Annual Report
2012/13

‘our vision is to EXCEL at patient care’
Chief Executive’s welcome

Welcome to George Eliot Hospital NHS Trust’s Annual Report for the 2012/13 financial year, a comprehensive review of the year just gone.

It has been a momentous year that has seen decisions made that will impact upon the care we provide at the hospital and in the local community for many years to come.

As you will probably be aware, the Trust is in the process of seeking a strategic partner with whom to secure the long-term sustainability of its services and finances. In December, we received approval from NHS Midlands and East Strategic Health Authority to proceed with our business case and at the time of writing we are awaiting the next stage of approval from the NHS Trust Development Authority. By the time we produce next year’s annual report we expect to know which organisation we will be partnering with.

We were delighted to secure the future of maternity and special care baby services at the hospital following last summer’s consultation into the future of women’s and children’s services, run by the Arden Cluster PCT. We are disappointed that inpatient services for children will move to University Hospital Coventry, but the Trust had acknowledged for some time that this service was unsustainable and that this was the best outcome in ensuring local children and young people continue to receive the highest standards of care.

The loss of inpatient paediatric services has opened the way for the Trust to open a new short stay Paediatric Assessment Unit, an exciting and innovative development, which will open in the summer of 2013.

As with NHS Trusts across the country, the past year has seen us make significant financial savings and this has been achieved without compromising quality of care. Thanks to the efforts of our staff, I’m pleased to report that we hit the majority or our key targets and in the process, ensured patients coming to the George Eliot continue to receive a high standard of care.

Finally, it goes without saying that none of this would have been possible without the hard work and dedication of our workforce and I can’t thank them enough for all they do for local people.

I’m sure 2013/14 will be another challenging and momentous year for the Trust and I’m confident that we’ve got the right teams in place to deliver a long-term, sustainable future for the hospital and the services we provide.

Kevin McGee
Chief Executive
About our Trust

George Eliot Hospital NHS Trust provides a range of hospital and community based services to 300,000 people in North Warwickshire, South West Leicestershire and North Coventry. The hub of the Trust is the George Eliot Hospital which is based on the outskirts of Nuneaton. The hospital provides a range of elective, non-elective, surgical, medical, women’s, children’s, diagnostic and therapeutic services.

The Trust also provides a range of community services across Coventry, Warwickshire and Leicestershire. This includes four GP surgeries in North Warwickshire, smoking cessation, health trainer and community dentistry services across the whole of Warwickshire, TB services for Coventry and Warwickshire and the Leicester Urgent Care Centre.

The Trust shares resources and expertise through several clinical networks for services such as cancer care, coronary heart disease, pathology and women’s and children’s services.
Our vision and values
In May 2013, staff at the Trust made a public commitment to local people at the launch of a new vision and set of core values for the organisation.

The Trust’s vision and core values were devised by staff through a series of focus groups and represent the culture and care patients can expect to see when they attend the hospital. Over 300 members of staff attended the event and 70 of them signed up to be ‘values champions’ whose role will be to promote and embed the values throughout the organisation.

The Trust’s Board of Directors showed their commitment by signing a board displaying the vision and values which is displayed at the main entrance to the hospital.

The launch of the vision and values comes at a time of great change with the Trust looking to partner with an organisation in order to secure the long-term future of health care at the hospital and in the local area. They let local people know that whatever direction the Trust takes, these will remain its core principles. They were devised by staff and reflect the direction they want to see the organisation moving in.

Our vision:
To EXCEL at patient care

Our core value pledges:
Effective open communication
eXcellence in all that we do
Challenge but support
Expect respect and dignity
Local healthcare that inspires confidence

Our strategic objectives:
1. Constantly deliver high quality care in a safe environment
2. Enhance patient experience by providing local care tailored to the individual needs of the patient
3. Develop partnership arrangements to promote and deliver a comprehensive range of value for money integrated services to protect and improve the health of the local community
4. Empower, develop and support our staff to encourage positive leadership at every level
5. Maintain financial stability, hit all agreed targets and satisfy our regulators
Emergency preparedness
The Trust has a duty as a Category 1 responder under the Civil Contingencies Act 2004, to be prepared to respond in the event of a major incident or disaster.

A major incident can range from a serious road traffic accident involving multiple casualties to a chemical spillage.

The Trust works in partnership with other Local Health Resilience Groups to ensure there is a robust multi-agency response to any incident.

Trust Major Incident plans are continually updated and maintained in line with legislation and best practice.
Recognition and achievement

NHS heroes recognised
In November, two members of staff were recognised for going the extra mile to provide high quality care. Midwife Lindsey Carver and Dietician Maggie Kennedy both received a national NHS Hero award in recognition of their hard work and dedication. NHS Heroes is a national scheme backed by the Department of Health which was set up to mark the 64th anniversary of the NHS.

Lindsey Carver was nominated for an NHS Hero award by former patient, Sheralee Caddy, in appreciation of the support she was given following the birth of her son. Sheralee said: “Lindsey is an incredibly dedicated midwife. When she heard I was having a tough time after the birth of my son through a mutual friend, she came and supported me even though she did not know who I was.

“She came to my home every day for six weeks and went out of her way to help me. After a very traumatic birth experience, Lindsey’s care and support was overwhelming. She went the extra mile in her own time, outside of work hours purely from the kindness of her heart. The NHS needs many more Lindsey Carvers!”

Maggie Kennedy was nominated for the award by colleague Lisa-Jayne Cruickshank who said: “Maggie works incredibly hard, advising hundreds of patients with diabetes about their diet. Her post is challenging and busy, but she never grumbles. She is always cheerful and is a delight to have present in the office.

“She builds a wonderful relationship with her patients and has time to help them with other issues that they report in addition to helping their diet. Maggie is a great representative for the dietetic profession.

Trust doctor leads diabetes research
Trust diabetes specialist, Dr Ponnusamy Saravanan, has been leading cutting edge research into the effects of vitamin B12 on pregnant women following an award of £800k from the Medical Research Council (MRC).

Working at Warwick Medical School in partnership with the University of Southampton and King Edward Memorial Hospital in Pune, India, Dr Saravanan is recruiting 4,500 women in the early stages of pregnancy so they can study whether micro nutrients such as Vitamin B12 reduce the risk of developing gestational diabetes (GDM).

Numbers of mothers affected by GDM are rapidly rising, and with it, all manner of additional health complications for both the mother and the baby. Mothers who had GDM have 7-8 times higher risk of developing full-blown diabetes later in life. And babies born to women with GDM are at a higher risk of developing obesity and diabetes as an adult.

Dr Saravanan believes that the micro-nutrients (vitamins) in a woman’s diet fundamentally influence how the DNA functions, and this gene-diet interaction determines, at least in part, whether you are going to be more prone to being overweight as an adult. So this very early ‘in-utero’ stage is seen as critical in mapping out your adult health.
The study is called "PRiDE study". This unique study has begun in Nuneaton and Warwick areas and the recruitment passed the first 100 last month. The study is expected to be completed by the end of 2015. This group will have equal number of mothers from South Asian and Caucasian background. The results will also provide an insight into why South Asian women have a far higher prevalence for developing GDM.

Vitamin B12 is relatively cheap, and ultimately, Dr Saravanan would like to see Vitamin B12 become a nationally recommended supplement for women planning pregnancy along, with folic acid.

**International recognition for the Trust**

In August, the Trust’s tissue viability nurse, Lorraine Thursby, visited the KK Women's and Children’s Hospital in Singapore as a guest of their medical director to share some of the training and techniques that have led to large reductions in avoidable hospital acquired pressure ulcers at the George Eliot. While there, Lorraine delivered training to staff on the effective use of electronic beds and techniques to move patients, which help to reduce the risk of patients developing pressure ulcers.

Staff from the KK hospital visited several hospitals in the United Kingdom earlier in 2013 and were so impressed with the training at the George Eliot and the subsequent reductions in avoidable hospital acquired pressure ulcers that they invited Lorraine to come over to share her knowledge and experience.

**Going for gold**

Olympic fever hit the Trust’s physiotherapy department in September as physiotherapist, Mat Jones, headed off to the 2012 London Paralympic Games as part of the support team for the Great Britain blind football squad.

Mat was on hand to provide on-field treatment for players as well as running clinics and providing post match first aid.

Unfortunately, Mat couldn’t bring home a medal as the team failed to make it out of the group stages of the tournament.

**Sign language qualification**

Midwife Megan Berry recently achieved a Level 2 qualification in British Sign Language.

Megan achieved the qualification in June after being enrolled on the course as a 21st birthday present from her boyfriend. Megan hopes that her new-found skill will help to improve the care the team can provide women with hearing impairments throughout their pregnancy. She also wants to move on to do an NVQ to become a qualified junior interpreter.

**Trust says goodbye to long-serving members of staff**

The Trust said fond farewells to several members of long-serving staff over the past year. This included Head of Midwifery, Maggie Davies, who hung up her midwifes uniform after almost 40 years.
Two long-serving members of the Breast Care Team retired during the year. Team secretary, Mal Sinclair, said goodbye after 33 years service and Health Care Support Worker bid the team farewell after 40 years service.

Director of Stakeholder Engagement, Heather Norgrove, retired after 40 years service in the NHS the last six of which were spent at the George Eliot.
Securing a sustainable future

In May 2012, the Trust presented an outline business case (OBC) to the Department of Health which set out the process the Trust wishes to take for the procurement of a strategic partner in order to ensure the long-term sustainability of the hospital and health care in the local area.

The Trust’s Board agreed that it is in the best interests of the hospital, its patients and staff to undertake a procurement process that enables both NHS and independent sector health care providers to make proposals and for the Trust to ensure that it can choose the best possible solution to achieve clinical and financial sustainability.

Agreement to proceed with the plans to seek a strategic partner was received in December 2012. The Trust is currently awaiting the next stage of approval from the NHS Trust Development Authority and once this is received an advertisement asking for formal applications from potential bidders will be placed in the Official Journal of the European Union (OJEU) and on the NHS Supply2Health website. A pre-qualification questionnaire (PQQ) will then be issued to organisations registering an interest in partnering with the hospital. Through this questionnaire they will be asked to prove their capacity and capability to take part in a formal tendering process.

The process, resulting in the selection of a preferred partner is expected to take until the end of 2013.

The Trust has placed a strong emphasis on involving local people, including staff, patients and members of the public in the project. Following an options appraisal exercise involving members of the hospital’s executive team, clinicians, staff representatives and colleagues supported by NHS Midlands and East Strategic Projects Team, a number of engagement events and visits to community groups in the local area were held to discuss the future of the hospital and address any other issues or concerns that people may have. This engagement will continue throughout the process.

Community groups

Are you a member of a local community group that would like the opportunity to quiz members of the Trust’s executive team about the plans for the hospital’s future or any other aspects of its service? As the Trust continues its search for a strategic partner to secure a sustainable future for the hospital and local health care services, Trust executives are keen that as many people as possible have their opinions heard.

Members of the hospital’s executive team are available to visit any community group meetings in the local area upon request, to discuss the future of the hospital along with any other issues or concerns people may have. For more information or to set a date for an executive to visit your community group, please contact the communications office on 02476 865383.

Ten key facts:

1. George Eliot hospital (GEH) is looking at partnership options to help it reach Foundation Trust status, as all hospitals must do.
2. The priority for this process will be to find a solution that provides sustainable, accessible, well-managed services for patients, driving quality and delivering value for money.
3. All options are being considered to ensure a sustainable future for the hospital. There is no preferred solution.
4. GEH is not being privatised.
5. Whatever future partnership arrangement GEH may arrive at, patients will continue to receive the NHS services they need.
6. The GEH board is absolutely committed to keeping local services local where possible and to ensure continued collaboration with local partner agencies.
7. The process for identifying a suitable option for GEH’s future will be open and transparent.
8. The public and staff are being involved in the process. There will be numerous ways in which people can feed in their ideas and practical suggestions.
9. It’s “business as usual” during the process, with safe and effective patient treatment remaining the priority.
10. This process is separate from the commissioning of services that is now the responsibility of local Clinical Commissioning Groups.
NHS reform

Robert Francis QC’s report into the failings in care provided at Mid Staffordshire NHS Foundation Trust, published in February, will lead to wholesale changes in the way the NHS works. The report made nearly 300 recommendations aimed at ensuring the failings in care at Mid Staffordshire cannot happen again.

The George Eliot had previously carried out a review of its own services based on Robert Francis’s initial findings and has since began a comprehensive review based on the final report.

The report made uncomfortable reading for everyone connected with the NHS and the George Eliot is now committed to playing its part in maintaining public confidence in the services it provides and the wider NHS.

Keogh review

Following the release of the Francis Report, Prime Minister David Cameron announced that he had asked Professor Sir Bruce Keogh, Department of Health Medical Director, to carry out a review of hospitals with historically high mortality rates. The Trust was identified as one of 14 Trusts across the country to be subject to this review.

The review will seek to:

- Determine whether there are any sustained failings in the quality of care and treatment being provided to patients at the Trust.
- Identify:
  - Whether existing actions by these Trusts to improve quality is adequate and whether any additional steps should be taken;
  - Any additional external support that should be made available to the Trust to help it improve;
  - Any areas that may require regulatory action in order to protect patients.

The review will be guided by the values set out in the NHS Constitution and underpinned by the principles of patient and public participation, listening to the views of staff, openness and transparency and cooperation between organisations.

The findings and actions resulting from the review will be published over the summer.

