Norfolk Community Health and Care NHS Trust

A year of looking after you locally

A review of our achievements in 2010/11

Welcome

In the words of our own staff…

"We are a community of NHS staff serving our local communities, with a deep connection to our patients and local people…"

Welcome to the summary of Norfolk Community Health and Care NHS Trust's (NCH&C) Annual Report 2010/11. We hope that this small insight into our activities over the previous year will assure you that we are a Trust dedicated to looking after you, locally.

2011/12 has been an excellent year for our Trust. On November 1, 2010 we successfully achieved independent NHS Trust status, on the approval of the Secretary of State for Health, completing our separation from our former parent organisation, NHS Norfolk.

A further significant achievement was receiving approval to continue upon our path towards attaining Foundation Trust (FT) status - a journey we aim to complete in 2013. Becoming an FT will enable local people, and our staff, to have a democratic say in the future of our services through a strong membership body, ensuring the patient voice is further hardwired into everything we do. (Why our becoming an FT is important to our patients: Page 12)

Our focus is on continually improving the quality of care we offer to local people and on improving access to that care, helping people to move seamlessly from one service to another. Throughout the year we have created more integrated, multi-disciplinary NCH&C teams, joining up our services around the patients' needs. And we have formed stronger links with other health and social care providers, such as GPs, the county council and acute hospital trusts. (Personalised care: Page 6)

But perhaps our greatest achievement has been to make our services even better and safer for local people, with notable improvements in our quality outcomes. This improvement has resulted from the increased involvement of patients and carers in the redesign of our services, robust quality and governance processes, greater clinical leadership and the continued dedication of our staff. (Enabling our people: Page 10).

As a result, our patients have told us that they rate us highly and that they think we have become even better at what we do. But we don't intend to rest on our laurels. The expectations of our patients will continue to motivate us to become even better. (Quality Counts: Pages 5 and Pioneering: Page 8)

Without making any cuts to frontline services or staff, in 2010/2011 our Trust achieved good financial results, delivering a surplus of £0.5m and making efficiency savings of £4.6m. Good financial management is not only our duty to uphold, it is central to our plans for the future, as becoming an FT will enable us to reinvest any savings we make into further improving local services. (Giving added value to our patients: Page 17)

All of this leaves us well-positioned to continue to drive forward further improvements in community-based health and care for the people in and around Norfolk; a commitment we intend to uphold in the coming years.

Ken Applegate
Chair

Looking after you locally

"Norfolk Community Health and Care NHS Trust (NCH&C) is an independent health and care organisation which is part of the NHS, employs NHS staff and provides NHS health and care to local people..."

We serve a population of 870,000 people in and around Norfolk, making us one of the largest providers of community health and care services in the NHS. Our aim is to constantly improve our patients' lives by providing you with the best care, close to where you live.

We have around 3,300 members of staff. 80% of these are clinicians; healthcare professionals like doctors, dentists, nurses, health visitors and physiotherapists. The rest either support patients through their appointments or stay, or are the people who help to keep our services running.

Specialised care for all

Our specialist teams all across Norfolk provide personalised health and care services for everyone, from babies to the elderly.

Our health visitors provide care and support to newborns and their parents, while children are cared for in schools by our school nurses. We help to keep people healthy with our Smokefree Norfolk service, and work with patients to regain their independence and quality of life after a brain injury, stroke or fall. We also provide end-of-life care services within people's homes or specialist inpatient units, to allow people to pass away comfortably and with dignity.

We care for the most disadvantaged and vulnerable in our communities who can find it very difficult or daunting to get the right healthcare, for example sex workers and homeless people. And we support people of all ages with Learning Disabilities, empowering them to live healthy and independent lives.

Our Vision: Planning for our patients' future

More and more people in Norfolk and surrounding areas are living with long term conditions, such as diabetes and heart disease. Our population of frail and elderly people is also growing. As the population ages, and more people are affected by illnesses caused by lifestyle choices, the types of services needed by our community is changing.

We will aim to develop new services, often in partnership with others, to meet these changing needs, from tackling childhood obesity to improving care for older people with dementia.

