilities with the investigation of cases of fraud involving the Trust.

The Trust's LCFS Anita Siviter, has undertaken this work for the Trust during 2010-11 in compliance with Directions and to support this work the Trust has reviewed its Fraud and Corruption Policy.

This policy provides direction and help to employees who may identify suspected fraud and provides a framework for responding to suspicions of fraud, advice and information on various aspects of fraud and implications of an investigation.

The LCFS has reported directly to the Trust's Audit Committee and the work undertaken by the LCFS is monitored by the Chief Executive and the Director of Finance to ensure compliance with the Directions.

Statement on internal control 2010/11

WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

1. 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 Trust's performance in meeting its obligations arising from the NHS Operating Framework is assessed by the submission of data and returns, by declarations of compliance with the Statement of Requirements and by meetings between NHS West Midlands and Trust staff.

The Trust has a range of formal and informal mechanisms in place to facilitate effective working with key partners in the Worcestershire Health Economy. The Trust is monitored and assessed by a wide range of external agencies that contribute to the ongoing development of the Assurance Framework. These include NHS West Midlands, the Care Quality Commission, the Audit Commission, the National Health Service Litigation Authority and the Health and Safety Executive.

2. 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 2011 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

Within the organisation, the Trust has functioning Patient Safety and Health and Safety Committees which report to the Trust Board via the Executive Risk Management Committee and the Integrated Governance Committee. The Director of Nursing is the appointed Executive Lead on Risk Management. Other directors with leading roles are the Director of Finance for Financial Risk and Counter Fraud and the Chief Executive for Corporate Governance.

The Risk Management Strategy is an integral part of the Trust's approach to continuous quality improvement and is intended to support and assist the organisation in delivering the key objectives of the NHS Plan, the NHS Improvement Plan, the NPSA's 'Seven Steps to Patient Safety' and in setting its own strategic objectives. Within the Trust, the Strategy has been considered and approved by the Integrated Governance Committee, and the Executive Team prior to it being reviewed and endorsed by the Trust Board.

During the year the Trust Board has received reports on key risk areas and has overseen and reviewed the ongoing development of the Assurance Framework and the Trust's Risk Register.

Staff continue to be made aware of their risk management responsibilities as part of the new starter induction process, and existing staff are required to attend a mandatory annual update in respect of risk management. Specific training targeted at executive directors, non-executive directors and managers has also been undertaken. Consequently risk management training is being closely monitored, evaluated, improved upon and further developed.

In terms of managing risk, the Trust continues to learn lessons in a variety of ways, including from the following sources:

- Patients' Advice and Liaison Officers (PALS)
- Complaints
- Litigation Claims
- Clinical Audit
- Clinical Incident Reports, reviews and analysis
- Clinical Outcome Reviews
- Morbidity and Mortality data, including Dr Foster
- External Reports (for example the National Confidential Enquiry into Peri-operative Death)
- Patient and Staff surveys
- The Patient Safety Group.

Good practice continues to be fed back to staff via the Clinical Governance Best Practice Showcase; extreme clinical incidents are thoroughly investigated and corporate issues are fed back; directorate-based "lessons learnt" reports are produced annually and are included within the Clinical Governance Report.

4. The risk and control framework

Within the Risk Management strategy which has been adopted by the organisation there is a clearly defined scope and objective; there are clearly defined lines of accountability and reporting; there is a clear process for escalation and management of risks; there are clear objectives to implement the strategy, underpinned by the availability of training and support; there has been an annual report indicating progress against these objectives, and there is a requirement to monitor and review all findings and outcomes.

Risk Management is embedded within the organisation through the Trust's committee structure, through the development of future plans and through the consideration of all risk management issues at the planning stage of organisational/clinical changes, through the introduction of an incident reporting and feedback system, through the inclusion of risk management within job descriptions (including both training and the processes for the assessment of risk), and through the reporting and investigation of incidents.

With specific regard to the Assurance Framework, the Trust identified the 6 strategic objectives which the organisation aims to deliver, and against each objective it has identified the principal risks. For each risk, an assessment was made as to the controls/systems which were in place to mitigate the principal risks, and the way in which control over the risks is to be assured. Where gaps in the controls or assurance have been identified, an action plan to address the issues raised was developed. The plan includes the identification of both an operational and executive lead for the actions required to address the gaps in control. Progress in delivering against the plan has been regularly monitored by the Trust Board.