While the Trust has done a lot to address its high mortality rates in recent years and has recently made significant improvements, the Trust’s Board of Directors fully expected to be part of this review due to historically high mortality rates. The Board in fact welcomed the announcement and believes that there are a lot of lessons that can be learned from the successes at the George Eliot which can be applied at other Trusts.

At the time of going to print, the Trust was expecting the review to take place at the end of May.
Quality and performance

**Care Quality Commission review**
A report produced by the Care Quality Commission (CQC) in January, following an unannounced inspection praised the Trust’s “commitment to providing positive outcomes for patients.”

The inspection by the health watchdog checked that five essential standards of quality and safety are being met. The report confirmed that all these standards are being met.

During their visit to the Trust, inspectors spoke with patients, visitors, volunteers, ward staff, directors and clinical lead specialists. The report stated that all Trust staff spoken with “demonstrated a commitment to providing positive outcomes for patients and making improvements where necessary.”

The report went on to say that “patients and visiting relatives were positive about the staff and treatment that they had received”. Patients said that they were “incredibly hard working”. They said staff took the time to assess and meet their needs. Patients were confident that they knew the nature of their treatment.”

Comments received from patients and visitors included:
- “It’s a marvellous hospital.”
- “I don’t think anyone can complain about the care here.”
- “You always know if you are sent here, you are going to be looked after.”

**Excellence across the board**
In 2012, the Trust was delighted to be awarded ‘excellent’ in all three categories in an inspection of its support services. The annual Patient Environment Action Team (PEAT) inspection, carried out by the National Patient Safety Agency (NPSA), took place earlier in the year and assessed the Trust’s performance in three areas:
- Environment
- Food
- Privacy and dignity

The Trust received the top rating of ‘excellent’ in all three categories, improving on a rating of ‘good’ in all areas the previous year.

**Initiative shortlisted for top award**
An initiative to reduce pressure sores at the hospital was shortlisted in the ‘Care of Older People’ category at the 2012 Nursing Times Awards.

The shortlisting is in recognition of the work staff at George Eliot Hospital have done to reduce avoidable hospital acquired pressure sores through its innovative PUP (Pressure Ulcer Prevention) campaign.

The campaign was introduced by the Trust’s tissue viability team who used it as a light-hearted way to get across a very serious message about the negative impact pressure sores can have upon a patient’s care and recovery. The campaign saw every ward adopt a metaphorical ‘puppy’ and sign an adoption certificate, which was their commitment to work to reduce incidents of avoidable hospital acquired pressure sores.
Patienttrack system
The implementation of a new ‘track and trigger’ system will help to improve patient safety and decrease length of stay.

The Patienttrack track and trigger system helps to improve the calculation used to identify acutely ill patients and the speed and effectiveness of the clinical response to their needs. The system is currently at use in other hospitals and the resulting improvements have helped to reduce cardiac arrests and shorten both the length of time patients spend in critical care and their overall length of stay.

Data is recorded by clinicians using handheld devices onto software integrated into the hospital’s patient administration system. Observations entered into these devices are then evaluated in accordance with the Trust’s procedures and any deterioration in the patient’s condition is highlighted immediately. The system will also record assessments on admission and ensure proactive treatment is in place as soon as possible.

This is effectively a way of speeding up the process of identifying patients who need different types of medical intervention, ensuring they receive this intervention promptly and allowing staff to spend more time on providing hands-on patient care.

This new system will slip seamlessly into daily ward life and on busy wards it will provide an invaluable tool for identifying patients whose condition is deteriorating. It will also help ward staff quickly identify patients who are ready to go home, improving advanced planning for their discharge.

Infection prevention
The Trust reported just 16 incidents of hospital acquired Clostridium Difficile in 2012/13. This was below the threshold of 27 set by NHS Midlands and East and below the Trust’s own internal threshold of 19. The Trust has set itself an internal threshold of 14 incidents for 2013/14.

The Trust was disappointed to report two incidents of hospital acquired MRSA bloodstream bacteraemia, both in September. The Trust's threshold for such incidents was zero so this target was not reached.

There was a large increase in cases of the sickness and diarrhoea bug, Norovirus, in the community. This was reflected in an increase in outbreaks at the hospital and the subsequent ward closures and visiting restrictions. All outbreaks were identified quickly and appropriate measures put in place to ensure inconvenience and disruption was kept to a minimum.

Making every contact count
Staff have been going the extra mile to help patients as part of the ‘Make Every Contact Count’ (MECC) initiative. This is a long-term NHS strategy aimed at helping to create a healthier population. It’s based on the concept that all organisations responsible for health, wellbeing, care and safety have the chance to positively influence people’s wellbeing.

Staff have started using their time with patients to talk to them about a range of lifestyle issues including smoking, alcohol, healthy eating and exercise and to signpost or refer anyone who wants help onto an appropriate organisation.
Research shows that people expect staff to ask questions about their health. Each day, staff have thousands of interactions with patients and members of the public; that’s a lot of opportunities to make a difference to their lives.

**Review of services at the Leicester Urgent Care Centre**
An inspection of the George Eliot Hospital NHS Trust run Leicester Urgent Care Centre praised the care and service provided. The unannounced inspection by the Care Quality Commission (CQC) looked at two key standards of care; ‘respecting and involving people who use services' and ‘supporting workers’. Both of these standards were met.

One patient commented: “I have used the service a couple of times now and they always treat you well.” Another said: “I have been seen by the doctor and the nurse. All the staff here are nice.”

The CQC report stated: “People we spoke to were generally happy with the treatment they received. One complaint we received was about the time taken to be seen, however people told us they thought the treatment was good and they would use the service again. People felt that they were treated with dignity and respect by all the staff working at the unit.”

**The’ Friends and Family’ Test (FFT)**
In April 2012, NHS Midlands and East introduced the FFT in all acute hospitals in the region. The test records the response to the question: ‘How likely are you to recommend this (ward/department) to your friends and family if they needed similar care or treatment?’ The Trust is required to ask 10% of inpatients this question on the day of or within 48 hours of discharge.

The scoring system used is 0-10 with 10 being ‘extremely likely’. Based on their responses, customers are categorised into one of three groups: ‘promoters’, ‘passives’, and ‘detractors’. The percentage of detractors is then subtracted from the percentage of promoters to obtain a Net Promoter Score (NPS). NPS can, therefore, be as low as -100 (everybody is a detractor) or as high as +100 (everybody is a promoter).

As part of the overall survey there is an opportunity for patients to comment, anonymously, on their overall care and treatment. At the George Eliot these comments are made available to staff to understand where there is a need to improve the care and service offered.

The national results of the survey are published on NHS Choices for patients to use when deciding where they would prefer to receive care.

On George Eliot wards volunteers ask patients for their views at the time that they are going home.

From April 2013, the Department of Health will require all hospitals in the country to ask a similar question of patients attending A&E.

If you would like more information please contact Christine Longstaff on (024) 7615 3568 or pick up a leaflet from the hospital.
Family & Friends Test

- Promoter
- Passive
- Detractor

Linear (Promoter)
Linear (Detractor)

'Smiley card' feedback
'Smiley card' feedback forms are located in all wards and departments. Patients tick the box next to the green (positive), amber (neutral) or red (negative) face, based on their experience. There is room on the reverse of the card for comments.

All cards are collected weekly and the detail used to provide a breakdown to each area of the numbers of green, amber and red face together with any comments made. The cards have proved to be popular with patients and visitors alike and the feedback helps the Trust to make improvements to the service and care it provides.

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<th></th>
<th>Red</th>
<th>Amber</th>
<th>Green</th>
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<td>282</td>
<td>164</td>
<td>2319</td>
<td>2765</td>
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<tr>
<td></td>
<td>10%</td>
<td>6%</td>
<td>84%</td>
<td></td>
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<td>2011/12</td>
<td>421</td>
<td>178</td>
<td>1399</td>
<td>1998</td>
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<td></td>
<td>21%</td>
<td>9%</td>
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Feedback and complaints
The Trust welcomes all forms of feedback and complaints by patients, carers, visitors and staff. Feedback plays an important role in improving all aspects of the service and care the Trust provides; where the Trust has fallen below the standards it sets itself it is chance to learn lessons and improve.

The Trust has changed many of its practices in response to feedback and complaints. In the past year this has included the extension of visiting hours and changes to patient information materials.

Over the past year, the Trust has been more proactive in encouraging complainants to have a face-to-face meeting with hospital staff with a view to resolving their issue more quickly.

The Trust received 293 complaints in 2012/13, up from 271 in 2011/12. 94% of these were responded to within the Trust's 25 day time limit against a target of 90%. The Health Ombudsman requested the medical notes and complaint files for two of these cases, one of which they didn't pursue further and one of which they are still to make a decision on.
The Trust adheres to the Parliamentary and Health Ombudsman’s Six Principles of Remedy. These outline how the ombudsman believes public bodies should put things right when they have gone wrong and their approach to recommending remedies. The principles can be found in full at [www.ombudsman.org.uk](http://www.ombudsman.org.uk)

**Performance summary**

The Trust had a Governance Risk Rating of ‘amber-green’ for each quarter taken in isolation. However, this was subject to an over-riding red rating being imposed in the third quarter as the 62 day cancer waiting time target was not achieved for three successive quarters. This target was however achieved in quarter 4 and the over-ride was then removed.

**GOVERNANCE RISK RATINGS**

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<th>Sub Sections</th>
<th>Threshold</th>
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<th>Qtr to Sep-12</th>
<th>Qtr to Dec-12</th>
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<th>Feb-13</th>
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<td>From point of referral to treatment in aggregate (RTT) – admitted</td>
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<td>Maximum time of 10 weeks</td>
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<td>Surgery</td>
<td>94%</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<td>From NHS Cancer Screening Service referral</td>
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<td>All Cancers: 31 day wait from diagnosis to first treatment</td>
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<td>Cancer: 2 week wait from referral to date of first treatment, comprising:</td>
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<td>All urgent referrals</td>
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<td>Yes</td>
<td>Yes</td>
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<td>All symptomatic breast patients</td>
<td>92%</td>
<td>Yes</td>
<td>Yes</td>
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<td>A&amp;E: From arrival to admission/discharge</td>
<td>Maximum waiting time of 3 hours</td>
<td>95%</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
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<td>Non-Compliance with GCC Essential Standards resulting in Enforcement Action</td>
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<td>No</td>
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<td>CCQ Legitiime Authority – Failure to maintain, or certify a minimum published CNST level of 1.0 or have in place appropriate alternative arrangements</td>
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**62 day waits for cancer treatment**

In quarter 1, the target was not achieved due to the number of patients exceeding the target for waits following referral from one of the national screening programmes. In quarters 2 and
3, the target was not achieved for the main waiting time standard measured from GP referral to treatment. Both targets were achieved in the fourth quarter.

The Trust has taken a number of actions to tackle the causes of delay and to ensure the target will be met in the future. These include setting tighter standards for stages in the diagnosis process such as for diagnostic investigations, ensuring that potential breaches are escalated to lead clinicians and managers earlier to enable corrective action to be taken and inviting the NHS Intensive Support Team to undertake a full review of the way in which cancer services are organised and to recommend further improvements.

Consistent achievement of this target is one of the Trust’s priority objectives for 2013/14.

**A&E 4 hour waiting times**
The target of 95% of patients attending A&E being treated and discharged or admitted for further treatment was not achieved in the months of December, January and March. The overall target was not achieved in the fourth quarter.

This winter, greater pressure has been placed on the Trust’s capacity than in previous years. The Trust was allocated resources for a winter ward; however, two further wards were used in addition to the winter ward. These pressures mirror what has been experienced at many other Trusts. The main causes have related to surges in demand, incidence of Norovirus that restrict access and reduce flexibility, and insufficient discharges due to the clinical needs of patients.

The Trust continues to increase resources in key areas including in the A&E department itself in order to improve performance.

**Activity Levels**
Overall, elective admitted patient care spells increased by 3.8% with day cases increasing by 3.6% and inpatients increasing by 4.9%. Non-elective acute admitted patient care spells reduced by 0.2% in line with A&E attendances which reduced by the same proportion. The number of births was about the same as the previous year. Outpatient activity increased by 4.5% and attendances for regular day care increased by 6.8%.
Operational Performance during the year

In spite of the inpatient pressures faced during the year, the Trust has continued to improve performance in a number of key areas.