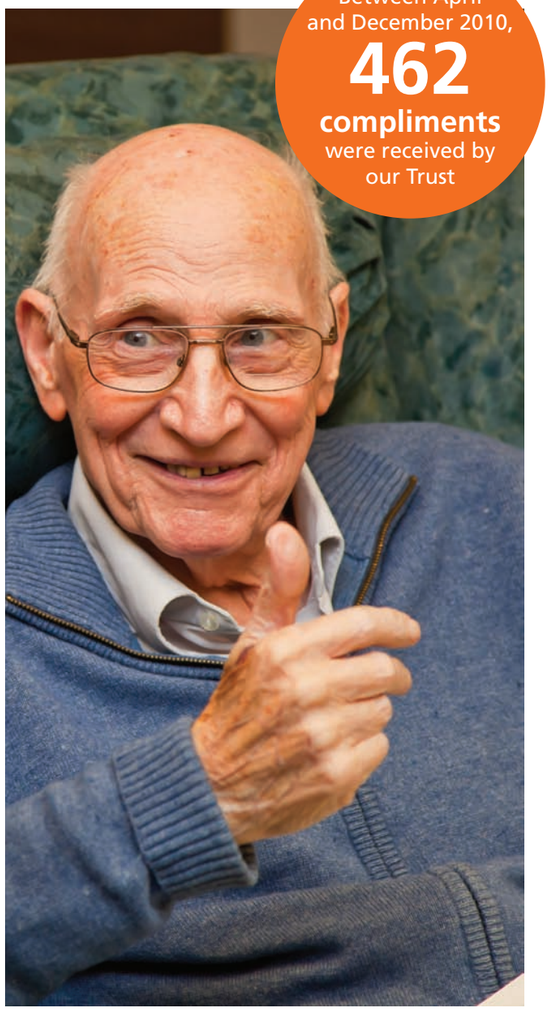
We want to help keep our patients well – providing care as early as possible, to help them avoid having to stay in an acute hospital, or supporting them to return home as quickly and safely as possible after a hospital stay.

As a provider of community based health and care, we can act as the 'glue' between different services provided by the NHS, social care and others, so our patients can benefit from joined up care.

Our Trust will continue to offer excellent services to right across Norfolk, but we will also enable more people from outside of Norfolk to benefit from our expert community health and care. And we will work to bring expertise and good ideas from across the UK to Norfolk, allowing our patients to benefit from best practice from across the NHS.

Home and community

"We exist to improve the lives of our patients, whenever and wherever they need us. We are proud to be trusted to enter their homes and be part of their communities. We aim to deliver care equally for all, locally…"



Community Nursing and Therapy:

"I write to thank you and your team for the extraordinary support you gave my late sister during her last few days of life. She was able to say goodbye to all her friends and family in her own surroundings and was truly happy to be able to die peacefully and with dignity, in the comfort of her own home thanks to your wonderful standard of care…."

"The community nurses have looked after my mother for the past eight years, and myself for the past two weeks. They are all very professional, very kind and friendly. People should appreciate how lucky we are to have them…"

Pineheath Ward, Kelling Hospital:

"I am writing to say what excellent care my husband received on Pineheath Ward. The standard of nursing was very high and done with care and compassion. Nothing was ever too much trouble. The ward was kept very clean which was good to see…"

Orthopaedic Outreach:

"Within an hour of contacting my doctor I had received a call from the Orthopaedic Outreach Team, in Wymondham, and within three hours they were at my house providing a whole range of equipment and advice about my surroundings. The service went far beyond my expectations and the team was extremely professional…"

Stroke Services, Mulberry Unit, Norwich Community Hospital:

"This is a terrific hospital; there needs to be more hospitals like this one…"

Quality Counts: Patient's voice at the heart of what we do

The quality of our services and the experience of our patients is what count the most. What our patients tell us about our services helps us to get even better, and we use their all-important feedback to understand what we're doing really well, and where we need to raise our standards even higher.

In 2010/11 we have improved our methods of gathering patient feedback, introducing hand held devices and kiosks where patients, carers or clients can immediately have their say, offering paper questionnaires that they can take away, and at times freephone lines.

In September 2010 we held our second all services Patient Experience Survey, carried out on our behalf by independent research organisation, Ipsos MORI.

The survey found that people highly rated the health and care services provided by our Trust. And it showed that we had made significant improvements in patient/client satisfaction over the previous 12 months, with 'fairly good' scores having been transformed into 'very good' scores in many areas.

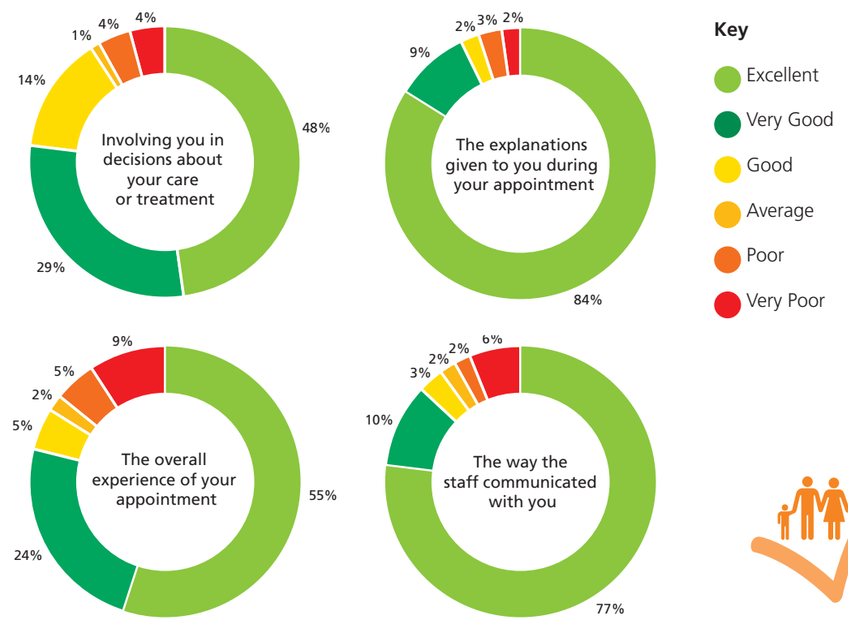
More than 90% of the 1,139 people who took part expressed their satisfaction with our services. And two-out-of-three people said they were 'very satisfied' (the highest rating possible) with our services - an increase of 2% on the previous year's (2009) survey results.

