



*North East Wales
NHS Trust*

Annual Report 2005/06



Chairman and Chief Executive's Review

In reviewing the year 2005/06 and looking forward into 2006/07, attention is inevitably drawn to the financial pressures facing the NHS, both nationally and in North East Wales.

At the end of the year the Trust reported an overspend of £3.6 million pounds (1.87% of total income). This has come about largely as a result of financial pressures that lie beyond the Trust's control, such as national pay agreements, the costs of new drugs and significant rises in energy prices. However it is our responsibility, along with our colleagues in the Local Health Boards of Flintshire and Wrexham, to identify how we will bring our financial affairs back into balance and ensure that this situation does not compromise the services we provide for our patients.

While this is obviously not a position that we would choose to be in, the plans that are being developed to resolve the financial situation will result in long-term gains for the NHS in the area. Included in the proposals are investments in new IT systems to speed up the requesting and reporting of tests, better coordination of prescribing to reduce wasteful duplicate prescribing for patients when they are admitted into hospital, more co-operation and sharing of 'behind the scenes' services between the Trust and LHBs, the creation of a larger discharge lounge at Wrexham Maelor Hospital and better management of beds.

As well as achieving short term savings, this is part of a larger programme of modernisation that means patients will be treated more quickly, will spend less time in hospital and will free up resources to invest in further new developments.

Yet while the financial position is clearly of great importance, it must not distract us from recognising the immense progress and developments that have taken place over the last twelve months.

Waiting times have continued to be reduced and a maximum waiting time of 12 months for inpatient, day case and outpatient treatment has been achieved in all specialities, with significantly shorter times for a number of specific conditions.

In the coming year we will continue to drive waiting times down to a maximum of eight months.

We have continued to expand our workforce, increasing our number of nurses and midwives by the equivalent of 24 whole time staff and our medical staffing by 20 posts. During the year we appointed ten new consultants, including seven to newly-created positions.

We have seen a wide range of clinical developments and investment in new facilities during the year. The PACS (Picture Archive and Communication System) is bringing the advantages of immediate access to x-ray images on the wards and departments of the Maelor Hospital and in the Trust's community hospitals. Our Medical Day Unit has been expanded, providing a single location where patients can undergo a variety of non-surgical tests and procedures which would previously have been performed on a general ward, freeing up beds for patients who need to be in hospital overnight.

A pilot scheme in the Cardiology Department demonstrated the advantages of providing a one-stop clinic for patients, with all their diagnostic tests being booked for in advance of them arriving at hospital to coincide with their consultant appointment. Patients were saved from having to make additional trips to the hospital, with three-quarters of patients being able to be referred back to the care of their GP after their first attendance (compared to less than 50% previously).

Within our mental health directorate, a new Crisis Resolution Service has been set up for the Deeside area. This is a joint initiative with the Flintshire Local Authority and Local Health Board to provide a multi-disciplinary health and social care team that reviews all service users who previously may have been admitted to hospital to consider whether they can be better cared for at home with additional support, or whether alternative arrangements might be more appropriate.

One aspect of health care that has been very much in the spotlight recently is the issue of healthcare associated infections such as MRSA. During the year the Hospital signed up to the National Patient Safety Agency's "clean your hands" campaign, which was launched in the Maelor Hospital by actor Ricky Tomlinson.

As well as promoting good hand hygiene amongst staff, the campaign encourages patients to feel they can ask health workers whether they have cleaned their hands since dealing with their last patient. This not only provides reassurance for the patient, it can be a useful reminder for busy staff who may be moving rapidly from one task to another.

But, in Wrexham at least, one issue dominated even the 'superbugs' and that was the car parking situation at Wrexham Maelor Hospital.

In recent years the development of new services on the site, along with the extra patients that we are treating, meant that demand for parking outstripped the number of places we could provide and it was clear action had to be taken.

In October we therefore introduced a managed parking scheme that was designed to minimise use of the Hospital's car parks by drivers who were not actually coming to the Hospital and to ensure that the parking spaces closest to the Hospital entrances were set aside for the use of patients. Charges had to be introduced, both to fund the scheme and as a deterrent to inappropriate use of the car parks and inevitably this was not a popular decision when it was first announced.

However since the scheme has been running, and drivers have experienced for themselves the ease with which they can now find a convenient parking space at the hospital, the majority of patients and visitors have indicated their support for the scheme. The additional security measures have also brought about a marked reduction in the number of incidents of crime in the car parks.

The year also brought reasons for celebration. In April we welcomed HRH The Duke of York to perform the official opening of the Shooting Star Unit. Although the Unit started to receive patients in the previous year, this Royal occasion was a fitting tribute to the thousands of people in the local community who had contributed so generously to bring the Unit to fruition.

The Trust was delighted to be selected as one of the Nursing Times' Top 100 organisations for nurses to work for. This accolade was based on a nation-wide survey of nursing staff carried out by the magazine which covered NHS and private health care providers across primary, acute and mental health care.