- For the year as a whole, the A&E 4 hour target has been achieved
- The Trust run Urgent Care Centre at Leicester has also consistently achieved its targets
- For the year as a whole, more than 80% of stroke patients have spent 90% of their inpatient spell on the specialist stroke ward
- All cancer targets (other than for the 62 day waiting time standard) have been achieved for the year
- Delayed transfers of care have been less than 3.5% in all but one month of the year
- Elective waiting time targets for referral to treatment in less than 18 weeks have been consistently achieved

However, there were a number of areas where the Trust fell short of the required standard including:

- Cancelled operations on the day of surgery has just met the target of 0.8% overall, but was not achieved in 7 months out of the 12
- Unplanned re-attendances at A&E also met the target of 5.0% overall but was not achieved in 7 months
- The average outpatient follow-ups/first attendance ratio of 2.7 was an improvement on the level last year (2.8) but exceeded the Trust’s internal target of 2.5
- The contractual target for the specialist community dental service was not achieved
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<thead>
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<tr>
<td>Hospital Standardised Mortality Ration (HSMR)</td>
<td>National – 100 Internal - 110</td>
<td>114.9 (to the end of January 2013)</td>
<td>119.8</td>
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<tr>
<td>Cases of hospital acquired Clostridium difficile</td>
<td>27</td>
<td>16</td>
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<td>Cases of hospital acquired bloodstream bacteraemia</td>
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<tr>
<td>Number of patient falls</td>
<td>561</td>
<td>564</td>
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<td>Number of falls with fractures</td>
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<td>21</td>
<td>11</td>
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<tr>
<td>Number of complaints</td>
<td>N/A</td>
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<td>271</td>
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<tr>
<td>A&amp;E waiting times less than 4 hours</td>
<td>95%</td>
<td>95.7%</td>
<td>95.8%</td>
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<tr>
<td>Cancer – 2 weeks referral to first outpatient appointment</td>
<td>93%</td>
<td>95.7%</td>
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<td>Cancer – 31 days diagnosis to treatment (drugs)</td>
<td>98%</td>
<td>99.1%</td>
<td>100%</td>
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<tr>
<td>Cancer – 31 days diagnosis to treatment (surgery)</td>
<td>94%</td>
<td>97.8%</td>
<td>98.3%</td>
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<tr>
<td>Cancer – 62 days urgent referral to treatment</td>
<td>85%</td>
<td>81.9%</td>
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Service review

New cancer information centre opens
Working in partnership with Macmillan Cancer Support, the Trust opened a new cancer information centre in May. The centre, situated in the main entrance of the hospital, offers advice, information and support for anyone concerned about or affected by cancer.

Cancer services praised
Cancer patients at the George Eliot are receiving ‘very good’ or ‘excellent’ care; that is the finding of a recent survey carried out by the Department of Health. 244 George Eliot Hospital cancer patients responded to the survey with 93% of them rating their care as such.

The Trust performed well in many areas of the survey especially around the diagnosis of cancer, decisions about treatment and surgical procedures, where it was amongst the top performing 20% of Trust’s in the country.

New Ambulatory Care Unit
The opening of a new ambulatory care unit is expected to reduce the number of patients requiring a stay in hospital. The unit allows patients who would normally be treated as inpatients to be seen as day cases. It can accommodate up to four patients, allowing them to come in for the day to undergo routine investigations, observations and treatments.

Treatments currently available include those for cellulitis, deep vein thrombosis and pleural effusion. Staff on the unit work closely with community teams to ensure an overall package of care is in place for each patient.

In the seven months following the start of the service, it helped to save 945 bed days, avoid 162 admissions and facilitate 111 early discharges.

Patients have given their approval to the service with 70 patients providing positive feedback and none providing negative feedback.

Ambulatory care activity

Ambulatory care activity

Stroke service success
In summer 2012, the Trust celebrated success after achieving 100% against a key target for the first time. The national stroke target requires at least 80% of stroke patients to spend
90% of their time on a dedicated stroke ward. The target recognises the importance of stroke patients receiving dedicated care as quickly as possible and how this can dramatically improve their recovery potential.

The Trust achieved a 100% success rate for the first time in August and followed this up by matching the success in September.

Research has shown that prompt and effective treatment of stroke patients can prevent long-term disability and save lives. By having stroke patients on the right ward, receiving specialist treatment for most of the time in hospital, the Trust is maximising their recovery potential.

**New cardio respiratory services**
In October 2012, the Cardio-Respiratory Unit (CRU) implemented a new Home Oxygen Service (HOS). This service aims to ensure that all patients issued with oxygen for use in the community are receiving the optimal treatment in line with national guidelines. The process has led to a review of oxygen provision for over 300 people in North Warwickshire and will have the double benefit of ensuring they are receiving the correct care and saving the local NHS money.

Improvements were made to the Trust’s sleep service, which now includes Continuous Positive Airway Pressure (CPAP). This treats Obstructive Sleep Apnoea (OSA), which affects up to 4% of middle aged men and 2% of middle aged women in the UK. The older population are even more at risk, with 15-20% of those aged over 70 estimated to have the condition. These figures mean that OSA is more common than severe asthma; however, up to 80% of people with OSA have not yet been diagnosed. The number of people affected could also be rising due to increasing obesity.

Both the Sleep Service and Home Oxygen Service ensure that patients receive the right treatment at the right time at a centre that is close to home. The importance of not having to travel to receive treatment is extremely valuable to patients particularly those who are not allowed to drive due to their condition.

The implementation of the above two services has enabled the CRU team to increase the number of Respiratory Physiologists and to employ an administrative assistant to help run the Home Oxygen Service. Use of oxygen at home and CPAP therapy is now initiated using a clear set of nationally approved criteria and efficacy and compliance with treatment is assessed, recorded and audited.

**Stress echo pilot**
The Trust has been piloting a new stress echo service that meets NICE guidelines for the functional assessment of patients with a moderate likelihood of coronary heart disease. Stress echo is the most appropriate investigation for this type of patient and will reduce the need for more complex examinations that can have side effects for patients.

**Dementia care**
The National Dementia Strategy outlined a framework for action to improve the care and treatment of people with dementia in the UK and as a result, the Trust committed to a programme of service improvement for people with dementia admitted to the hospital based upon evidence based interventions developed and tested at New Cross Hospital in Wolverhampton.
Examples of outcomes from the project included:

• Improving patient and carer experience
• Reduction in patient harms associated with people admitted to hospital suffering from dementia e.g. reduction in falls and prevention of injury and pressure ulcer prevention
• Improving the physical environment to create ‘dementia friendly’ ward areas
• Improving staff knowledge and competencies through a programme of learning and skills development essential to equip them with the knowledge to provide the level of ‘extra’ care and support this vulnerable group of patients require
• Making person centred care a reality for patients who can become disempowered when coming into hospital through more comprehensive assessment and engaging with their carers
• The introduction of additional quality metrics specifically designed for dementia patients which will compliment the system of Nurse Sensitive Indicators already measured on a monthly basis
• Improving continuity of care by streamlining the patient’s journey throughout the hospital from admission to discharge and ending unnecessary inpatient transfers.

Nason and Bob Jakin wards have been selected as the first pilot areas and ward managers are working closely with the Matron for Older People to implement actions to improve outcomes of care for this highly vulnerable group of patients.

New chronic fatigue education group
The introduction of a new occupational therapy service for people suffering from chronic fatigue has helped to cut waiting lists. Because funding for the service is limited, the senior occupational therapist launched a chronic fatigue education group. This means that patients can be seen together and has therefore helped to reduce the waiting list. Feedback from these sessions has been very positive. Each group member is offered a subsequent one-to-one follow-up session but all to date have declined as they have felt they have received enough support and advice in the group session. Following the launch of this service, the waiting list has dropped from 48 in November 2013 to 24 in January 2013.

Praise for occupational therapy service
A patient satisfaction survey run by the occupational therapy service measured satisfaction rates amongst patients attending the ‘Hand Therapy/Injuries and Rheumatology Service’. 92% of patients surveyed said that they were happy with the service they received.

Women’s and children’s service
Future of women’s and children’s services
In summer 2012, the Arden Cluster PCT approved the outcome and recommendations of their consultation into women’s and children’s services in North Warwickshire. The PCT consulted local people on one option that will see the Trust retain maternity and special care baby services. However, inpatient paediatric services will be transferred from the George Eliot to University Hospital Coventry. This was the Trust’s preferred option of the six proposed prior to consultation.

A new short-stay paediatric service is being developed at the George Eliot. This will include a paediatric assessment unit (PAU) with an opening time of 8am-10pm that is due to open in summer 2013.

While the Trust understands the concerns regarding the relocation of paediatric services, it
has acknowledged for some time that the service model previously in place was unsustainable in the long-term and the Board of Directors strongly believed that the proposed new model will allow it to continue to offer a high quality, sustainable service that meets the needs of local people into the future.

**Maternity refurbishment**
The Trust invested over £100k in making improvements to the maternity unit. This included replacing the floor and redecorating in the foyer area, redecorating the lifts and replacing floors and lighting and redecorating Drayton Ward.

**Midwife investment**
In February, the Trust’s Board of Directors approved a further £100k of investment for new midwives. The funding will be used to pay for 3.3 whole time equivalent (WTE) midwives and is in addition to £100k of investment the board committed to in October 2011 which saw the Trust employ an additional 3.4 WTE midwives. The latest investment will see the number of midwives increase so that the ratio of midwives to women will improve from 1 per 34 births at the hospital to 1 per 32.

The move recognises the improvements to patient satisfaction, improved outcomes and quality of care that comes from increased members of staff. The investment also comes on the back of £1million of investment in nursing in 2011/12 that saw the Trust recruit 32 new members of nursing staff.

**New children’s assessment unit (CAU)**
Work started on the CAU in January 2013. The unit will offer a range of assessments and observations for children and young people under the age of 16. It will be located next to the A&E department and will be staffed by a dedicated team of paediatricians.

The unit has been designed to be a bright, modern and welcoming environment for children and young people. It will contain:
- Five new assessment bays
- Three new minor injury assessment bays
- A new waiting area
- New patient support areas

**Art auction**
The new CAU will receive a splash of colour thanks to money raised at a charity art auction held at the hospital in October 2012. A variety of works including acrylics, watercolours, sculptures, drawings, ceramics, fine art and etchings by local amateur and professional artists went under the hammer, raising over £700, which will be used to purchase and create artwork for the new unit.

The auction was overseen by celebrity auctioneer, Jane Dayus-Hinch (TV personality and UK Wedding Planner).
Community services

Blue Sky Centre
The Blue Sky sexual assault referral centre opened on the George Eliot site in March 2013. The centre provides a medical response to anyone – of any age or gender – who has been sexually assaulted and act as a gateway to other services offering advice and support. It is accessible to anyone from Coventry and Warwickshire.

The project involves agencies across Coventry and Warwickshire including the police, the NHS and Warwickshire and Coventry councils. In partnership, they have made a firm policy and financial commitment to improve services for survivors of sexual assault.

The centre is managed by Tony Mumford, a former detective inspector with Warwickshire Police and is staffed by eight crisis workers who will be able to offer support and advice and signpost users to appropriate services. Forensic medical examinations will be carried out by clinicians working on behalf of Warwickshire or West Midlands Police.

Warwickshire Stop Smoking Service
The Trust run Warwickshire Stop Smoking Service supports the delivery of stop smoking services in GP surgeries, pharmacies and community venues, and also delivers stop smoking services to pregnant smokers and their families. The service provides a combination of regular support appointments along with prescriptions for stop smoking medication.

In 2012/13 the service saw 7,348 people setting a quit date with 3,432 still quit at four weeks against a four week quit target of 3,761. Although this was 8.7% down on target and 11.5% down on the previous year, it was still a significant achievement given the impact that the upsurge in the use of electronic cigarettes has had on the numbers accessing the service. The team estimate that nearly 9,000 premature deaths have been avoided since the service was launched in 2000.

Client comments on the service include:

- “Help and support received from the NHS Advisor was pivotal in my success at giving up smoking, as was the subsidised access to quitting aid such as patches.”
- “The Advisor is fantastic, very supportive and not patronising at all. She gives you the facts... just brill, you helped me become a quitter.”

For more information about the service or to make an appointment to speak to an advisor, please contact them on 0800 085 2917.

Health trainer service
The Health Trainer Service provides one-to-one support to people aged 16-64 years across Nuneaton and Bedworth to help them make lifestyle changes such as increasing physical activity, eating more healthily, reducing alcohol intake and stopping smoking.

In recognition of the changing landscape of the NHS and Public Health Service the contract and service specification for the Health Trainer Service is currently being reviewed with a view to the service being modernised. The future service model will focus more on brief interventions, aligning closely to the “Making Every Contact Count” programme.
GP in a car
Since the middle of January, staff from the George Eliot Hospital NHS Trust run Leicester Urgent Care Centre have been working in partnership with East Midlands Ambulance Service to reduce the number of people attending the emergency department at Leicester Royal Infirmary and admissions to the hospital.

A GP from the centre attends emergency calls with a paramedic from East Midlands Ambulance Service. The initiative aims to ensure patients get the right treatment in the right place. The patient is assessed by the GP which means that patients who may have previously been taken to hospital are now treated at home or directed to another NHS service such as a walk-in centre, minor injuries unit or their own GP. Latest data shows that 77% of people who were visited by the GP and paramedic did not require hospital treatment.

Support services
Creating an Oasis of calm
In December, the Trust launched an innovative new project aimed at helping patients to feel relaxed ahead of surgery. The Oasis Project brings together a team of volunteer therapists who’ve studied for a professional relaxation qualification to help patients who are anxious about a hospital visit by promoting care of the whole self - body, mind and spirit - and celebrating nature’s healing qualities.

The therapist’s set up a calm, peaceful environment in the hospital Chaplaincy Centre where the patient can learn about the ways in which they can control feelings of anxiety and apprehension and experience a variety of techniques including hand massage with aromatherapy oils.

As the Project grows it is hoped that it will be made available to more patients coming into the hospital.

New text messaging service
The launch of a new text messaging service aimed to cut the number of patients missing outpatient appointments. An extension of a previous service that allowed patients to receive appointment reminders via text message, the new service allows them to cancel or rearrange the appointment by responding to the text. With 9.6% of outpatient appointments missed in 2011/12, the Trust hopes that the new service will help to reduce this number and allow unused appointment slots to made available to other patients.

Patient who wish to register for the text message reminder service can do so by texting their name, date of birth and hospital number to +447860022028.