People were particularly positive about how their care was joined up between services, an increase in choice, how supported they felt by staff in making healthcare decisions, and the helpfulness of our staff.

- 86% said they would be likely to recommend our services to a friend or relative; two-out-of-three of these people were very likely to recommend the services
- Three quarters of people rated the helpfulness of our healthcare staff as 'very good' and 62% of people rated the helpfulness of admin staff as 'very good'
- 69% of those surveyed felt our services had either improved or stayed the same over the past year; with 34% saying things had improved

A further survey, held by the Picker Institute in early 2011, focused on people's experience of our inpatient units. This saw 97% of patients who had recently stayed in one of our community hospitals rate the care they received as 'excellent', 'very good' or 'good'.

- 90% of people who responded said they felt that they were always treated with respect and dignity
- 98% said cleanliness levels were high in their ward / room
- 97% of patients said the rehabilitation therapy they received had helped to rebuild their confidence



Getting better together

Personalised care

"We strive to understand each individual patient's total needs, and energetically join up their health and care requirements across different providers. We aim to prevent as well as treat problems. We are committed to safe, excellent care. Above all, it has to be the right care for the individual…"

Our Trust believes that joining up services to ensure local people don't fall between the gaps where one service ends and another begins, is the key to ensuring that people can access the right care, at the right time, in the right place.

In this way, we believe we can keep people healthy and out of hospital, share innovative ideas and can help to keep all local NHS services more cost effective.

Hospital admissions reduced due to major trial

Our Trust has been a central partner in a major national trial to help to prove the health benefits for patients of closer working between community-based health services, GPs and social services.

The aim is to reduce the number of unnecessary admissions to acute hospitals and care homes for people with complex health and social issues; to improve their experiences of services; and to offer them greater independence and choice.

And the benefits are already being seen - between April and June 2010, a 6-10% reduction was seen in local acute hospital admissions, as a result of the trial.

In taking part in the largest Integrated Care Network project in the country, we have partnered up with more than 30 GP practices, NHS Norfolk, Norfolk County Council, and the voluntary sector. The ultimate aim is to establish 18 fully integrated teams across Norfolk, based around GP practices and joining up health and social care across all providers.

NCH&C nurses at centre of improving elderly care

NCH&C community nurses have been at the very heart of a successful partnership aimed at keeping older and frail patients well and out of hospital. Now a further 2,000 Norfolk patients every year could be helped to remain living independently within their own homes.

Older patients who have frequent health problems are referred to our community nursing teams by their GP. Visiting the patients in their own homes, the specialist nurses act as 'case managers', monitoring and keeping GPs informed of the patient's condition.

If the patient needs further care, the case manager can arrange for them to access their local community hospital, instead of having to stay in an acute hospital. Or they can help to coordinate support from other partners, such as social services or a voluntary group, to ensure people receive the care that is right for them.

During a 12-week trial in 2010, 46 out of the 125 patients taking part avoided being unnecessarily admitted to hospital (36.8%). Due to its success the project is now being extended across the county and this year (2010/11), our Trust has been recruiting 40 case managers to care for local people.

Providing tailored diabetes care and support

Our Community Diabetes services provide support and advice which is tailored to meet the physical, emotional and social needs of each of their patients.

In community clinics, the Community Diabetes Team offers expert clinical knowledge to help patients manage their condition, control symptoms and reduce the risk of serious complications.

Developing personal care plans with the patients, they also offer advice on good nutrition, exercise and medication reviews, which can all help people with diabetes remain well.

As well as arranging engaging events for patients, the team runs professional conferences for local health and care staff and offers specialist training to GPs to encourage the early diagnosis of the condition.

Working with our Diabetes Specialist Podiatrists, the team also offer health professionals training in screening patients with diabetes for foot problems, such as poor circulation.

This ensures patients can be promptly referred to NCH&C's Community Podiatry Team, where they can access further investigation and treatment.

Pioneering

"We are hungry for innovative and more efficient ways of delivering care to patients. We make it easy for creativity and leadership to flourish. We are determined to break down all barriers to improved care and value for money…"

We want to be one of the very best providers of health and care services in the country and to be efficient and effective for the benefit of patients and local people.

Our 'strategic vision' has been created with local people, patients and our staff at the very heart of everything we do and every decision we make, encompassed by the needs of our commissioners and partners.

96%
of patients admitted to the Mulberry Unit are satisfied with the service they receive

Hundreds of patients benefit from new stroke service

Our new NCH&C Stroke Service has already delivered pioneering care to more than 300 local people since it was launched in 2010.

Offering a fully integrated health pathway, the service helps patients get home from hospital and regain their independence more quickly after a stroke, by providing the care and rehabilitation services they need within a community hospital setting, or even their own homes.