Within the Board Assurance Framework five entries were rated as being high risks at the end of the financial year. These risks were:

- the likelihood of not being able to achieve the MRSA target for 2010/11 of less than 5 cases. The Trust experienced five reported MRSA cases in the first five months of the year which meant that the annual target figure could not be achieved. However the Trust reviewed and revised all of its policies, processes and procedures associated with the investigation and reporting of MRSA, resulting in only three more cases being reported before the end of the 2010/11 financial year.

- the Business Planning process is not sufficiently robust. Changes have been made to the business planning cycle and process for 2011/12, with the Trust having developed a list of corporate objectives that all future plans must refer to. This will secure a consistent, equitable approach to all plans and developments, ensuring

that plans contribute in part toward one of more of these objectives. All written reports presented to the Trust Board are also required to refer to the Corporate Objective to which the report contributes.

- failure to eliminate issues relating to Single Sex Accommodation (SSA) requirements by January 2011. The Trust was able to seek local agreement with NHS Worcestershire that the compliance period be extended to the end of March 2011, by which time the Trust was compliant with SSA regulations.

- failure to engage and develop close working relationships with key stakeholders. Steps have been taken by the Trust to ensure that contact and consultation with stakeholders, both internal and external is improved.

- lack or loss of financial control including failure to deliver Cost Improvement Plans. The Trust introduced stricter controls and limitations on both the authorisation of expenditure and the staff recruitment process during the second half of 2010/11; these controls remain in place today.

  The Trust did take action to address the worsening financial position during 2010/11 and was able to deliver a small control total surplus for 2010/11. For 2011/12 the Trust has established a Quality, Improvement, Performance and Productivity Board (QIPP), chaired by the Trust Chairman to review and scrutinise CIP plans for 2011/12 to ensure they are robust, deliverable, and monitored and that the impact upon quality productivity and performance is determined.

The issue of compliance with standards is a regular agenda item at both the Executive Risk Management Committee and Integrated Governance committee. Both committees provide updates to either the Trust Board or the Finance and Performance Committee.

The Trust has endeavoured to engage public stakeholders in the Risk Management process through the Patient Views Committee and through the PALS. Public involvement also occurs at the behest of the public through the complaints procedure which operates within the organisation. The Trust continues to be proactive in trying to encourage patient representatives to join the following forums which operate within the Trust to ensure that a patient perspective is taken into account; the Integrated Governance Committee, the Transport Group, the Equality Forum, the Worcester Patients' Forum, the local patients' forum and the Patient Safety Group. The Integrated Governance Committee, the Patient Safety Group and the Patient Views Committee all have a Patient and Public Involvement representative.

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.

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

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

The Trust is registered with the CQC without condition. However, as part of a national review of compliance with regulations and outcomes covering dignity and nutrition for older people, the CQC found that the Trust was not compliant on two wards at the Alexandra Hospital, Redditch on 22 March 2011.

A report was subsequently issued by the CQC in May 2011 which found moderate concerns with outcome 1(respecting and involving people who use services) and major concerns with outcome 5 (meeting nutritional needs). The CQC has subsequently taken compliance action and has asked the Trust to provide a report that says what action the Trust is going to take to achieve compliance with these

essential standards. Following the initial visit, the Trust had already undertaken a programme of actions to achieve compliance immediately and have responded to the CQC detailing the actions taken and our own self assessment of compliance. This has also been considered openly through the Trust Board's public meetings.

The Internal Audit function produced 24 reports throughout the financial year across all functions of the organisation.

Five of these reports have resulted in the Internal Audit function only being able to provide limited assurance that specific control objectives were being fully met, as follows:

Cost Improvement Plans (CIP): The audit found that there was a lack of engagement with budget holders in developing CIP plans, and "back-ended" CIP schemes with an absence of robust plans in place to ensure that these are achieved.

Clinical Audit: The report concluded that the Trust does not have a sufficiently robust system for capturing recommendations from clinical audits and tracking these through to a conclusion to ensure that lessons are learnt.

The Trust has ensured that for 2011/12 the Clinical Audit Leads will provide to the Clinical Audit Manager a monthly update as to the audit date, the progression of the audit, audit outcomes and action plans. These updates will be reported to the Clinical Audit Co-ordinating Group (CACG) on a regular basis.