If successful, the Trust hopes to expand the service to cover patients with appointments for x-rays, scans and planned surgery.

Pharmacy improvements
The pharmacy team successfully rolled out a ward-based system for processing discharge prescriptions. This has helped to reduce unnecessary delays in the availability of take-home medicines when patients leave hospital. The system uses purpose-built dispensing carts, operated by pharmacists and technicians, which are moved between wards. The carts carry
stocks of commonly used medicines and have a labelling facility. This enables some prescriptions to be quickly dispensed and regular medicines to be re-labelled to reflect changes in the dose or frequency.

In April 2012, a new prescription tracking system was also introduced into both the outpatient and inpatient dispensaries. The system allows the progress of each prescription to be monitored in real time, enabling timely action to be taken if a ‘bottleneck’ is encountered. Outpatients can now see how their prescription is progressing while they wait. This, along with other procedural changes, has helped to reduce waiting times for outpatients.

The Trust’s Drugs & Therapeutics Committee (DTC) continues to assess new products for their appropriateness for use within the Trust and to approve medicines-related policies, guidelines and other controlled documents on behalf of the Trust. The monthly Risk Reminders bulletin, distributed with the monthly Chief Executive’s Team Brief, continues to highlight learning points from reported incidents.

**Improving communication with the public**
The Trust has been working to improve the way it communicates with and provides information to members of the public. A new website was launched in August – [www.geh.nhs.uk](http://www.geh.nhs.uk) – and this will soon be followed by a new contact centre to provide faster and more relevant access to services and information for patients and visitors.
Community support

Volunteers
Volunteers provide assistance to both staff and patients in a variety of roles. The Trust has over 300 volunteers working as part of the Trust’s official volunteer programme or as part of support groups such as Anker Radio, the chaplaincy, the League of Friends, the Members’ Advocacy Panel (MAP) and Patient Advocacy Forum (PAF). The Trust is extremely grateful for the valuable contribution every volunteer brings to the organisation.

The number of volunteers is steadily increasing but the Trust is always looking to recruit more. If you have any time to spare, why not consider sharing it with the hospital as a volunteer. All the Trust asks is that you are willing to make an initial commitment of six months and are willing to volunteer on a regular basis during that time. Many volunteers have been working at the Trust for a number of years and would be happy to share their experiences.

In recent months the type of roles available have extended as new services have been introduced and now include a need for volunteers to provide aromatherapy and to assist with a book lending service provided by Warwickshire County Library Service.

If you think that you would be interested in volunteering and would like to learn more please email the Patient Advice and Liaison Service (pals@geh.nhs.uk) or call Christine Longstaff on (024) 7615 3568.

League of Friends
The George Eliot Hospital League of Friends was formed in 1955 and over the past 58 years has raised around £4million for purchase of equipment to benefit patients.

The main source of income is from the two tea bars operating in the main hospital and the maternity unit. Funds are also generated from tombola and sales stalls as well donations and legacies from the public.

In 2012, the League of Friends purchased equipment totalling £34k. The main purchases were a blanket warmer for A&E costing £6k and a set of infusion pumps costing £8k. Other items were purchased for various wards and departments.

The Trust is extremely grateful for the ongoing hard work and dedication of the League of Friends volunteers.

Charitable funds
In 2013/13, donations have come from many different sources including members of the local community, patients and carers, and local organisations. Donations in 2012/13 came to £156k, which included a legacy of £74k. Expenditure from the fund was £105k which included £72k on medical equipment and furniture and equipment for patients.

The range of donations received varied from a few pounds to several thousands and a wide variety of fundraising activities have benefitted the charity. The Trust is extremely grateful for donations of any size.
Events throughout the year have included, but are not limited to:

- The coronary care unit was delighted to receive new cardiac monitors to the value of £50k from Bermuda and Stockingford Intensive Care Support (BASICS), a charity that has supported the unit for 25 years over which time they have raised over £300k.
- A local business man raising over £1000 for Breast Care Unit thanks to a charity football match.
- A special celebration to mark 50 years of the Searchers Association raised over £5k, enabling the Special Care Baby Unit to purchase a Bili-cot for jaundiced babies.
- The Caterina Charity of Angels has adopted the Special Care Baby Unit as their chosen charity and has donated over £3k in the last two years.
- The captain of the Wolvey Bowling Club named the urology unit as the club’s chosen charity for his year in office, raising £1,120.
- The Trust's thanks goes to Argos drivers for raising money to benefit children and for also purchasing an abundance of gifts to be given to children in hospital over Christmas.
- Several large donations were made to the maternity unit by grateful families. These have enabled the unit to purchase specially adapted cots and automatic blood pressure machines.
- The oncology department has been very well supported over the year by grateful relatives. This has enabled them to purchase a range of equipment including new reclining chairs, four blood pressure machines, procedure trolleys and a television for the waiting area.

**Support for new centre**

A caring group of local people did their bit to help some of the most vulnerable people in the community. The Diocese of Coventry Mothers Union are raising money to put together toiletry bags and purchase new clothes for the Blue Sky sexual assault referral centre, which is based at the hospital. These can then be handed out to people who use the centre.

**Art in hospitals**

In 2012 the arts programme at the hospital continued to thrive with new projects and installations of art taking place throughout the year. Established partnership working with schools, colleges, local artists and art groups has resulted in exhibitions of artwork on loan, donated or commissioned pieces being displayed around the hospital further enriching the visual environment of wards, departments and corridors.

Projects included:

- The installation of creative artwork in the ‘quiet room’ of the new of McMillan Cancer Information Centre where patients, carers and families go to receive support, get information about their treatment and care in a relaxed, quiet and confidential environment;
- A display of birds from around the world on the walls of the Gynae Treatment room, in A&E – these images are made from recycled vinyl cut to the size and shape of the birds, a colourful display and great addition to a windowless room with blank walls;
- Art students from Nuneaton Academy creating individual pieces of artwork for the walls and corridors of the x-ray department, which were framed thanks to school funding and donated to the hospital. The students attended the hospital and spoke to staff about their ideas before spending many hours producing and completing the paintings.
Trust joins national scheme
Young people have been given the opportunity to gain valuable work experience thanks to a new scheme at the Trust. The hospital has been taking part in the national ‘Get Britain Working’ initiative, part of which allows local people between the ages of 18-24 to gain experience as part of a voluntary work placement for eight weeks.

The participants work in a range of support and administrative roles across several hospital departments including maternity records, clinical audit, outpatients and hospital stores.

With unemployment in North Warwickshire nearly twice the national average, the Trust believes this is a really good opportunity for young people to demonstrate what they can offer. Several candidates have gone on to obtain permanent positions at the Trust.

Torch ignites spirits
The hospital got into the Olympic mood when Nuneaton's Ali Abdillahi made a special appearance to show off the Olympic torch he carried through the streets of Coventry. The 18-year-old carried the flame towards Coventry Cathedral during the Olympic torch relay in July. He was one of the lucky few to be chosen to carry the flame through the city after being nominated by his mum in recognition of the work he does with young people in the community.

Making a donation
The easiest way to make a donation to the Trust is via one of two fundraising websites the Trust subscribes to; www.justgiving.com or www.virginmoneygiving.com
Workforce

Staff satisfaction survey
The annual NHS staff satisfaction survey showed that staff satisfaction levels at the George Eliot have improved. The survey was completed by 55% of George Eliot Hospital staff with those responding rating their job satisfaction at 3.60 on a scale of 1-5. This represents an improvement from 3.35 last year when the Trust was amongst the lowest 20% in the country, a position it is no longer in.

Every member of staff in the NHS is invited to take part in the national survey each year and the results help NHS trusts to improve staff experience and local engagement. In turn, this helps to improve the care delivered to patients.

Other successes from the survey are:
- 91% of staff agreed ‘that their role makes a difference to patients’. This was above the national average of 89% and an improvement on the 89% the Trust scored in last year’s survey.
- Staff rated their ‘motivation at work’ 3.84 out 5, level with the national average and up from a score of 3.66 in last year’s survey.
- Staff rated the ‘fairness and effectiveness’ of the Trust’s incident and reporting procedures 3.49 out of 5, above the national of 3.32 and an improvement from 3.35 in last year’s survey.
- The Trust was in the top 20% performing Trust’s in the country in two areas – ‘percentage of staff receiving job-relevant training, learning or development in the last 12 months’ and ‘percentage of staff receiving health and safety training in the last 12 months’. The Trust was not in the bottom 20% of Trusts for any area.

Sickness absence
Sickness absence levels amongst staff dropped slightly in 2012/13. During the year, 4.3% of working days were lost to sickness absence across the Trust, down from 4.4% in 2011/12.

The introduction of a new HR post in August focussed on managing attendance has helped to deliver reductions with an average of 0.15% lower sickness absence month-on-month compared with the previous year when this support was not in place.

Workforce wellbeing
The workforce wellbeing group meets monthly. The aim of the group is to improve the work environment and the health and wellbeing of the workforce. The Trust takes the view that a healthy highly engaged workforce will offer improved levels of service to patients. The group has led on a number of initiatives this year, including:
- A regular trolley round of the hospital with free healthy food for staff
- Introducing the ‘smile mile’, a marked one mile route around the site
- Running alcohol awareness sessions for staff
- Hosting ‘Well to Excel’ pamper days for staff

Learning and development
The Trust is committed to being a learning organisation, where all staff are engaged in the learning process to develop their skills in order to improve the quality of service provided to patients, partners and colleagues. The Trust supports staff, both clinical and non-clinical, to access appropriate learning and development opportunities.
A performance management appraisal process was introduced in May 2011 and 81% of the workforce have had a performance appraisal and development of a personal development plan (PDP). As part of the Call to Action cultural programme a behavioural framework based on the Trust’s Value Pledges was developed and launched in May 2012 (EXCEL). The framework has been incorporated into the appraisal process. A centralised system is in place to record development needs and ensure best value for money and equity of access to training and development opportunities for all staff.

The Trust remains an accredited centre for delivering NVQs in direct care, maternity services and theatres.

Partnership working with other NHS organisations as well as external training providers including North Warwickshire and Hinckley College (NWHC), Telford College, City College Coventry, Coventry University and NHS Elect has allowed for a wider variety of learning opportunities to be available including management development, coaching, training and National Vocational Qualifications (NVQs) in Hotel services and administration.

Partnership working with Telford College has enabled 32 members of staff from Hotel services, estates and administration to follow apprenticeship programmes in team leading and management.

All learning and development delivered on site takes places in GETEC, a modern facility which accommodates a lecture theatre, formal classrooms and seminar rooms as well as a clinical skills lab, resuscitation training room and mock ward. By utilising this facility George Eliot Hospital has been able to host regional and national conferences.

George Eliot Hospital continues to actively support work experience for schools, colleges and Universities as well as for people looking at changing career direction or returning to work.

Workforce Planning Process
Throughout 2011/12 the Trust underwent a successful service redesign programme, which has assisted its ability to deliver an integrated workforce planning process and enhanced capacity and capability. The Trust has also been able to improve the quality and availability of workforce reporting, to ensure managers have accurate workforce data to enable them to make informed decisions regarding the future planning and development of their service.

Equality and diversity
The Trust has adopted a Single Equality Scheme and Equality Delivery Service (EDS) to eliminate discrimination and reduce inequalities between groups of staff and service users.

The Trust’s Equality and Diversity Group meets on a monthly basis to ensure the Trust is meeting its equality obligations in relation to ensuring all service users and staff are treated fairly.