Inpatient services are delivered within the Mulberry Rehabilitation Unit, at Norwich Community Hospital, delivered in partnership with the Norfolk and Norwich University Hospitals NHS Foundation Trust.

Within the unit, patients benefit from the expertise of a multi-disciplinary team of professionals, ranging from nurses, physiotherapists and occupational therapists, to dieticians, social workers, clinical psychologists and speech and language therapists.

After rehabilitation at the unit, or immediately after being discharged from the acute hospital trust, appropriate patients can benefit from ongoing support from our integrated Early Supported Discharge Team (ESD).

The team works with patients to provides intensive rehabilitation in their own home, within nursing homes, or residential homes, including specialist therapy and mobility exercises, aimed at helping a patient to achieve their own personal goals towards recovery.

The stroke service is committed to further improving the care it offers to patients by taking part in a number of research programmes each year, as well as considering how the variety of rehabilitation on offer can be further developed and expanded.

Tilney Ward Project

NCH&C collaborated in a pioneering project to improve patient care in west Norfolk by helping to deal with the extra demand placed on hospital services during the winter months.

The innovative scheme ensured that more than 250 patients received safe and high quality care on the state-of-the-art Tilney Ward, regardless of winter weather.

Working in partnership, our Trust and the Queen Elizabeth Hospital, King's Lynn (QEH) opened the ward at the QEH in January 2011. The 27 extra beds, managed by NCH&C, helped to improve the smooth flow of patients through the hospital, and ensure they could return home as soon possible.

The Trust joined forces with the West Norfolk Practice Based Commissioning Group of GPs, NHS Norfolk and Norfolk Social Services to ensure the facility - managed and jointly staffed by NCH&C and QEH - delivered even better care for the people of West Norfolk last winter.

Research offers a healthier outlook

As a Trust we strive to continually improve and being involved in research is something we believe will deliver better healthcare for local people now and in the future.

Taking part in clinical research demonstrates our commitment to improving the quality of care we offer locally to patients, our investment in developing the expertise of our staff, and the role we can play in making the NHS get even better.

In 2010/2011 we increased our research activity by more than a third and were involved in 48 research studies across a range of specialities.

A national study involving our community nurses is already showing positive results for local patients. Looking at treatments for venous leg ulcers, early signs seem to indicate that by using special compression hosiery, rather than the traditional compression bandages, patients could heal quicker.

Falls Prevention Service will benefit hundreds more Norfolk patients

We expect that hundreds more patients will benefit from the expert support of the NCH&C Falls Prevention Service, after it won its bid to deliver its innovative services right across Norfolk.

The expanding service will also develop new pathways of care in partnership with other providers, aimed at reducing the number of admissions to the acute hospitals following a fall.

Enabling our people

"Our heart is the incredible personal motivation of our staff. We value and develop their expertise and commitment. We balance empowerment and accountability. We communicate clearly and concisely, and like to keep things simple. We are one team..."

Our expert staff and volunteers live and work within the very heart of the communities they serve; to put it another way, they are local people. At NCH&C we expect our staff to deliver the highest standards of NHS care. And, on behalf of local people and patients, our staff demand equally high standards from our Trust, and from the NHS.

We recognise that our clinical staff with their expertise, innovative ideas and commitment to delivering excellent services for local people, are the main drivers in leading the further improvement, modernisation and integration of our services.

All of our staff are champions in helping to deliver improved health and care services, centred round the needs of local people and patients and in 201/11 we have continued to further strengthen the clinical leadership of our organisation.

Children getting a great start in life thanks to our 'outstanding' staff

An NCH&C children's centre has been rated as 'outstanding' in a recent Ofsted report, placing it in the top four per cent of educational settings in the UK.

Thanks to the dedication of our staff, the Bowthorpe, West Earlham and Costessey Children's Centre, in Norwich, was described by Ofsted as 'an outstanding children's centre that plays a pivotal and highly respected role in serving the needs of its community'.

The multi-disciplinary team at the centre - which provides care for families with children aged from 0 to five years-old - was also praised for offering 'flexible provision for families to meet their specific needs'.

The ties between the centre and its partners were seen as 'exemplary', with the centre's links with local GPs particularly noted as being 'a model of best practice'.

The report referenced feedback from families who spoke 'enthusiastically about the support they have', and added that the 'child health clinics and home visits promote and monitor very successfully the health, development and emotional well-being of parents, carers and children'.

This adds to the 'outstanding' report received by our Tree Tops Day Nursery, in Thetford, which rose from satisfactory to the highest possible standard just two years after our staff took over its management.

'Family nurses' receive national praise

The NCH&C Family Nurse Partnership (FNP) team, who offer support to young mothers and their babies locally, received praise from the Department of Health following their successful first year.

The team provides advice and guidance to expectant mothers under the age of 19 from their early pregnancy until their child is two years-old, and aims to improve the health and well-being of both mums and their babies.

Mums-to-be can access the service via their midwife, GP, or even their further education college, after which a specialist family nurse will regularly visit them in their own home, or at a location that suits them.