Health and Safety: The report found that, due to a lack of capacity during 2010/11, the Trust has been unable to complete regular routine health and safety audits to the expected level. The Trust has ensured that for 2011/12 the Trust's Health and Safety Manager will meet with the relevant senior managers within the Trust to ensure that the annual work programme is appropriately prioritised before being agreed and actioned.

Consultant Job Plans: The report concluded that the Trust did not have a sufficiently robust process in place during 2010/11 to ensure that job plans are updated annually and there was limited monitoring by the Trust to ensure actual delivery was in line with the job plan.

The Trust will progress a number of actions with clinical directors to ensure that job plans are up-to-date, consistent, and subject to regular review throughout 2011/12.

Carbon Reduction: The audit found that the Trust had not completed a site by site evaluation to identify opportunities to reduce its impact on the environment and had no Average Meter Readers (AMRs) to measure utilities and granulate consumption. The Trust's Sustainable Development Committee (of the Council of Governors) will oversee the development of an action plan to address all of the issues raised in this report.

All these 5 areas will be tracked and reviewed by the Executive Team and the Trust Board.

Information Governance

NHS Connecting for Health (CFH), an Agency of the Department of Health, requires all NHS organisations to complete the Information Governance Statement of Compliance (IGSoC). The statement includes requirements for ensuring the confidentiality, integrity, security and accuracy of personal data used by all organisations seeking access to NHS CFH and NHS Care Records Service (NHS CRS) services.

The Trust has used the Information Governance Toolkit (IGT) to assess the compliance of its current systems and processes, and has reported its findings to the Trust's Integrated Governance Committee. The Trust's IGT and IGSoC were submitted at the end of March 2011, and meet the required standards. However his process has resulted in five areas for improvement being identified which only score at level 1, for which action plans to mitigate the risk have been developed.

The risk areas were:

Requirement 506: the Trust was required to increase the audit of clinical notes to achieve the next level. This was not possible due to a lack of capacity.

Requirement 112: whilst progress towards the target was made, the Trust is highly unlikely to reach the requirement that 95% of staff must complete the Information Governance Training Tool by the end of June 2011.

Requirement 324: work towards level 1 in the Pseudonymisation Implementation Project (PIP) was achieved, but level 2 now needs to be attained during 2011/12.

Requirements 323 and 307: these require the Senior Information Risk Owner (SIRO) and Information Asset Owner (IAO) training and reporting roles to be in place to achieve a level 2. There is also the requirement for an Information Asset Assistant (IAA) to be appointed to carry out risk assessments of all information systems and complete and maintain asset registers. Whilst good progress is being made at establishing the correct infrastructure, this was not possible during 2010/11 due to a lack of capacity.

In the scope of Information Governance, there were three Serious Untoward Incidents (SUIs) reported in 2010/11:

In May 2010 an internal request for information was made. Details were supplied, including Person Identifiable Data. However the information was subsequently forwarded outside the organisation to the local authority and local PCT. The incident was deemed to be a 'near miss' and categorised as a Level 1 incident under NHS Information SUI reporting requirements; a notification to NHS West Midlands was made.

In May 2010 a clinician advised the IT helpdesk about a missing digital Dictaphone. The consultant was unsure when the device was lost. The Trust's Information Governance Manager's investigation concluded that the Dictaphone was only likely to contain the names and hospital numbers of 10 to 15 patients and as the data had been downloaded making the data very difficult to access, the risk to patients was categorised as low. A notification to NHS West Midlands of a Level 2 incident was made.

In July 2010, 15 patients' X-Rays were sent to WAHT from a local Prison to be reported on. They were logged onto the Trust's Radiology Information System ready for reporting. When a further report was requested in September it was noticed that the films from July had not yet been reported and returned, and a search was made to locate the X-Rays. The films were not been located.

The incident was logged on the Trust's Incident Reporting System, the Information Governance Manager investigated the incident; a notification to NHS West Midlands of a Level 2 SUI was made.

For each of the SUI's referred to above, a specific action plan to address the findings of the investigations has been implemented.

5. Review of effectiveness

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

The Head of Internal Audit's overall opinion is that significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the findings of and comments made by the external and internal auditors during the course of their work and feedback from clinical auditors.

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, Trust Management Board, Risk Management Committees, Audit Committee, and the Pay and Remuneration Committee.