All Trust policies and procedures are equality impact assessed to ensure they have no adverse effects on staff or service users.
Directors

Members of the Board of Directors

Stuart Annan, Chairman
Kevin McGee, Chief Executive
Andrew Arnold, Medical Director
Chris Bradshaw, Director of Finance and Performance and Deputy Chief Executive
Claire Campbell, Director of Governance (non-voting member)
Dorothy Hogg, Director of Human Resources (non-voting member)
Kath Kelly, Director of Operations
Dawn Wardell, Director of Nursing
Julie Whittaker, Director of Community Services (non-voting member)
Chris Bain, Non-executive Director
Malcolm Dade, Non-executive Director
Rupert Herd, Non-executive Director
Don Navarro, Non-executive Director
Chris Spencer, Non-executive Director
Brendon Young, Associate Non-executive Director (non-voting member)

Trust welcomes new non-executive director
The Trust was pleased to welcome new Associate Non-executive Director, Professor Brendon Young. Professor Young has a background in finance and risk management; skills the Department of Health has identified as being crucial to the future success of the NHS and which will prove invaluable as the Trust works towards finding a strategic partner to help secure the long-term future of local services.
**Directors’ register of interests**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Declaration</th>
</tr>
</thead>
</table>
| Stuart Annan      | Chair                         | Director- “Terrain” Ltd, Management consultancy  
Daughter- Occupational therapist                                                                                     |
| Kevin Mc Gee      | Chief Executive               | Nil return                                                                                                                                                                                                                                                                       |
| Chris Bain        | Non Executive Director        | Associate Mental Health Act Manager with Coventry & Warwickshire NHS Partnership Trust  
Member of Labour party  
Affiliate member of Healthcare Financial Management Association  
Member of the elective Board of the Institute of Healthcare Management  
Elected member of the Central Council of the Socialist Health Association                                              |
| Malcolm Dade      | Non Executive Director        | Director – MMD- Associates Ltd                                                                                                                                                                                                                                               |
| Rupert Herd       | Non Executive Director        | Member of the Labour party                                                                                                                                                                                                                                                     |
| Don Navarro       | Non Executive Director        | Member of the Labour party  
Spouse an employee of GEH Trust  
Borough Councillor for Ward of Arbury                                                                                                                                          |
| Chris Spencer     | Non Executive Director        | Director- Manx Cable Company  
District Councillor - Stratford District Council  
Member of Conservative party  
Volunteer with Prince’s Trust                                                                                                                                                |
| Brendon Young     | Non-voting – Associate Non Executive Director | Nil return                                                                                                         |
| Andrew Arnold     | Voting – Medical Director     | Nil return                                                                                                                                                                                                                                                                       |
| Chris Bradshaw    | Voting – Director of Finance & Performance | Governor Director- Queen Alexandra College & subsidiaries  
Member Healthcare Financial Management Association  
Membership of Autism, West Midlands  
Membership of National Autistic Society                                                                                                                                       |
| Kath Kelly        | Voting- Director of Operations | Nil return                                                                                                                                                                                                                                                                       |
| Dawn Wardell      | Voting - Director of Nursing & Quality | Company Secretary – Securex Security Ltd                                                                                                                                  |
| Dorothy Hogg      | Non - voting- Director of Human Resources | Nil return                                                                                                                                                                                                                                                                       |
| Claire Campbell   | Non -voting –Director of Governance & Quality | Nil return                                                                                                                                                                                                                                                                       |
| Julie Whittaker   | Non- voting- Director of Community Services | Nil return                                                                                                                                                                                                                                                                       |
## Salary and Pension entitlements of senior managers

### A) Remuneration

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salary (bands of £5,000)</td>
<td>Other Remuneration (bands of £5,000)</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td><strong>CHAIRPERSON</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stuart Annan</td>
<td>20-25</td>
<td>0</td>
</tr>
<tr>
<td>Chairperson</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXECUTIVE DIRECTORS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kevin McGee</td>
<td>140-145</td>
<td>0</td>
</tr>
<tr>
<td>Chief Executive</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OTHER EXECUTIVE DIRECTORS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chris Bradshaw</td>
<td>95-100</td>
<td>0</td>
</tr>
<tr>
<td>Deputy Chief Executive And Director of Finance And Performance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andrew Arnold</td>
<td>120-125</td>
<td>0</td>
</tr>
<tr>
<td>Medical Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Katherine Kelly</td>
<td>90-95</td>
<td>0</td>
</tr>
<tr>
<td>Director Of Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dawn Wardell</td>
<td>85-90</td>
<td>0</td>
</tr>
<tr>
<td>Director Of Nursing</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON EXECUTIVE DIRECTORS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rupert Herd</td>
<td>5-10</td>
<td>0</td>
</tr>
<tr>
<td>Non Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chris Bain</td>
<td>5-10</td>
<td>0</td>
</tr>
<tr>
<td>Non Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malcolm Dade</td>
<td>5-10</td>
<td>0</td>
</tr>
<tr>
<td>Non Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>John Acornley</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Non Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Don Navarro</td>
<td>5-10</td>
<td>0</td>
</tr>
<tr>
<td>Non Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chris Spencer</td>
<td>5-10</td>
<td>0</td>
</tr>
<tr>
<td>Non Executive Director</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Salary and Pension entitlements of senior managers

### B) Pension Benefits

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Real increase/ (Decrease) in pension at age 60 (bands of £2,600)</th>
<th>Real increase in pension lump sum at aged 60 (bands of £2,600)</th>
<th>Total accrued pension at age 60 at 31 March 2013 (bands of £5,000)</th>
<th>Lump sum at age 60 related to accrued pension at 31 March 2013 (bands of £5,000)</th>
<th>Cash Equivalent Transfer Value at 31 March 2013</th>
<th>Cash Equivalent Transfer Value at 31 March 2012</th>
<th>Real Increase / (Decrease) in Cash Equivalent Transfer Value</th>
<th>Employer’s contribution to stakeholder pension Rounded to the nearest £100</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CHAIRPERSON</strong></td>
<td><strong>STUART ANNAN</strong> Chairperson</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>EXECUTIVE DIRECTORS</strong></td>
<td><strong>CHIEF EXECUTIVE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>KEVIN MCGEE</strong></td>
<td><strong>Chief Executive</strong></td>
<td>(0-2.5)</td>
<td>(2.5-5.0)</td>
<td>45-50</td>
<td>135-140</td>
<td>853</td>
<td>808</td>
<td>3</td>
</tr>
<tr>
<td><strong>OTHER EXECUTIVE DIRECTORS</strong></td>
<td><strong>CHRIS BRADSHAW</strong> Deputy Chief Executive And Director of Finance And Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ANDREW ARNOLD</strong></td>
<td><strong>Medical Director</strong></td>
<td>(0-2.5)</td>
<td>(5.0-7.5)</td>
<td>60-65</td>
<td>180-185</td>
<td>1,373</td>
<td>1,306</td>
<td>(3)</td>
</tr>
<tr>
<td><strong>KATHERINE KELLY</strong></td>
<td><strong>Director Of Operations</strong></td>
<td>0-2.5</td>
<td>0-2.5</td>
<td>30-35</td>
<td>90-95</td>
<td>527</td>
<td>486</td>
<td>17</td>
</tr>
<tr>
<td><strong>DAWN WARDELL</strong></td>
<td><strong>Director Of Nursing</strong></td>
<td>(0-2.5)</td>
<td>(0-2.5)</td>
<td>30-35</td>
<td>95-100</td>
<td>571</td>
<td>536</td>
<td>7</td>
</tr>
<tr>
<td><strong>NON EXECUTIVE DIRECTORS</strong></td>
<td><strong>RUPERT HERD</strong> Non Executive Director</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>CHRIS BAIN</strong></td>
<td><strong>Non Executive Director</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>MALCOLM DADE</strong></td>
<td><strong>Non Executive Director</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>DON NAVARRO</strong></td>
<td><strong>Non Executive Director</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>CHRIS SPENCER</strong></td>
<td><strong>Non Executive Director</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Pay Multiples
The banded remuneration of the highest paid director in George Eliot Hospital NHS Trust in the financial year 2012-13 was £140,000-£145,000 (2011-12, £145,000-£150,000). This was 6.4 times (2011-12 6.4 times) the median remuneration of the workforce, which was £22,676 (2011-12, £22,676).

In 2012-13, no employees (2011-12, 11 employees) received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Tax Arrangements of Public Sector Appointees
Off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012
The Trust had 3 engagements in place at the end of January 2012. Following guidance published by the Department of Health in August 2012 the trust has sought information from the registered limited companies and has received assurance that tax and national insurance regulations have been complied with.

New off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months
There has been one further engagement starting after the 23rd August 2012. Written assurance and evidence of compliance with tax and national insurance regulations has been received.
Sustainability

Sustainable development management plan
The global consensus on the need for prompt and coordinated action to address the worst effects of Climate Change and sustainable management of finite resources has prompted action by organisations, individuals and Governments. The publication of the NHS Carbon Reduction Strategy (CRS) for England in January 2009 set a mandatory framework for NHS organisations to embed sustainability into their culture and operations, contributing to overall carbon emission reduction targets.

Sustainable development is fundamentally about managing resources in order to meet current needs, in a way that does not compromise the ability of future generations to meet their own needs.

How the NHS behaves can make a big difference to people’s health and to the wellbeing of society, the economy and the environment. The CRS calls on NHS organisations to use their corporate powers and resources in ways that benefit rather than damage the social, economic, and physical environment in which we all live. Becoming more sustainable can save money, benefit population health and can help reduce health inequalities. Many measures that improve health also contribute to sustainable development and vice versa.

Sustainability targets
- To reduce absolute carbon emissions by 10% by 2015 based on the 2010/11 baseline. This would deliver an annual saving of 821 tonnes.
- To ensure that goods and services are procured more sustainably in line with national best practice guidelines.
- To reduce care journeys by 10% by 2015, including taxi journeys, business travel and staff commuting. The baseline for this figure will be established in 2013.
- To reduce water consumption by 10% by 2015, based on the 2010/11 baseline.
- To achieve zero waste to landfill by 2015 and to reduce the amount of clinical waste produced by 10% by 2015.
- Achieve a BREEAM (Building Research Establishment’s Environmental Assessment Method) rating of ‘excellent’ on all new build projects and ‘very good’ on refurbishment projects.
- Sustainability objectives to be included in all job descriptions by 2015.
- To effectively and consistently communicate sustainability issues throughout the Trust to raise awareness and drive behavioural change at all levels.
- Make sure that governance processes are in place to ensure that sustainability is embedded within the organisation, including two Board updates each year.
- To develop an adaptation plan that takes account of all climate change adaptation requirements for the Trust.

Carbon reduction
The Trust is required to reduce its carbon footprint and has set a target for a further reduction of 10% by 2015, based on the 2010/11 baseline. The Trust is aiming to achieve this target through the introduction of carbon reducing developments in equipment and management.

The Trust’s consumption of energy is a 9% reduction on its 2009 consumption which is on target for its original goal of 10% reduction by 2015.
The trust consumption for 2012/13 is a slight increase on the 2011/12 consumption which is disappointing but the Trust recognises that the weather for 2012/13 was colder than the previous year and so a much higher consumption would have occurred had the Trust not invested in the carbon reduction initiatives.

Energy costing for the year 2012/13 was £1,383,534 compared with the costs in the previous year of £1,233,968. This represents a rise in cost of some 12%.

The Trust water consumption rose in the year to 78,416 m³, a rise of some 16%. This was attributed to an increase in activity throughout the hospital and leakage through old mains, which is continuing to be addressed.
Financial Performance

For 2012/13, the Trust set a plan which assumed that it would need to rely on £2.5m of strategic support funding in order to achieve break-even. Due to the pressures faced in relation to medical staff vacancies and the use of unplanned capacity during the year, it received a total of £5m support funding and has met the break-even duty in year.

The Trust continues to have an accumulated deficit of £2.4m which has been financed from its internal resources. Its working capital loan was fully repaid in 2011/12. The financial projection is that the Trust will continue to have an underlying deficit in future years requiring further support funding until it can form a new organisational model with a strategic partner.

The following chart shows the cumulative surplus/deficit trend since 2005/06 and repayment of the working capital loan received in 2006/07.

70% of healthcare income is covered by the acute contract with Warwickshire commissioners, 18% comes from other commissioners for acute services, 7% relates to community services and strategic support funding accounts for 5%.
Total income and expenditure have continued to grow year on year.

Cash flow
The Trust’s cash position has reduced by £0.35m to £9.9m. In spite of the weak income and expenditure position, cash has remained positive due to settlement of debtors and capital resources that are being carried forward into 2013/14. The profile has been partly influenced by the decision on support funding not being made until the end of the third quarter.

Better payment practice code
The Trust is a signatory to the Prompt Payment Code. Measured by value, it paid 94.5% of non-NHS invoices within target (the same as last year) and 92.4% of NHS invoices within target (compared with 92.9% last year).
Staff numbers and employment costs
The following table shows the changes in staff numbers compared with the two previous years.

<table>
<thead>
<tr>
<th>Average number of people employed</th>
<th>2010/11*</th>
<th>2011/12*</th>
<th>2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical and dental</td>
<td>274</td>
<td>269</td>
<td>290</td>
</tr>
<tr>
<td>Administration and estates</td>
<td>381</td>
<td>385</td>
<td>377</td>
</tr>
<tr>
<td>Healthcare assistants and other support staff</td>
<td>173</td>
<td>168</td>
<td>151</td>
</tr>
<tr>
<td>Nursing and midwifery</td>
<td>814</td>
<td>794</td>
<td>845</td>
</tr>
<tr>
<td>Scientific, therapeutic and technical</td>
<td>220</td>
<td>216</td>
<td>209</td>
</tr>
<tr>
<td>Other</td>
<td>44</td>
<td>45</td>
<td>45</td>
</tr>
<tr>
<td>Total</td>
<td>1,906</td>
<td>1,877</td>
<td>1,917</td>
</tr>
</tbody>
</table>

*to aid comparison with previous years 2010-11 numbers have been restated to include the 80 staff who transferred to the trust in April 2011 under the transforming community services (TCS) initiative and 2010-11 and 2011-12 numbers have been restated for 29 theatre staff who transferred from the scientific, therapeutic and technical category to nursing staff.

The comparison shows the planned increase in doctors and qualified nursing and midwifery staff and a reduction in healthcare assistants, other support staff and administration and estates staff. Overall there have been a small increase in staffing over the two years.

Capital investment
This year has seen the implementation of a general programme of equipment replacement and refurbishment of the estate rather than any major scheme. Investments are broadly spread across improvements to the estate and infrastructure, medical equipment and information technology. There was an increase in assets under construction at the end of the year.
**Looking ahead – key challenges for 2012/13**

The financial budget for 2013/14 shows a loss of £7.9m. The NHS Trust Development Authority has acknowledged that this is in line with its expectations. The plan requires delivery of a £6.2m cost improvement programme, including £5.2m efficiency savings and £1.0m savings due to reduced activity resulting from commissioners’ QIPP (Quality, Innovation, Productivity and Prevention) initiatives. The cost improvement programme represents 4.7% of expenditure. The Board has taken the view that it will aim to achieve the nationally mandated target of 4% efficiency, together with marginal cost savings associated with QIPP, but that further savings would potentially compromise the quality of services.