The same nurse will visit them throughout their pregnancy to discuss any concerns they may have and offer advice to further improve their health, provide relationship support, and help them to access other local services which can also support them and their family.

After their baby is born, their family nurse will continue to visit them to offer ongoing support and ensure mums and their babies are healthy and developing well.

Since its launch in 2010, the Family Nurse Partnership Service has:

- Provided support to over 106 families
- Made 1,381 visits to young families
- Supported 71% of mums to breastfeed their babies
- Assisted 23% of mums using the service to quit smoking during their pregnancy
- Helped 70% of fathers to become more involved with their babies
- Enabled mums to decrease their alcohol and drug use during pregnancy

Some of the other outstanding achievements of our staff include:

An honour for Debbie who challenges perceptions

Debbie Chedgey, manager of NCH&C's Matrix Project, was made an MBE in the 2010 New Year's Honours for her services to disadvantaged people.

For the past 14 years she has been a central figure in the running of two NHS-funded schemes, the first concerning drug addiction and the other, the Matrix Project, providing NHS health services to 500 male and female sex and former sex workers every year.

This year Debbie and her team led an amazing project to change the public's understanding of people working within the sex industry. The Perception exhibition showcased a series of photographic portraits of Matrix clients and attracted over 300 visitors on its opening night, with hundreds more over the week-long event.

The positive feedback was 'overwhelming', with visitors saying how it had made them stop and readdress their preconceived ideas and prejudices.

You're more likely to quit with Katie's help

NCH&C's Katie McGoldrick was crowned Stop Smoking Advisor of the Decade at the East of England 10th Anniversary Stop Smoking Service Awards. Katie, who leads our Smokefree Norfolk team, has helped more than 1,200 smokers kick the habit – 85% of the people she sees quit.

Her team helped more than 2,280 people to quit smoking during 2010/2011.

Outstanding contribution from Dianne

Dianne Croot, Assistant Joint Team Manager for the North Community Learning Disabilities Team, was presented with an Outstanding Contribution Award for Customer Focus by Norfolk County Council (NCC).

This has been an even more significant achievement, as the award is usually only given to NCC staff but Di proved to be such an exceptional candidate, NCC wanted to recognise her hard work. She led the integrated team of NCH&C and NCC staff.

Learning new systems and working conditions across the two services was a real challenge, but she provided "management, supervision, and clinical leadership and was always being available in person when advice, guidance and encouragement was needed", a county council spokesperson commented.

Why our becoming a Foundation Trust is important to our patients

"As an FT we can further strengthen our role as the local expert in NHS community health and care services. And as Members, our patients and our staff will have a real say in how and where we provide our services...."

During 2010/2011 we became an independent NHS Trust, a key milestone on our journey to becoming a Foundation Trust (FT), which we aim to achieve in 2012/13.

Becoming an FT allows us greater freedoms. Not only can we more easily develop our services, but we can invest any money that we make into improving local NHS services.

Being an FT will also allow us to establish a wider range of partnerships with other NHS Trusts, local councils, local and national charities or private sector companies, to improve the services we deliver to patients locally.

We know community based care works. Not only is it more convenient for patients to have the health care they need at home or near to where they live or work, but it also helps save money in the long run by helping people to stay well and avoid having unnecessary acute hospital stays.

As an FT, we will still be very much part of the NHS and we can:

- Treat NHS patients, free at the point of delivery
- Employ NHS staff
- Remain subject to national standards and targets
- Maintain the same quality standards as other NHS organisations
- Continue to have independent inspections

Our consultation

Between January and April 20 2011, we asked local people to share their views on our future plans as part of our public consultation. Our consultation asked a range of questions about our plans for becoming a Foundation Trust, including our priorities for the future, staff and public membership and who our Governors will be.

We were delighted with the number of responses we received from members of our local community and that a significant majority of local people supported our plans. We've listened to your feedback and made some changes to improve our plans. And we received a significant level of support from stakeholders, such as our health and social care partners, voluntary groups, MPs and local community organisations.

You can read the full consultation feedback by visiting our website: www.norfolkcommunityhealthandcare.nhs.uk

702 people gave their feedback as part of our public consultation

89% approved our key aims for the future

92% of people agreed with our plans for Membership

Over 50% of people who responded also became a Member

43 community organisations and stakeholders had their say

Summary statement of internal control

Through the Accountable Officer arrangement, NHS Trusts are charged by the Chief Executive of the NHS with ensuring that they and their organisation properly manage the resources and assets entrusted to them.

All business activity entails some degree of risk, and our Trust has a range of internal controls to manage those risks to acceptable levels. Each year, the Trust's Accountable Officer, the Chief Executive, conducts a formal review of the effectiveness of these internal controls, and the results of the review are set out within the full in the Annual Report.

The Chief Executive is supported by a senior management team and the Trust Board is supported by committees that keep a range matters under review throughout the year.

The Trust has a system of reporting incidents – these are investigated and learning from them is spread around the Trust's services. There is a system to identify and assess risks arising in service areas that ensures that these are controlled or appropriately managed.