A plan to address weaknesses and ensure continuous improvement of the system is in place.

During 2010/11, the operation of the Trust Board and its Committees was reviewed to ensure its fitness for purpose to operate in the current and future environments.

With regard to the process by which the effectiveness of internal control is reviewed, the terms of reference of the following committees include clear references to planning and control:

Trust Board - at the most strategic level the Trust Board monitors at a variety of levels within the organisation the pursuance and performance against approved business plans.

In addition, the Board receives and considers reports which advise on the financial management of the organisation, the business activity of the organisation, the management of the procurement function and its delivery of savings targets and the financial implications of the strategic plans of the Trust.

Executive Team - this reports to the Trust Board on specific internal control issues including the efficient implementation of the Trust's plans, the monitoring and prioritisation of capital schemes within the Trust and to receive financial information to identify any operational actions which are required to be taken.

Assurance Committees - these report to the Trust Board. They both receive reports upon the monitoring and maintenance of all elements of standards for better health, and recommend where expenditure is necessary to address identified risks.

Audit Committee - this committee's main objective is to review the establishment and maintenance of effective systems of internal control and risk management, including the policies and procedures for all work related to fraud and corruption (as set out by the Secretary of State Directions).

Remuneration Committee - this committee reports to the Trust Board upon matters relating to the pay and conditions of senior executives and the impact upon trust-wide budgets of any proposed changes.

The Executive Directors of the Trust assume both collective and individual responsibility for ensuring that internal control is maintained on a day-to-day basis through the rigorous application of the Trust's Standing Orders and Standing Financial Instructions. These were last reviewed by the Trust Board in January 2011.

The Internal Audit function performs the majority of the specific reviews of internal controls and their application within the organisation, with the findings being considered within reports submitted to, and scrutinised by, the Audit Committee. The Audit Committee also receives regular follow-up reports as to the status of the implementation of recommendations produced from the Internal Audit Reports.

6. Conclusion

My review confirms that Worcestershire Acute Hospitals NHS Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	NOTE	31 March 2011 £000	31 March 2010 £000
Non-current assets			
Property, plant and equipment	17	**230,622**	228,900
Intangible assets	18	**141**	345
Other financial assets	23	**0**	0
Trade and other receivables	22	**1,719**	1,930
Total non-current assets		**232,482**	231,175
Current assets			
Inventories	21	**4,422**	4,246
Trade and other receivables	22	**15,447**	15,149
Other financial assets	23	**0**	0
Other current assets	24	**0**	0
Cash and cash equivalents	25	**11,203**	11,918
		31,072	31,313
Non-current assets held for sale	26	**350**	350
Total current assets		**31,422**	31,663
Total assets		**263,904**	262,838
Current liabilities			
Trade and other payables	27	**(36,372)**	(33,936)
Other liabilities	29	**(2,647)**	0
Borrowings	28	**(6,667)**	(6,699)
Other financial liabilities	34	**0**	0
Provisions	35	**(333)**	(342)
Net current assets/(liabilities)		**(14,597)**	(9,314)
Total assets less current liabilities		**217,885**	221,861
Non-current liabilities			
Borrowings	28	**(81,218)**	(88,974)
Trade and other payables	27	**0**	0
Other financial liabilities	34	**0**	0
Provisions	35	**(1,946)**	(2,304)
Other liabilities	29	**0**	0
Total assets employed		**134,721**	130,583
Financed by taxpayers' equity:			
Public dividend capital		**139,879**	139,729
Retained earnings		**(57,837)**	(57,968)
Revaluation reserve		**52,691**	48,780
Donated asset reserve		**712**	698
Government grant reserve		**137**	205
Other reserves		**(861)**	(861)
Total taxpayers' equity		**134,721**	130,583

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, recognised gains and losses and cash flows for the year. In preparing those accounts, 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 the 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

nb: sign and date in any colour ink except black

8/6/11 Date..... Chief Executive

8th June 2011 Date..... Finance Director

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

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

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

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

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

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

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

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

nb: sign and date in any colour ink except black

Signed.....Chief Executive

Date.....8/6/11

2010-11 Annual Accounts of Worcestershire Acute Hospitals NHS Trust

Year ended 31 March 2011

SUMMARISATION SCHEDULES (TRUs) FOR THE WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

Summarisation schedules numbered TRU01 to TRU98F plus Freetext are attached.