The initial capital budget is set at £7.4m. The Trust plans to fully allocate resources to the programme at the start of the year in order that expenditure and workload in estates is spread evenly and essential replacements and upgrades to both estates and medical equipment are progressed.
Statement of the Chief Executive’s responsibilities as the accountable office 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.

Signed........................................................................

Kevin McGee -Chief Executive

Date....5th June 2013......
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

Signed............................................................

Kevin McGee - Chief Executive

Date……5th June 2013.........................

Signed.............................................

Christopher Bradshaw – Director of Finance and Performance.

Date……5th June 2013.........................
# Summary financial accounts

## Statement of Comprehensive Income for year ended 31 March 2013

<table>
<thead>
<tr>
<th></th>
<th>2012-13 £000</th>
<th>2011-12 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross employee benefits</td>
<td>(81,405)</td>
<td>(78,166)</td>
</tr>
<tr>
<td>Other costs</td>
<td>(39,443)</td>
<td>(37,111)</td>
</tr>
<tr>
<td>Revenue from patient care activities</td>
<td>111,888</td>
<td>107,306</td>
</tr>
<tr>
<td>Other Operating revenue</td>
<td>10,606</td>
<td>9,705</td>
</tr>
<tr>
<td><strong>Operating surplus</strong></td>
<td>1,646</td>
<td>1,734</td>
</tr>
<tr>
<td>Investment revenue</td>
<td>37</td>
<td>43</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(17)</td>
<td>(45)</td>
</tr>
<tr>
<td><strong>Surplus/(deficit) for the financial year</strong></td>
<td>1,666</td>
<td>1,732</td>
</tr>
<tr>
<td>Public dividend capital dividends payable</td>
<td>(1,704)</td>
<td>(1,926)</td>
</tr>
<tr>
<td><strong>Retained surplus/(deficit) for the year</strong></td>
<td>(38)</td>
<td>(194)</td>
</tr>
</tbody>
</table>

### Other Comprehensive Income  

<table>
<thead>
<tr>
<th></th>
<th>2012-13 £000</th>
<th>2011-12 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairments and reversals (Note 1 below)</td>
<td>(536)</td>
<td>0</td>
</tr>
<tr>
<td>Net gain/(loss) on revaluation of property, plant &amp; equipment (Note 1 below)</td>
<td>0</td>
<td>792</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>(574)</td>
<td>598</td>
</tr>
</tbody>
</table>

### Financial performance for the year  

<table>
<thead>
<tr>
<th></th>
<th>2012-13 £000</th>
<th>2011-12 £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retained surplus/(deficit) for the year</td>
<td>(38)</td>
<td>(194)</td>
</tr>
<tr>
<td>Impairments (Note 1 below)</td>
<td>0</td>
<td>155</td>
</tr>
<tr>
<td>Adjustments in respect of donated asset reserve elimination (Note 2 below)</td>
<td>70</td>
<td>84</td>
</tr>
<tr>
<td><strong>Adjusted Retained surplus/(deficit) (note 3 below)</strong></td>
<td>32</td>
<td>45</td>
</tr>
</tbody>
</table>

PDC dividend: balance receivable at 31 March 2013

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>122</td>
</tr>
</tbody>
</table>

---

**Note 1.** The reduction to comprehensive income of £536,000 is the downwards revaluation of buildings in 2012-13. (In the previous year indexation increased the value by £792,000 and is reported on the line below in the accounts) These changes are reported in the revaluation reserve and do not impact on the financial performance of the Trust.

**Note 2.** The depreciation charge for donated assets was £70,000 (£84,000 in 2011-12) more than the value of acquired donated assets during the year. This charge, included in the retained surplus/(deficit) above, is adjusted because it is not included in the trust's overall financial performance.

**Note 3.** The adjusted Retained Surplus of £32,000 represents the financial performance of the trust in meeting the break-even duty.
## Statement of Financial Position as at 31 March 2013

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 March 2013</td>
<td>31 March 2012</td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>56,168</td>
<td>61,304</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,043</td>
<td>2,083</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>262</td>
<td>297</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>58,473</td>
<td>63,684</td>
</tr>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,970</td>
<td>1,854</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2,398</td>
<td>2,761</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>9,888</td>
<td>10,246</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>14,256</td>
<td>14,861</td>
</tr>
<tr>
<td>Non-current assets held for sale</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>14,256</td>
<td>14,861</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>72,729</td>
<td>78,545</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(11,068)</td>
<td>(12,994)</td>
</tr>
<tr>
<td>Provisions</td>
<td>(1,739)</td>
<td>(794)</td>
</tr>
<tr>
<td>Borrowings</td>
<td>(1)</td>
<td>(5)</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>(12,808)</td>
<td>(13,793)</td>
</tr>
<tr>
<td><strong>Non-current assets less net current assets</strong></td>
<td>59,921</td>
<td>64,752</td>
</tr>
</tbody>
</table>

| **Non-current liabilities** |            |            |
| Provisions                 | (546)      | (492)      |
| Borrowings                 | 0          | (1)        |
| **Total non-current liabilities** | (546) | (493) |
| **TOTAL ASSETS EMPLOYED:** |            |            |
|                          | 59,375     | 64,259     |

**FINANCED BY:**

**TAXPAYERS’ EQUITY**

<table>
<thead>
<tr>
<th></th>
<th>£000</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Dividend Capital</td>
<td>41,396</td>
<td>41,396</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>3,917</td>
<td>3,683</td>
</tr>
<tr>
<td>Revaluation reserve</td>
<td>14,062</td>
<td>19,180</td>
</tr>
<tr>
<td><strong>TOTAL TAXPAYERS’ EQUITY:</strong></td>
<td>59,375</td>
<td>64,259</td>
</tr>
</tbody>
</table>

The financial statements on pages 1 to 38 were approved by the Board on the 5th June 2013 and signed on its behalf by:

Christopher Bradshaw  
Deputy Chief Executive  
Date: 5th June 2013
## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2013

<table>
<thead>
<tr>
<th></th>
<th>Public Dividend capital £000</th>
<th>Retained earnings £000</th>
<th>Revaluation reserve £000</th>
<th>Other reserves £000</th>
<th>Total reserves £000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance at 1 April 2012</strong></td>
<td>41,396</td>
<td>3,683</td>
<td>19,180</td>
<td>0</td>
<td>64,259</td>
</tr>
<tr>
<td>Opening Balance Adjustment - Local Prior Period Adjustment</td>
<td>0</td>
<td>(320)</td>
<td>(3,990)</td>
<td>0</td>
<td>(4,310)</td>
</tr>
<tr>
<td><strong>Local Accounts - Restated Opening Balance</strong></td>
<td><strong>41,396</strong></td>
<td><strong>3,363</strong></td>
<td><strong>15,190</strong></td>
<td><strong>0</strong></td>
<td><strong>59,949</strong></td>
</tr>
<tr>
<td>Retained surplus/(deficit) for the year</td>
<td>0</td>
<td>(38)</td>
<td>0</td>
<td>0</td>
<td>(38)</td>
</tr>
<tr>
<td>Impairments and reversals</td>
<td>0</td>
<td>0</td>
<td>(536)</td>
<td>0</td>
<td>(536)</td>
</tr>
<tr>
<td>Transfers between reserves (Note 1 below)</td>
<td>0</td>
<td>592</td>
<td>(592)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net recognised revenue/(expense) for the year</strong></td>
<td><strong>0</strong></td>
<td><strong>554</strong></td>
<td><strong>(1,128)</strong></td>
<td><strong>0</strong></td>
<td><strong>(574)</strong></td>
</tr>
<tr>
<td><strong>Balance at 31 March 2013</strong></td>
<td><strong>41,396</strong></td>
<td><strong>3,917</strong></td>
<td><strong>14,062</strong></td>
<td><strong>0</strong></td>
<td><strong>59,375</strong></td>
</tr>
</tbody>
</table>

Note 1. The transfer between reserves represents the elimination of the additional depreciation charge arising in the accounts due to some of the non-current assets being shown at valuation rather than being held at historic cost.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 March 2013

<table>
<thead>
<tr>
<th></th>
<th>2012-13</th>
<th>2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flows from Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Surplus</td>
<td>1,646</td>
<td>1,734</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>4,620</td>
<td>5,117</td>
</tr>
<tr>
<td>Impairments and Reversals</td>
<td>0</td>
<td>155</td>
</tr>
<tr>
<td>Donated Assets received credited to revenue but non-cash</td>
<td>(108)</td>
<td>(39)</td>
</tr>
<tr>
<td>Interest Paid</td>
<td>(2)</td>
<td>(42)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(1,743)</td>
<td>(1,989)</td>
</tr>
<tr>
<td>(Increase)in Inventories</td>
<td>(116)</td>
<td>(117)</td>
</tr>
<tr>
<td>Decrease/(Increase) in Trade and Other Receivables</td>
<td>437</td>
<td>(359)</td>
</tr>
<tr>
<td>(Decrease)/Increase in Trade and Other Payables</td>
<td>(2,182)</td>
<td>2,657</td>
</tr>
<tr>
<td>Provisions Utilised</td>
<td>(297)</td>
<td>(91)</td>
</tr>
<tr>
<td>Increase in Provisions</td>
<td>1,282</td>
<td>432</td>
</tr>
<tr>
<td><strong>Net Cash Inflow/(Outflow) from Operating Activities</strong></td>
<td>3,537</td>
<td>7,458</td>
</tr>
</tbody>
</table>

| **CASH FLOWS FROM INVESTING ACTIVITIES** |         |         |
| Interest Received               | 37      | 43      |
| (Payments) for Property, Plant and Equipment | (3,608) | (1,756) |
| (Payments) for Intangible Assets | (318)   | (602)   |
| **Net Cash Inflow/(Outflow) from Investing Activities** | (3,889) | (2,315) |

| **NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING** |         |         |
|                                                 | (352)   | 5,143   |

| **CASH FLOWS FROM FINANCING ACTIVITIES** |         |         |
| Loans repaid to DH - Working Capital Loans Repayment of Principal | 0       | (1,026) |
| Other Loans Repaid                                          | (6)     | (6)     |
| Capital grants and other capital receipts                   | 0       | 103     |
| **Net Cash Inflow/(Outflow) from Financing Activities**     | (6)     | (929)   |

| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** |         |         |
|                                                         | (358)   | 4,214   |

| Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period | 10,246  | 6,032   |
| Effect of Exchange Rate Changes in the Balance of Cash Held in Foreign Currencies | 0   | 0    |
| **Cash and Cash Equivalents (and Bank Overdraft) at year end**          | 9,888   | 10,246  |
GOVERNANCE STATEMENT 2012-13

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.

I am accountable to the Board of Directors for ensuring that plans and objectives are implemented and that progress towards implementation is regularly reported to the Board using accurate systems of measurement and data management. The Trust’s corporate governance policies and other advice on expected standards of behaviour of staff apply to me as Chief Executive and to other members of staff. I subscribe to the code of conduct for NHS Managers.

Staff throughout the organisation are made aware of their responsibility to maintain high standards of conduct and accountability. In support of good governance, and to ensure the safekeeping and appropriate use of public funds, the Trust also maintains a proactive programme of counter-fraud and a “whistle blowing” policy.

During 2012-13 the Trust had a range of mechanisms in place to facilitate effective working with key partners, in particular NHS Midlands and East Strategic Health Authority, NHS Warwickshire, NHS Coventry, Local Clinical Commissioning Groups in north Warwickshire, NHS Leicester County and Rutland, South Warwickshire NHS Foundation Trust, Nuneaton and Bedworth Borough Council, Warwickshire Overview and Scrutiny Committee, Warwickshire Health and Wellbeing Board and University Hospital Coventry and Warwickshire NHS Trust. I meet regularly with the Chief Executives of each of these organisations, individually, jointly and collectively. Governance and risk issues are regularly discussed at a variety of health economy wide forums, including formal review meetings with the Strategic Health Authority, and monthly meetings of Chief Executives.

New arrangements are being established with the recently constituted Trust Development Authority, NHS England including Local Area Teams and the local Clinical Commissioning Groups, these will be developed in 2013-14.

2. The Governance Framework

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; and
- 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 the George Eliot Hospital for the year ended 31 March 2013 and up to the date of approval of the Annual Report and Accounts.

Governance arrangements in risk management are as follows:-

Chief Executive

The Chief Executive takes board level responsibility for governance, including risk management and has overall responsibility for maintaining an effective risk management system and for meeting all statutory requirements. Executive directors and clinical directors have delegated responsibility for governance and risk management arrangements within their areas of control.
Board of Directors

The Trust board and Chief Executive ensure that the risk management arrangements are implemented monitored and reviewed and meet all legal and regulatory requirements. The board receives reports from the Audit Committee, the Finance Committee and the Quality Assurance Committee on the Trust's risk control measures. Members of the Board receive annual appraisals on their own performance and regularly attend board development sessions. Members of the Board have formally adopted the NHS Code of Conduct and Accountability.

Audit committee

The committee monitors the effectiveness of the risk management arrangements (operational non clinical and financial) on the Board’s behalf. Membership of the committee comprises the non executive directors, one of whom is financially qualified. The meeting is attended by the Director of Finance and Performance and Internal and External auditors. The committee has met seven times over the year. Members of the Committee are provided with the 2011 NHS Audit Committee Handbook to ensure they are up to date with the latest guidance.