There is a sound system of financial accounting. Processes to ensure compliance with regulatory requirements around the management of patient information and the standards set by the Care Quality Commission (CQC) are in place.

There are policies in place to deliver the Trust's obligations in relation to equality, and the impact of its activities, such as the use of energy on climate change.

The Trust is held to account by a variety of other agencies who take a close interest in its affairs, such as NHS Norfolk and NHS East of England Strategic Health Authority. Local accountability is strengthened by discussions with the Health Overview & Scrutiny Committee (HOSC) and the Norfolk LINK.

The Trust's internal auditor reviewed the Trust's overall arrangements and gave a rating of 'Significant Assurance' for 201/11. He has conducted several other internal audits, which have been reported to our Trust's Audit Committee and improvement actions implemented where necessary.

This year's review concluded that a generally sound system of internal control was in place throughout within our Trust throughout 2010/11.

About our Board

Our Trust has an experienced and multi-skilled senior executive team, which we believe is vital to achieving the best outcomes for local patients, for motivating our highly valued workforce and for delivering the most competitive, high quality services for our commissioners. Our Board as of March 31, 2011, was as follows:

Ken Applegate
Chair
Voting member
Remuneration and Nomination Committee

Matt Colmer
Director of Finance
Voting member
Finance and Performance Committee
Charitable Funds Committee
Audit Committee

Sheila Adams-O'Shea
Chief Executive
Voting member

Barbara Wilson
Director of Human Resources
Non-voting member
Remuneration and Nomination Committee

Dr Ian Mack
Medical Director
Voting member

Martin Pettifor
Director of Business Development
Non-voting member

Loyola Weeks
Director of Quality and Risk and Executive Nurse
Voting member
Quality and Risk Assurance Committee

Vivienne Clifford-Jackson
Non-Executive Director
Remuneration and Nomination Committee
Audit Committee
Quality and Risk Assurance Committee

Anna Morgan
Director of Service Pathways
Voting member

Patrick John Harris MA FCA
Non-Executive Director
Remuneration and Nomination Committee
Audit Committee
Quality and Risk Assurance Committee
Charitable Funds Committee

James Ross
Non-Executive Director
Finance Committee
Remuneration and Nomination Committee

Alex Robinson
Non-Executive Director
Finance Committee
Remuneration and Nomination Committee
Quality and Risk Assurance Committee

Lisa Gamble
Non-Executive Director
Audit Committee
Remuneration and Nomination Committee

Past Board Members 2010/11

Name and Role	From	To
Geoff Chilton Chair	1 April 2010	31 August 2010
Carrie Armitage Chair	1 September 2010	30 November 2010
Tim Crayford Medical Director	1 April 2010	31 March 2011
Alastair Roy Non-Executive Director	1 April 2010	31 July 2010

Board Members: Declared interests

Board Member	Title	Declared interests
Ken Applegate	Chair	UNAT Direct, Non-Executive Director Lowestoft College, Governor Lowestoft and Waveney Education Services Ltd, Director
Sheila Adams-O'Shea	Chief Executive	None
Dr Ian Mack	Medical Director	None
Loyola Weeks	Director of Quality and Risk and Executive Nurse	None
Anna Morgan	Director of Service Pathways	None
Matt Colmer	Director of Finance and Performance	City College Norwich, Governor
Barbara Wilson	Director of Human Resources	None
Martin Pettifor	Director of Business Development	None
Vivienne Clifford-Jackson	Non-Executive Director	Voluntary Norfolk – sub-contractor with Norfolk County Council to scope and report on advice and advocacy in Norfolk Residential landlord – small monthly rental income Sessional lecturer at the University of East Anglia Clifford Consulting – training and communications
Patrick John Harris MA FCA	Non-Executive Director	None
James Ross	Non-Executive Director	James Ross Programme Management Ltd, Director
Alex Robinson	Non-Executive Director	Millfield Primary School, Governor
Lisa Gamble	Non-Executive Director	Consultant undertaking merger and acquisition work for a London-based media company

All the current Directors confirm that there is no relevant audit information that has not been disclosed to the Trust's auditors.

Directors' Statements

Statement of the Chief Executive's responsibilities as the Accountable Officer of the Trust

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

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the Trust;
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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

Sheila Adams-O'Shea,
Chief Executive

08 June 2011

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

Sheila Adams-O'Shea
Chief Executive

Matt Colmer
Director of Finance

08 June 2011

Year ended 31 March 2011

Giving added value to our patients

"Being an NHS provider is our 'business' and we must always strive to deliver the very best services we can, while making the best use of taxpayers' money. We believe that by offering more and more health and care services closer to people's homes, or within the community, we can help the NHS make some real savings, without cutting back on quality for patients..."

To do this we must continue to modernise and develop our services, and create business partnerships that will give our local communities the services they need.

Good financial management is central to our plans for the future, as achieving Foundation Trust (FT) status will enable us to reinvest any savings we make into further improving the services we provide to local people.

And in our first year as an independent NHS Trust (Nov 2010 – March 2011), we have made a good start meeting our statutory duty to break even, and delivering a surplus of £528k. Money, which when we have achieved FT status, would go directly back into our local pot for our patients.