Director of Finance Certificate

I certify that the attached summarisation schedules have been compiled from and are in accordance with the financial records maintained by the trust and with the accounting standards and policies for the NHS approved by the Secretary of State.

nb: sign and date in any colour ink except black

8 June 2011 Date ..... Director of Finance

Chief Executive Certificate

I acknowledge the attached summarisation schedules, which have been prepared and certified by the Director of Finance, as the summarisation schedules which the trust is required to submit to the Secretary of State

nb: sign and date in any colour ink except black

8/6/11 Date ..... Chief Executive

(Note: This certificate is not required by the Department of Health)

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST

I have examined the summary financial statement for the year ended 31 March 2011 which comprises the Statement of Financial Position, Statement of Comprehensive Income, the Reported NHS Financial Performance Position, the Statement of changes in taxpayers' equity, the Statement of Cashflows, Directors' Remuneration set out on pages 55 to 68.

This report is made solely to the Board of Directors 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 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the Annual Report.

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

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

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

Opinion

In my opinion the summary financial statement is consistent with the statutory financial statements of the Worcestershire Acute Hospitals NHS Trust for the year ended 31 March 2011. I have not considered the effects of any events between the date on which I signed my report on the statutory financial statements [19 July 2011] and the date of this statement.

Delyth Morris
Officer of the Audit Commission

1st Floor, No.1 Friars Gate
1011 Stratford Road
Solihull
B90 4EB

[*19 July 2011*]

Statement of comprehensive income for the year ended 31 March 2011

	Note	2010-11 £000	2009-10 £000
Revenue:			
Revenue from patient care activities	5	297,086	287,216
Other operating revenue	6	24,743	25,673
Operating expenses	8	(309,175)	(300,211)
Operating surplus/(deficit)		**12,654**	**12,678**
Finance costs:			
Investment revenue	14	29	27
Other gains and losses	15	0	(22)
Finance costs	16	(9,932)	(9,616)
Surplus/(deficit) for the financial year		**2,751**	**3,067**
Public dividend capital dividends payable		(3,944)	(5,246)
Retained surplus/(deficit) for the year		**(1,193)**	**(2,179)**
Other comprehensive income:			
Impairments and reversals		(2,757)	**(32,177)**
Gains on revaluations		8,022	11,346
Receipt of donated/government granted assets		89	0
Net gain/(loss) on other reserves (e.g. defined benefit pension scheme)		0	0
Net gains/(losses) on available for sale financial assets		0	0
Reclassification adjustments:			
- Transfers from donated and government grant reserves		(173)	(212)
- On disposal of available for sale financial assets		0	0
Total comprehensive income for the year		**3,988**	**(23,222)**

Reported NHS financial performance position [Adjusted retained surplus/(deficit)]

	2010-11 £000
Retained surplus/(deficit) for the year:	
IFRIC 12 adjustment	354
Impairments	1,126
Reported NHS financial performance position Adjusted retained surplus/(deficit)	**287**

A Trust's Reported NHS financial performance position is derived from its Retained surplus/(Deficit), but adjusted for the following:

a) Impairments to Fixed Assets 2009/10 was the final year for organisations to revalue their assets to a Modern Equivalent Asset (MEA) basis of valuation. An impairment charge is not considered part of the organisation's operating position.

b) 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 and is narrated above as IFRIC12 adjustment.

Statement of changes in taxpayers' equity for the year ended 31 March 2011

	Public dividend capital	Retained earnings	Revaluation reserve	Donated asset reserve	Government grant reserve	Other reserves	Total
	£000	£000	£000	£000	£000	£000	£000
Changes in taxpayers' equity for 2010-11:							
Balance at 1 April 2010	139,729	(57,968)	48,780	698	205	(861)	130,583
Total comprehensive income for the year							
Retained surplus/(deficit) for the year		(1,193)					(1,193)
Transfers between reserves **		**1,324**	**(1,324)**	**0**	**0**	**0**	**0**
Impairments and reversals			(2,757)	0	0		(2,757)
Net gain on revaluation of property, plant, equipment			7,992	30	0		8,022
Net gain on revaluation of intangible assets			0	0	0		0
Net gain on revaluation of financial assets			0				0
Receipt of donated/government granted assets				**89**	**0**		**89**
Net gain/loss on other reserves (e.g. defined benefit pension scheme)						0	0
Movements in other reserves							**0**
Reclassification adjustments:							
- transfers from donated asset/government grant reserve				**(105)**	**(68)**		**(173)**
- on disposal of available for sale financial assets			0				0
Reserves eliminated on dissolution		0	0	0	0	0	0
Originating capital for trust establishment in year	0						0
New PDC received	150						150
PDC repaid in year	0						0
PDC written off	0						0
Other movements in PDC in year	0						0
Balance at 31 March 2011	139,879	(57,837)	52,691	712	137	(861)	134,721