Finance Committee

The Finance Committee is now a formal sub Committee of the Board of Directors attended by the Non Executive Directors, chaired by a Non Executive Director who is a qualified accountant. In 2012-13 it was decided to change the committee structure to provide more opportunity to consider financial matters including the process for setting budgets, the management of financial performance and the delivery of the cost improvement programme. This includes the management of financial risks to ensure targets are met.

Quality Assurance Committee

The Quality Assurance Committee is a formal sub Committee of the Board of Directors. It is chaired by a Non Executive Director, with responsibility for managing, mitigating and monitoring risk and quality. The committee regularly updates the audit committee in relation to areas of performance risk and quality. The committee has met ten times in 2012/13.

Information Governance Group

The Trust has an established Information Governance Group with responsibility for overseeing day to day information governance issues; developing and maintaining policies, standards, procedures and guidance and reviewing related issues and risks, reporting to the Quality Assurance Committee. The Medical Director, the Trust Caldicott Guardian, supported by the Information Governance Manager, is responsible for the establishment of policies for the control and appropriate sharing of patient information with other agencies. The Director of Finance & Performance is the appointed Senior Information Risk Owner.

Healthcare Risk Group

The Healthcare Risk Group is responsible for ensuring risk management is operational and embedded throughout the organisation. It is chaired by the Director of Governance & Quality and reports to the Quality Assurance Committee.

The Trust seeks to learn from incidents and good practice is discussed in a number of forums which includes Back to Basic meetings, Patient Safety and Experience Group, Serious Incident Group, individual divisions' governance meetings and also at Board level.

The Trust updated governance arrangements in January 2013 when the Board of Directors reviewed Standing Orders and Standing Financial Instructions.

3. Risk Assessment

The Trust has adopted an approach to risk management with the structures and processes in place to successfully deliver the risk management objectives. Leadership arrangements are defined within the Trust and are supported by job descriptions and objectives.
Following an earlier restructure of Divisions, leadership has been further embedded at divisional level where managers have responsibility for risk identification, assessment and analysis. All staff are required to complete mandatory and essential update training, which covers risk management, risk assessments and health and safety training and all new members of staff are required to attend a mandatory induction (supplemented by local induction) which covers all key elements of risk management.

The Trust policy on the development of policies ensures all trust policies must be equality impact assessed before seeking approval by the Board.

The Trust has an Assurance Framework, embedded in the regular performance reporting and management arrangements, both to the Board and throughout the Trust. The Assurance Framework provides a comprehensive framework for the management of principal risks. The principal risks are mapped to the trust’s strategic objectives and the framework also demonstrates the links with the Care Quality Commissions outcomes. The Framework examines the system of internal control and records the actions to be taken to address gaps in control or assurance. The review of the assurance framework is a standing item at the Quality Assurance Committee.

The Assurance Framework has identified areas where the control framework needs improvement. The Framework also identified a number of “red” risks where action plans are in place to mitigate the risks which are routinely being reported to the Quality Assurance Committee; these include:-

- Reduction in mortality rates not sustained - action taken to maintain reduction.
- Cost improvement plans are not delivered - action has been taken to identify more savings and provide more structure to the process.
- Services are financially unsustainable and cannot be supported - action taken to base savings on service line reporting and all savings are quality checked before approval. The trust has approved a deficit budget in 2013-14 before support and has applied through the Trust Development Authority to secure support funding to achieve break even in 2013-14.
- Trust unable to secure planned non-recurrent income - actions taken have resulted in security of funds.

The action being taken above has resulted in all the risks, with the exception of services are financially unsustainable, being downgraded to amber or green.

The action plans are owned by Executive directors and they are held to account for progress at the Quality Assurance Committee.

During 2012-13 the Trust continued to maintain the controls governing the transfer of patient identifiable data as part of the information governance assurance process.

I am assured by this process that there are no significant deficiencies within the system of control.

4. The risk and control framework

The Trust has adopted an integrated framework for risk management supported by policies and procedures; this provides a comprehensive framework for the management of principal risks and is mapped to the Trust’s principal/strategic objectives and to Care Quality Commission outcomes where applicable. These are in turn mapped to the risk register to assess the potential risks that threaten the achievement of the Trust objectives, the existing control measures and assurance in place.

The Risk Management Strategy is approved by the Board. The strategy is published widely and includes:

- The aims and objectives for risk management in the Trust.
- The relationship and responsibilities of the relevant committees.
- The role of key individuals with responsibility for advising on and co-ordinating risk management activities.
A description of the processes that the organisation employs in reviewing risk management arrangements and in gaining assurance on risk management.

Guidance on what is acceptable risk to the organisation.

The strategy defines the risk management process including risk identification, analysis, and evaluation and requires that all hazards are assessed and risks recorded in a standard format risk register and prioritised using a standard scoring methodology. The Risk Management Strategy 2012-2015 was approved by the Board in November 2012. The document underwent a fundamental review as a result of a number of significant changes to the committee reporting structure, Directors portfolios and the ongoing development of risk management systems and processes.

A high level internal audit review of the Trusts risk management processes was undertaken in August 2012 which aimed to determine whether the Trust has an effective and efficient risk management process. The report concluded that the Board could take substantial assurance that the controls upon which the organisation relies to manage risk are suitably designed, consistently applied and effective.

One medium level recommendation was made to improve the design of the control framework as follows; “The Trust should determine and incorporate its Risk Appetite within the Risk Management Strategy”. The strategy has been updated to reflect this recommendation and the significant changes and developments within the risk management systems and processes.

The strategy clearly states that it is the responsibility of all staff to identify risk and communicate those risks, through the line management structure and, ultimately to the appropriate committee. This responsibility is reinforced through annual statutory update training. Divisions are required to maintain systems and processes that enable them to operate within the Risk Management Strategy.

The risk management system is continually reviewed to ensure that robust systems are in place at all levels within the Trust. The risk register is an integral part of the system. Amendments to the risk register are generated and actioned at both divisional and corporate level.

The Trust recognises the flow of risks from board to ward and vice versa. The Healthcare Risk Group reviews and challenges the risks placed on the divisional risk registers, has an oversight of the plans put in place to mitigate risks to ensure actions are being taken, and also acts as the conduit between the board and ward in disseminating risk both ways. The group escalates significant risks which cannot be managed locally to the corporate risk register and disseminate risks to divisions where appropriate. The corporate and divisional risk registers are a standing agenda item for the Quality Assurance Committee and the corporate risk register is reviewed quarterly by the Board.

Communication and consultation is undertaken with internal and external stakeholders when appropriate. The trust has continued to develop its communication channels with its partners and within the Trust. Regular reports are prepared for divisions, Quality Assurance Committee and the trust board on the incidents reported, both clinical and non-clinical. Additionally regular newsletters advise staff of incidents or near misses in other areas.

The Trust completed the Information Governance Toolkit in line with prescribed timescale with a satisfactory score of 66% against the enhanced IG requirements (Version 10) which reflects a realistic view of the challenges faced by the Trust around areas such as the new requirements for IG training. All relevant IT security related policies, including the Information security policy, have been reviewed, distributed, and added to the share-point catalogue. The links to all policies are published on a regular basis. A number of measures remain in place to prevent the loss of data including the encryption of laptops, the use of encrypted memory sticks, and the introduction of email encryption software, all of which have been implemented along with lockdown laptops. Smartcard access rights are regularly reviewed. Security incidents are reported and investigated fully, and operational checks include intrusion detection tests.

There is a fully established Internal Audit programme approved by the Audit Committee in the Strategic Internal Audit Plan of Work and the Audit Committee receives reports, which provide assurance of the Trust’s key internal control objectives. The Internal Auditor presents an Annual Audit
opinion to inform those charged with Governance on the overall level of assurance on the system of internal control. Internal audit report recommendations are tracked in a system to record action taken.

All risks identified which involve public stakeholders, including Primary Care Trusts, (now Clinical Care Groups) and the Strategic Health Authority, (now the Trust Development Authority) are dealt with in an open and transparent way using the appropriate recording mechanisms and include appropriate communication strategies with the public.

The Trust has an established Counter Fraud Service provided by a Local Counter Fraud Specialist. In addition to Investigation work the LCFS also carries out an agreed amount of Proactive work at the Trust which includes Fraud Awareness presentations and workshops, review of Trust policies and procedures to identify key areas of Fraud risk within the Trust and production of newsletters and articles to inform staff of local and national counter fraud work and investigations.

The LCFS regularly attends the Trust Audit Committee meetings and reports back to both the Director of Finance and the Audit Committee on any Proactive or Reactive work undertaken at the Trust.

The Trust's External Auditors conduct an annual review of the Trust's control environment and present an annual report to those charged with governance in the form of an Annual Audit Letter.

The Trust involves stakeholders by informing and consulting on the management of any significant risks. Stakeholder involvement is sought through:

- monthly open board meetings and information provided on the trust’s web site;
- the wide range of communication and consultation mechanisms, which already exist with relevant stakeholders, both internal and external;
- consultation on appropriate policy documents; stakeholders have the opportunity to comment on the risk elements;
- the Trust has introduced a member advocacy panel (MAP) which mirrors to some extent the Board of Governors in a foundation trust. The panel members have no statutory or legal powers, but play an important link to the hospital membership and the wider community.

Control measures are in place to ensure that all the organisations obligations under equality, diversity and human rights legislation are complied with. The Trust has an Equality and Diversity Group, chaired by the Director of Primary/Community Care. Its purpose is to promote equality of opportunity, treatment, dignity and respect for all patients, staff and members of the communities we serve. The group advises and makes recommendations to the board of directors, committees and other groups on equality and diversity matters, compliance with statutory and other requirements and on areas for improvement.

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’s rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

The Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation’s obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. During 2012-13 the trust has established a Sustainability Group to develop and implement a programme to contribute to this important national initiative.

The Trust is subject to NHS Litigation Authority assessments and during 2012-13 the Trust was continued to be assessed at level 1.

55
The Trust is currently registered with the Care Quality Commission (CQC) without any compliance conditions and is licensed to provide services. The Care Quality Commission has not taken any enforcement action or issued any notices against the Trust during 2012/13.

The Trust had 2 unannounced inspections during 2012/13; the first was a themed review specifically relating to termination of pregnancy. This took place at the end of March 2012 the standard being considered was Regulation 20, Outcome 21: People's personal records, including medical records, should be accurate and kept safe and confidential. The CQC found that the Trust met the part of the regulation which was the subject of this review in relation to the maintenance of HSA1 forms.

The second visit took place in November 2012, this was a routine inspection. The assessment team looked at the personal care or treatment records of people who use the service, reviewed information sent to them by other organisations and observed how people were being cared for at each stage of their treatment, talked with people who use the service, with carers and / or family members and with staff. They were supported on this inspection by an expert-by-experience. This is a person who has personal experience of using or caring for someone who uses this type of care service.

The following standards were reviewed and found to have been met by the Trust:

- Respecting and involving people who use services
- Care and welfare of people who use services
- Management of medicines
- Requirements relating to workers
- Assessing and monitoring the quality of service provision

The Assessment team commented patients and visiting relatives were positive about the staff and treatment that they had received.

The Trust operates a Serious Incident Requiring Investigation (SIRI) system where incidents are recorded, investigated and action is taken to prevent similar incidents in the future. Incidents are reported to the Quality Assurance Committee and to the Board of Directors quarterly in public session.

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 the internal audit work. 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 opinion of both Internal Audit and External Audit, given in reports to the Audit Committee; and
- reports presented to the Quality Assurance Committee, Finance Committee, Executive Group and supporting groups including Healthcare Operations Board, Human Resources Group and Patient Safety and Experience Group.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, Audit Committee and Quality Assurance Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board is assured that there are robust mechanisms in place to ensure that the evidence to support compliance is in place and available, and is routinely monitored and reported upon within the Trust's governance and performance management framework.

The Trust has continued to monitor data quality issues and regular reports have been made to Board of Directors and sub committees providing assurances on the quality of data. In 2012-13 the trust has
commissioned a local review of PBR data quality based on the national assurance framework and has reviewed data in cardiology and ophthalmology outpatients. In cardiology there was a 15% error rate, in ophthalmology a 0.7% error rate. Compared to performance in other trusts in cardiology performance was better than average but not in the top 25% of trusts: in ophthalmology performance was in the top 25% of trusts. An action plan is being developed to improve performance based on recommendations included in the report prepared following the audit.

The process that has been applied to maintain and review the effectiveness of the system of internal control is as follows:

- The Trust’s Audit Committee approves an annual internal audit programme and receives all internal audit reports. The Committee, with the support of the Quality Assurance Committee, reviews the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole organisations activities (both clinical and non clinical), that supports the achievement of the organisation’s objectives. In 2012-13 the Committee submitted an annual report on the previous 12 months to Board of Directors, which highlighted the work of the Committee with regard to the final accounts, joint work with the Quality Assurance Committee on risk management and the assurance framework and work in ensuring improvements in the system of internal control; the report concluded a successful and effective year.

- The Trust’s Quality Assurance Committee on behalf of the Board of Directors and Chief Executive reviews the establishment and maintenance of an effective system of risk management across the whole Trust’s activities (both clinical and non clinical) that supports the achievement of the Trust’s objectives. The Committee reviews its own effectiveness using the “Burdett Checklist” and has updated the terms of reference.

The Board receives a monthly Compliance, Performance & Finance Report (based on Monitor’s Compliance Framework for foundation trusts) which includes exception reports on operations, human resources and finance. The Board receives a monthly Quality Report which includes hospital acquired infection rates, performance in meeting quality and innovation targets and patient experience.