This year we have also invested £5.6m into 'capital spend' projects to create the best environment for our patients and our staff. Capital spend pays for things such as maintaining buildings or improving equipment like hoists and specialist beds.

£2.5m of this sum was invested into the refurbishment of Caroline House, our specialist neurological rehabilitation unit, in Norwich; into upgrading 10 inpatient rehabilitation bedrooms at Ogden Court, in Wymondham; and improving our specialist palliative care unit, Priscilla Bacon Lodge.

NCH&C is now leading the £3.75m redevelopment of North Walsham Community Hospital, which will see a brand new 24-bed inpatient unit opened in spring 2012.

During the year, we were also able to deliver savings of £4.6m and have plans to become even more efficient. It is important to stress that none of these savings have been achieved through any cuts to frontline staff or services, or through a reduction in the quality of our services.

Instead, thanks to the efforts of our innovative clinicians and managers, we have found more efficient ways of working across the whole Trust, and developed a comprehensive Cost Improvement Plan (CIP).

For example, the NCH&C Procurement Team identified three areas to reduce costs and make possible savings of up to £95,000 per year, just by using single suppliers for resources such as printer ink cartridges, paper suppliers and for examination gloves.

Developing efficient ways of travelling - car sharing schemes for example - has also delivered real savings, and we intend to expand all on of this good work in 2011/12.

A summary of our finances follow, but for the more details, please refer to the full Annual Report at: **www.norfolkcommunityhealthandcare.nhs.uk**

Financial summary

Statement of comprehensive income for the year ended 31 March 2011

	NOTE	2010/11 £000	2009/10 Restated £000
Revenue:	7		
Revenue from patient care activities	5	**127,945**	128,682
Other operating revenue	6	**2,764**	868
Operating expenses	8	**(130,027)**	(128,903)
Operating surplus		**682**	647
Finance costs:			
Finance costs	16	**(4)**	0
Surplus for the financial year		**678**	647
Public dividend capital dividends payable		**(150)**	0
Retained surplus for the year		**528**	647

Reported NHS financial performance position - adjusted retained surplus

	2010/11 £000	2009/10 Restated £000
Retained surplus for the year	**528**	647
Impairments	**24**	0
Reported NHS financial performance position adjusted retained surplus	**552**	647

A Trust's Reported NHS financial performance position is derived from its retained surplus, but adjusted for the following:

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

Statement of financial position as at 31 March 2011

	NOTE	31 March 2011 £000	31 March 2010 Restated £000
Non-current assets			
Properly, plant and equipment	17	**4,910**	4,132
Intangible assets	18	**70**	19
Total non-current assets		**4,980**	4,151
Current assets			
Inventories	21	**510**	545
Trade and other receivables	22	**10,015**	5,355
Cash and cash equivalents	25	**2,013**	0
Total current assets		**12,538**	5,901
Total assets		**17,518**	10,051
Current liabilities			
Trade and other payables	27	**(5,191)**	(6,483)
Other financial Liabilities	29	**0**	(813)
Provisions	35	**(611)**	(2,755)
Net current assets		**6,736**	(4,151)
Total assets less current liabilities		**11,716**	(0)
Non-current liabilities			
Provisions	35	**(120)**	0
Total assets employed		**11,596**	(0)
Financed by taxpayers' equity:			
Public dividend capital		**11,068**	0
Retained earnings		**528**	0
Total taxpayers' equity		**11,596**	0

The financial statements on pages 10 to 13 were approved by the Audit Committee (under delegated authority from the Board) on 6 June 2011 and signed on its behalf by:

Sheila Adams-O'Shea
Chief Executive

8 June 2011

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

	Public dividend capital (PDC) £000	Retained earnings £000	Merger Reserve £000	Total £000
Changes in taxpayers' equity for 2010/11				
Balance at 1 April 2010	0	0	0	0
Retained surplus/(deficit) for the year	0	528	0	528
Transfers between reserves	0	0	0	0
Movements in other reserves	0	0	0	0
Originating capital for Trust establishment in year	11,068	0	0	11,068
Balance at 31 March 2011	**11,068**	**528**	**0**	**11,596**

Statement of changes in taxpayers' equity for the year ended 31 March 2010

	Public dividend capital (PDC) £000	Retained earnings £000	Merger Reserve £000	Total Restated £000
Changes in taxpayers' equity for 2009/10				
Balance at 1 April 2009	0	0	0	0
Retained surplus/(deficit) for the year	0	647	0	647
Transfers between reserves	0	(647)	647	0
Movements in other reserves	0	0	(647)	(647)
Originating capital for Trust establishment in year	0	0	0	0
Balance at 31 March 2010	0	0	0	0

As the Public Dividend Capital received from the Department of Health under originating capital has been represented under acquisition accounting rather than merger accounting the £11,068k PDC received effectively included £647k for the retained earnings brought forward at 1 November 2011. As under merger accounting retained earnings need to be restated, this generated a negative merger reserve of £647k. The Trust has taken the decision to transfer £647k from retained earnings in 2009/10 to offset the retained earnings brought forward. Therefore, at March 2011 reserve includes just the originating capital received of £11,068k and the retained earnings generated from 1 November 2010 to 31 March 2011 of £528k.