Turn the page for explanation for **

**** The movement between the Revaluation Reserve and Income and Expenditure Reserve is represented by:**

1) £1,324,427 for excess depreciation from 1.4.10 to 31.3.11. In accordance with IAS16:

- IFRS is clear that all the depreciation chargeable on revalued assets must pass through the profit and loss account. This means that the extra depreciation incurred because an asset has been indexed or revalued upwards is included in the depreciation charge for the year.
- Bodies should, however, release an amount from the Revaluation reserve to the Retained Earnings in respect of this excess depreciation over historic cost.
- This transfer avoids the anomaly of the revaluation reserve remaining in perpetuity after an asset has become fully depreciated. It is also justified as it recognises a 'realised profit' in Companies Act terms.

Statement of cash flows for the year ended 31 March 2011

	2010-11 £000	2009-10 £000
Cash flows from operating activities:		
Operating surplus/(deficit)	12,654	12,678
Depreciation and amortisation	10,714	15,090
Impairments and reversals	1,126	3,020
Net foreign exchange gains/(losses)	0	0
Transfer from donated asset reserve	(105)	(143)
Transfer from government grant reserve	(68)	(69)
Interest paid	(9,872)	(9,558)
Dividends paid	(3,333)	(5,246)
(Increase)/decrease in inventories	(176)	10
(Increase)/decrease in trade and other receivables	(539)	3,087
(Increase)/decrease in other current assets	0	0
Increase/(decrease) in trade and other payables	(136)	(2,091)
Increase/(decrease) in other current liabilities	2,647	(10)
Increase/(decrease) in provisions	(427)	(292)
Net cash inflow/(outflow) from operating activities	**12,485**	**16,476**

Statement of cash flows for the year ended 31 March 2011 continued...

	2010-11 £000	2009-10 £000
Cash flows from investing activities		
Interest received	29	27
(Payments) for property, plant and equipment	(6,770)	(9,730)
Proceeds from disposal of plant, property and equipment	0	0
(Payments) for intangible assets	0	0
Proceeds from disposal of intangible assets	0	0
(Payments) for investments with DH	0	0
(Payments) for other investments	0	0
Proceeds from disposal of investments with DH	0	0
Proceeds from disposal of other financial assets	0	0
Revenue rental income	0	0
Net cash inflow/(outflow) from investing activities	**(6,741)**	**(9,703)**
Net cash inflow/(outflow) before financing	**5,744**	**6,773**

Statement of cash flows for the year ended 31 March 2011 continued...

	2010-11 £000	2009-10 £000
Cash flows from financing activities:		
Public dividend capital received	150	0
Public dividend capital repaid	0	0
Loans received from the DH	0	0
Other loans received	0	0
Loans repaid to the DH	(5,000)	(5,000)
Other loans repaid	0	0
Other capital receipts	89	0
Capital element of finance leases and PFI	(1,698)	0
Net cash inflow/(outflow) from financing	**(6,459)**	**(5,000)**
Net increase/(decrease) in cash and cash equivalents	**(715)**	**1,773**
Cash (and) cash equivalents (and bank overdrafts) at the beginning of the financial year	**11,918**	**10,145**
Effect of exchange rate changes on the balance of cash held in foreign currencies	**0**	**0**
Cash (and) cash equivalents (and bank overdrafts) at the end of the financial year	**11,203**	**11,918**