The Trust has prepared Quality Accounts for 2012-13 in the format required by the Department of Health and build on the experience gained from preparing the accounts in previous year and publications by the Department and Audit Commission including the toolkit. The accounts will be approved by the host commissioner and shared with LINKs and the local Overview and Scrutiny Committee. The accounts are to be reviewed by Grant Thornton as part of the audit of the annual report and accounts.

Following the review of mortality and the implementation of the action plan approved in 2011-12 the trust has continued to monitor performance through monthly reports at the Quality Assurance Committee and the Board of Directors. The latest SHMI mortality index for the period to September 2012 continues to show a downward trend. There has been an increase in the monthly HSMR indicator for the 3 months to the end of January based on the outcomes for winter activity being reported. The trust has been selected for review by the national team in 2013-14.

Internal Audit’s review of the organisation’s overall arrangements for gaining assurance has concluded that:

“Based on the work undertaken in 2012/13, significant assurance can be given that there is a sound system of internal control which is designed to meet the organisation’s objectives, and that controls are being consistently applied in all the areas reviewed.”

“Based on the work we have undertaken on the Trust’s system of internal control we do not consider that within these areas there are any issues that need to be flagged as significant internal control issues within the Annual Governance Statement”.

57
This view is based on Internal Audit reports prepared in 2012-13 where positive opinions were given following the audits and is an improvement on previous years when some weaknesses where reported.

With regard to arrangements to counter fraud and corruption during 2012/13 there were a number of referrals which resulted in 5 investigations. 3 were concluded with no further action or no fraud proven, 1 was passed back to the Human Resources department to be dealt with as a disciplinary matter and one was dealt with via a joint investigation involving the UK Borders Agency.

The Local Counter Fraud Specialist has continued to carry out Proactive work at the Trust in order to prevent, detect and deter fraud and bribery within the NHS and to also raise awareness of the role of the counter fraud specialist within the Trust and the NHS as a whole. This Proactive work has helped to establish an effective anti-fraud and zero tolerance approach within the Trust that is fully supported by the executive and non-executive board members.

In March 2012 the Acute Services were successful in their re-assessed for level 1 compliance against the NHS Litigation authority standards. Maternity services were also re-assessed in December 2012 and currently hold level 1.

During the past 12 months the Trust has recorded incidents 102 of which were categorised as Significant Incidents Requiring Investigation (SIRI). The largest single trend (category) reported has been related to pressure damage. Each incident has been investigated using Root Cause Analysis (RCA) and actions put in place to reduce the likelihood of re-occurrence.

To ensure lessons learnt are shared and learning has occurred, all RCA reports are discussed at the Significant Incident Group (SIG) meeting. This multidisciplinary group chaired by the Medical Director is well established providing challenge in a non threatening arena. The group meets twice a month and reports into the Quality Assurance Committee. The function of the group is to review all SIRI reports to ensure a comprehensive investigation has been undertaken; lessons learnt have been identified and shared within the Trust. The group also monitors implementation of action plans developed to minimise the risk of reoccurrence.

An example of sharing lessons learnt, follows the identification that orthopaedic patients with diabetes were had a higher risk of acquiring pressure ulcers on their heel due to the combination of limited mobility, impaired sensory perception and /or reduced tissue perfusion. These patients are now nursed immediately on heel gel pads before any damage occurs. This course of action has been adopted with diabetic patients with other mobility limited conditions e.g. stroke patients.

The Care Quality Commission (CQC) and NHS Litigation Authority (NHSLA) consider Trusts who are high reporters of incidents to have a better and a more effective safety culture. 4138 incidents were reported in 2012-2013, a small increase on the previous year. To promote incident reporting the Governance team are working closely with the divisions to improve incident reporting, identifying learning points and providing feedback to staff, the Trust has seen a 20% increase in the numbers of incident reported in the last quarter compared to Q3.

In 2011-12 and 2012-13 the Trust has achieved break-even with £2.3m and £5.0m support funding respectively. The support recognises the strategic objective to plan reduced expenditure in acute hospital services within the local economy and the need to secure a strategic partner through implementing the Securing a Sustainable Future project approved by the Strategic Health Authority and Department of Health.

The Trust suffered a £7.3m revenue deficit in 2005-06 and following agreement of a 5 year Financial Recovery Plan (FRP) has been able to repay all but £1.6m from generating revenue surplus in 2006-07 to 2012-13. In recent years the trust has only been able to generate small surplus to repay the outstanding deficit and External Auditors have been required to issue Section 19 letters to the Secretary of State at the Department of Health because the Trust has not met its statutory duty to break-even. The March 2013 letter sets out the current financial position of the trust, the risks to its
£7.9m deficit plan for 2013-14 and the plan to identify a strategic partner in order to achieve long term financial sustainability.

The Trust has adhered to the terms and conditions of its acute healthcare contract and had no outstanding performance notices at the end of the year. The Trust is working with local commissioners to support the national QIPP agenda and improve the quality of services.

The Trust has met all its principal operational performance targets in aggregate for the year and has demonstrated significant improvement in a number of areas. The trust had a Governance Risk Rating of amber-green for each quarter taken in isolation. This was, however, subject to an over-riding red rating being imposed in the third quarter as the 62 day cancer waiting time target was not achieved for three successive quarters. This target was however achieved in quarter 4 and the override was then removed.

I am pleased to report, based on the opinion of Internal Audit; the George Eliot Hospital NHS Trust has sound system of internal control that supports the achievement of its policies, aims and objectives.

Signed on behalf of the Board of Directors:

Kevin McGee. Chief Executive

Date: 5th June 2013

George Eliot Hospital NHS Trust. (RLT)
**Audit information**

The Audit Committee is made up of all the non-executive directors, including the chairman, and the Director of Finance.

The Trust’s auditors for completing the statutory audit in 2012-13 are Grant Thornton UK LLP. The audit fee charged is £76,818 plus VAT.
Independent auditor’s report to the directors of the Trust

We have audited the financial statements of George Eliot NHS Trust for the year ended 31 March 2013 under the Audit Commission Act 1998. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers’ Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

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

- the table of salaries and allowances of senior managers and related narrative notes on page 35
- the table of pension benefits of senior managers and related narrative notes on page 36
- the table of pay multiples and related narrative notes on page 37

This report is made solely to the Board of Directors of George Eliot 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. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust's directors and the Trust as a body, for our audit work, for this report, or for opinions we have formed.

Respective responsibilities of Directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.
Opinion on financial statements
In our opinion the financial statements:
• give a true and fair view of the financial position of George Eliot NHS Trust as at 31 March 2013 and of its expenditure and income for the year then ended
• have been prepared properly in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England.

Emphasis of matter – going concern assessment
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 38 to the financial statements concerning the Trust's ability to continue as a going concern. The Directors consider that the contracts it has agreed with commissioning bodies and a letter of support from the NHS Trust Development Authority for additional funding in 2013/14 are sufficient evidence to conclude that the Trust will continue as a going concern for the foreseeable future. The financial statements do not include the adjustments that would result if the NHS Trust Development Agency did not provide additional support and the Trust was unable to continue as a going concern.

Opinion on other matters
In our opinion:
• the part of the Remuneration Report subject to audit has been prepared properly in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as relevant to the National Health Service in England
• the information given in the annual report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception
We have nothing to report in respect of the following matters where we are required to report to you if:

in our opinion the governance statement does not reflect compliance with the Department of Health’s Guidance we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

We are required to report if:
we refer a matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because we have a reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency

On 8 May 2013 we referred a matter to the Secretary of State under section 19 of the Audit Commission Act 1998 in response to the following matters identified during our audit:

the Trust has breached its statutory duty to break even taking one year with another;
it is likely that the Trust will be in breach of its statutory break even duty for the year ending 31 March 2014 the Trust requires cash support for the 2013/14 financial year to enable it to continue to operate.
Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

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

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

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

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources
We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in November 2012, as to whether the Trust has proper arrangements for:

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

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

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

In seeking to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources, we have considered the following matter in relation to financial resilience:

- The Trust recorded a small surplus in 2012/13 only following receipt of £5 million of unplanned, non-repayable financial support from its commissioners.
- The Trust is forecasting deficits of £7.91 million and £6.25 million in 2013/14 and 2014/15 respectively unless it is able to secure additional financial support. As a result the Trust would continue to be in breach of its breakeven duty.
- Without the receipt of financial support, the cashflow forecast for 2013/14 currently indicates that the Trust will have insufficient cash holdings to continue to operate from June 2013. The Trust is in discussion with the National Trust Development Authority with regard to obtaining financial support.

Qualified Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2011, with the exception of the matters reported in the basis for qualified conclusion paragraph above, we are satisfied that in all significant respects George Eliot NHS Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have completed the work necessary to provide assurance over the Trust’s annual quality accounts. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

Mark Stocks
Senior Statutory Auditor, for and on behalf of Grant Thornton UK LLP

Colmore Plaza
20 Colmore Circus
Birmingham
B4 6AT

10 June 2013
Glossary of terms

**Annual accounts.** The annual accounts of an NHS body provide the financial position for a financial year i.e. 1 April-31 March. The format of the NHS trust annual accounts is set out in a manual of accounts.

**Better Payments Practice Code.** The target of the better payments practice code is to pay all NHS and non-NHS trade creditors within 30 calendar days of receipt of goods or a valid invoice (whichever is later) unless other payment terms have been agreed. From October 2008 the Department of Health set a target to make payments to local suppliers within 10 days.

**Break Even.** NHS bodies have a statutory duty to break even, which is to balance income and expenditure reported in their accounts. If a body makes a deficit (where expenditure is more than income) it is required to recover the deficit in future years; where the deficit is significant this is achieved through the implementation of a financial recovery plan (FRP). Any carrying surplus or deficit is carried forward to future periods as a cumulative surplus or deficit.

**Capital expenditure.** Expenditure on fixed assets e.g. buildings and equipment used in the provision of services.

**Capital Cost Absorption Duty (CCA).** This is an annual measure that NHS trusts are required to achieve. A trust has a duty to absorb the cost of capital at the rate of 3.5% of its average relevant net assets.

**Capital Resource Limit (CRL).** This is a target set by the Department of Health to control the amount of capital expenditure that a trust may incur in the financial year. Overspends against CRL are not permitted. Under-spends can normally be carried forward to the next financial year.

**Cost Improvement Programme (CIP).** (Previously Cash Releasing Efficiency Saving (CRES)). These are cost savings arising from improvements in Trust efficiencies that are readily convertible into real cash savings.

**External Financing Limit (EFL).** This is a target set by the Department of Health to control cash spent by NHS Trusts. Trusts are not permitted to overshoot the cash target. A positive EFL arises where Trusts draw on government funding or spend cash resources while a negative EFL arises where trusts repay Public Dividend Capital or save cash.

**Financial Risk Rating and Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITA).** This measure is one of the main financial criteria that Monitor (the NHS Independent Regulator for Foundation Trusts) looks at in assessing underlying Trust financial performance. Besides measuring earnings before interest, taxes and depreciation and amortisation it also includes cash flow before debt financing, taxes and depreciation charges. It is a significant factor in Monitor’s assessment of the Trust’s financial risk rating. The George Eliot Hospital NHS Trust monitors its own performance using the risk ratings in preparation for becoming a foundation trust.

**Financial statements.** The annual accounts include a statement of comprehensive income, a statement of financial position, a statement of changes in taxpayer’s equity and a statement of cash flow.

**Impairment.** A decrease in the value of an asset.
International Financial Reporting Standards (IFRS). Since April 2009, the NHS is required to prepare accounts in accordance with international reporting standards (replacing UK Generally Accepted Accounting Practice). The presentation of the accounts has therefore been changed this year to comply with the new reporting requirements and the comparative information relating to 2008/09 has been restated. The financial impact of the change is detailed in note 44 to the accounts in 2009/10.

Monitor. The NHS independent regulator for Foundation Trusts.

NHS Operating Framework. The operating framework sets out a brief overview of the priorities for the NHS in the forthcoming year. It is accompanied by annexes (some part of the document, some web-based only) which provide more detail on the priorities, how they are measured and how the new arrangements for managing the system will work.

Payments by Results (PBR). This is the system introduced by the Department of Health by which commissioners (chiefly Primary Care Trusts) are required to contract and pay providers of NHS Services (chiefly NHS and Foundation Trusts). The system includes a set tariff for work completed. The system first implemented in 2004/05 has been updated every year and now includes most patient activity.

Public dividend capital (PDC). PDC is a form of long-term government finance which was initially provided to NHS Trusts when they were first formed to enable them to purchase the Trust’s assets from the Secretary of State. Additional capital expenditure can be funded as PDC or as borrowing. A dividend is payable by Trusts to the Exchequer to cover the expected return on the Secretary of State’s investment.

Retained surplus. When income earned during the year is more than expenditure the trust achieves a surplus.

Revenue income and expenditure. Income and expenditure associated with operating activities of the NHS body e.g. income from Primary Care Trusts who are the commissioners of NHS services and expenditure in providing the services e.g. salaries of NHS staff and payments to suppliers.

Valuation - land and buildings. NHS organisations are required to report land and buildings at fair value and during 2009/10 were required to complete a full valuation of the estate to be reported in the annual accounts.

Working Capital Loan. This is a loan arranged to provide cash, usually in the short term, to meet operational cash requirements e.g. payments to staff and suppliers. Loans are repayable from future cash flows.
‘our vision is to EXCEL at patient care’