Statement of cash flows for the year ended 31 March 2011

	NOTE	2010/11 £000	2009/10 Restated £000
Cash flows from operating activities			
Operating surplus		**682**	647
Depreciation and amortisation		**1,428**	1,163
Impairments and reversals		**24**	0
Dividends paid		**(156)**	0
Increase / (decrease) in inventories		**36**	(32)
Increase / (decrease) in trade and other receivables		**(4,662)**	5,164
Increase / (decrease) in trade and other payables		**(1,292)**	1,468
Decrease in other liabilities		**(813)**	(6,915)
Increase in provisions		**(2,020)**	(289)
Net cash outflow from operating activities		**(6,774)**	1,207
Cash flows from investing activities			
Payments for property, plant and equipment		**(2,317)**	(1,198)
Proceeds from disposal of plant, property and equipment		**95**	0
Payments for intangible assets		**(59)**	(9)
Net cash outflow from investing activities		**(2,281)**	(1,207)
Net cash outflow before financing		**(9,055)**	(0)
Cash flows from financing activities			
Public dividend capital received		**11,068**	0
Net cash inflow from financing		**11,068**	0
Net increase in cash and cash equivalents		**2,013**	(0)
Cash and cash equivalents at the beginning of the financial year		**(0)**	0
Cash and cash equivalents at the end of the financial year	25	**2,013**	(0)

The 2009/10 comparative movement in trade and other receivables and trade and other payables has been distorted by the splitting of the opening balance sheet of the Trust at 1 April 2009 where the Trust's receivables included NHS Norfolk's sales ledger balances and NHS Norfolk took all balances on the combined purchase ledger. This caused the Trust's receivables to be high and payables low. However, as part of this agreement between the Trust and NHS Norfolk, the April 2010 Service Level Agreement (SLA) from NHS Norfolk was not paid to the Trust which led to the reduction of the intercompany balance (other liabilities) offsetting the receivables and payables movement to give a net cash outflow from operating activities of £1,207k for 2009/10.

Financial performance targets

Breakeven performance

	2010/11 £000	2009/10 Restated £000
Turnover	130,709	129,550
Retained surplus for the year	528	647
Adjustments for Impairments	24	0
Break-even in-year position	552	647
Break-even cumulative position	1,199	647

Materiality test (Le. is it equal to or less than 0.5%):	2010/11 %	2009/10 Restated %
Break-even in-year position as a percentage of turnover	0.42%	0.50%
Break-even cumulative position as a percentage of turnover	0.92%	0.50%

Capital cost absorption rate

The dividend payable on Public Dividend Capital (PDC) is based on the actual average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

The PDC dividend shown in the accounts is based on the average carrying amount of assets for the 5 month period (November 2010 to March 2011) that the Trust was an NHS Trust.

No dividend was payable in 2009/10 as the Trust was not in existence and did not receive its PDC until 1 November 2010.

External financing

The Trust is given an external financing limit which it is permitted to undershoot.

	£000	2010/11 £000
External financing limit		11,068
Cash flow financing	9,056	
External financing requirement		9,058
Undershoot		**2,012**

Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2010/11 £000
Gross capital expenditure	5,657
Charge against the capital resource limit	5,657
Capital resource limit	5,724
Underspend against capital resource limit	**67**

The underspend against capital resource limit has been calculated on an acquisition basis as this is a statutory test and therefore should the 2010/11 amounts have not been adjusted for merger accounting as it would not represent the true spend against the statutory limit in the year.

Therefore the gross capital expenditure figure in the capital resource limit calculation represents the actual gross expenditure incurred in the year under acquisition accounting. No comparatives have been provided for both limits as no statutory limits existed in the prior year as the Trust was not in existence.

Management costs

	2010-11 £000	2009-10 Restated £000
Management costs	10,506	9,239
Income	130,709	129,550

Better Payment Practice Code

Better Payment Practice Code - measure of compliance

	2010/11 Number	2010/11 £000	2009/10 Restated Number	2009/10 Restated £000
Total Non-NHS trade invoices paid in the year	26,072	25,015	24,512	23,417
Total Non-NHS trade invoices paid within target	21,906	20,588	19,439	17,956
Percentage of Non-NHS trade invoices paid within target	**84%**	**82%**	79%	77%

	2010/11 Number	2010/11 £000	2009/10 Restated Number	2009/10 Restated £000
Total NHS trade invoices paid in the year	1,378	16,112	861	6,446
Total NHS trade invoices paid within target	967	13,708	474	3,811
Percentage of NHS trade invoices paid within target	**70%**	**85%**	55%	59%

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

NCH&C is committed to looking after you locally

Find out more about our recent successes and our plans to further improve by downloading the full versions of our Annual Report and Quality Account 2010-2011

For more information, log on to www.norfolkcommunityhealthandcare.nhs.uk or call 01603 697300

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