Directors' Remuneration

Salaries and allowances for Senior Managers

Name and title:	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £100)	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £100)
M.O'Riordan - Chairman	10-15	0	600	20-25	0	600
H.Turner - Chairman (previously Non Executive Director)	10-15	0	400	5-10	0	200
J.Rostill - Chief Executive	160-165	0	600	165-170	0	900
P. Milligan - Chief Operating Officer	40-45	0	100	125-130	0	400
J.Crawshaw - Director of Human Resources and Acting Chief Operating Officer	115-120	0	0	95-100	0	0
M. Stevens - Director of Finance	150-155	0	600	125-130	0	400
G.Bennett - Interim Director of Finance	35-40	0	0	0	0	0
H.Blanchard - Director of Nursing and Midwifery	95-100	0	700	95-100	0	300
C.Ashton - Medical Director	55-60	135-140	700	55-60	135-140	300
C.Phillips - Associate Medical Director	0	0	0	0-5	35-40	100
S.Graystone - Associate Medical Director	10-15	145-150	0	10-15	145-150	0
M.Shepherd - Non Executive Director	0-5	0	100	5-10	0	100
N.Trigg - Non Executive Director	5-10	0	200	5-10	0	200
R.Adams - Non Executive Director	0-5	0	200	5-10	0	200
J.Rhead - Designate Non Executive Director	5-10	0	0	5-10	0	200
A.Willis - Non Executive Director	0	0	0	0-5	0	0
B.McGinity - Non Executive Director	0-5	0	100	0	0	0
A.Sleigh - Non Executive Director	0-5	0	100	0	0	0
L.Todd - Non Executive Director	0-5	0	100	0	0	0
J. Burbeck - Non Executive Director	0-5	0	0	0	0	0

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 Directors pay against comparative salaries in the NHS. Cost of living awards are made in line with Department of Health guidance. For 2010/11 Executive Directors received no cost of living increase in pay.

Non-Executive Director appointments are selected through the Appointments Commission, and appointed by the SHA/Trust on a fixed term basis, with a maximum duration of four years. A notice period of three months is normally applicable to these contracts.

Executive Directors are appointed by the Trust on permanent contracts, which have a required notice period of 6 months. Should termination payments be considered necessary at any time, the Trust is fully conversant with the guidance and requirements of both the Department of Health and HM Treasury on this matter.

During the period December 2010 to April 2011, a Service Contract was in place for Mr Graham Bennett, Interim Director of Finance. The contract expired on 28th April 2011, in line with the contract terms.

Notes

C Phillips - ceased role as Associate Medical Director on 30/5/09, the 2009-10 figures quoted represent payments made for the period 1/4/09 to 30/5/09.

P. Milligan - left the Trust on 31/7/10

M. Stevens - left the Trust on 30/11/10

G.Bennett - Interim Director Finance started with the Trust 7/12/10. The figure quoted under Salary represents the payment of fees to Graham Bennett Associates Ltd and there are no additional costs for National Insurance or Superannuation.

J.Crawshaw - Acting Chief Operating Officer from 1/8/10 to 31/3/11

M.O'Riordan - left the Trust on 31/10/10

H. Turner - was appointed to the position of Chairman on 1/11/11, having previously held the post of Non Executive Director
M.Shepherd - left the Trust on 31/8/10

R. Adams - left the Trust on 31/10/11

A. Willis - left the Trust on 26/2/09

J. Rhead - commenced with the Trust 1/4/09

B. McGinity - commenced with the Trust 1/1/11

A. Sleigh - commenced with the Trust 1/1/11

L. Todd - commenced with the Trust 1/1/11

J. Burbeck - commenced with the Trust 1/1/11

Salaries and allowances for Senior Managers continued...

Pension Benefits

Name and title:	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 accrued pension at age 60 at 31 March 2011 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2011 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2011 £000	Cash Equivalent Transfer Value at 31 March 2010 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
J. Rostill - Chief Executive	0-2.5	5-7.5	85-90	265-270	0	0	0	0
H. Blanchard – Director of Nursing and Midwifery	0-2.5	2.5-5.0	20-25	70-75	374	401	0	0
J. Crawshaw - Director of Human Resources	7.5-10	27.5-30.0	45-50	145-150	878	783	94	0
C. Ashton - Medical Director	0-2.5	2.5-5.0	45-50	140-145	860	928	0	0
S. Graystone – Associate Medical Director	0-2.5	5.0-7.5	30-35	100-105	533	578	0	0

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.

No Cash Equivalent Transfer Value is listed if the individual is over the age of 60.

The Government Actuary Department ("GAD") factors for the calculation of Cash Equivalent Transfer Factors ("CETVs") assume that benefits are indexed in line with CPI which is expected to be lower than RPI which was used previously and hence will tend to produce lower transfer values.

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