There was further national recognition for our mental health services when the Llwyn-y-Groes inpatient unit was the runner up in the mental health section of Guardian newspaper's Public Service Awards in recognition of the work carried out in developing the unit to offer more patient-focussed services.

Some of the year's other highlights are featured overleaf and serve as an important reminder that, whatever the challenges that face this organisation, we can take pride and comfort in the fact we have a body of staff who remain keen to innovate and develop services for the benefit of the patients we serve. We hope that you will join with us in thanking them for their continued dedication in caring for all our families, friends and neighbours.



T M Williams
Chairman



H J Pepler
Chief Executive

The cover photo shows the St David's Day celebrations that marked the opening of the new Nursery for the children of Trust employees

Highlights 2005 / 06

Service Developments

Following a successful pilot, "One-stop" Cardiology clinics have been introduced.

New service set up in conjunction with the MacMillan charity to provide improved nutritional advice and intervention for palliative cancer patients under the care of Nightingale House.

Introduction of foot screening service for people with diabetes

Flintshire District Nurses have introduced Community Treatment Clinics, offering weekday, evening and Saturday morning sessions.

Mental Health Crisis Resolution Service set up for the Deeside area.

The Pain Team has established formal training days for health professionals to extend their clinical practice in the management and assessment of pain; Wrexham is believed to be the first hospital in the country to offer comprehensive training in this way.

The CALL helpline service launched the "HOPElineUK" service, in conjunction with the Papyrus charity, for people (parents, siblings, partners, friends and health and social care professionals) concerned about a young person at risk of suicide. During the year CALL also established a web-based service to compliment their telephone helplines.

New, expanded, nursery opened for the children of Trust employees.

New consultant posts

- Obstetrics & Gynaecology (two posts)
- Cardiology
- General Surgery
- Accident & Emergency Medicine
- Child & Adolescent Psychiatry
- Adult Psychiatry / Crisis Resolution

Other consultant appointments

- Older Persons Psychiatry (long term vacancy)
- Radiography (long term vacancy)
- Care of the Elderly

Capital Investment

Expansion and refurbishment of Cardio-respiratory department, all echocardiogram machines upgraded and new cardio-pulmonary stress testing equipment introduced.

With the help of the Wrexham Hospitals League of Friends a new track and hoist system has been installed in the Children's Ward.

The Medical Day Unit has been expanded.

Roll-out of digital PACS (Picture Archive and Communication System) across Maelor hospital site and into community hospitals.

Joint venture with Countess of Chester Hospital to open a local cardiac catheterisation laboratory on the Countess site.

Awards

The Trust was selected as one of the Nursing Times' Top 100 organisations for nurses to work for.

Llwyn-y-Groes mental health inpatient unit was a runner up in the Guardian newspaper's Public Service Awards.

Scheme to encourage patients to bring their own regular medication with them when coming to hospital won an Association of the British Pharmaceutical Industry Pharmacy Award.

The Trust's redesigned and extended website won the publications and website category of the Welsh Language in Healthcare Awards.

The Trust achieved level 2 accreditation in the Green Dragon Environmental Standards.

Introducing the Trust

The North East Wales NHS Trust was established on 1st April 1999 as part of a reconfiguration of NHS Trusts in Wales. The Trust provides secondary health care services in the Wrexham and Flintshire Local Authority areas, including community and mental health care and acute hospital services at Wrexham Maelor Hospital. The area served is home to approximately 300,000 people and patients are also drawn from neighbouring areas in North West England, the Midlands and west and central Wales.

The North East Wales NHS Trust is committed to improving the well being of the communities of North East Wales through the provision of acute, community and mental health care services:

- We will provide services that are safe, appropriate to our patients' needs and effective in meeting those needs.
- We will continue to review and improve our services and will seek to work in partnerships with other agencies and organisations where this can bring benefit to our patients or the wider community.
- We will treat all people with fairness, respect and dignity.

Services and Facilities

The Trust Headquarters are at Wrexham Maelor Hospital, which provides a comprehensive range of medical and surgical specialities as well as paediatric, maternity, critical care and rehabilitation services.

Other facilities on the site include the North Wales Artificial Limb and Appliance Centre, which is managed by the Trust and serves patients across North Wales and much of mid-Wales, a specialist Renal and Diabetic unit and the Wrexham Child Health Centre. There are also two Mental Health inpatient units (one specialising in the care of elderly patients) and a residential drug and alcohol treatment centre which is managed by the CAIS charity on behalf of the NHS; a further residential mental health unit is located in the Wrexham town area.

The Trust runs five community hospitals at Chirk, Deeside, Flint, Holywell and Mold. These all provide inpatient accommodation, outpatient clinics and therapy services and there are minor injuries units at all Hospitals apart from Deeside.

A wide range of other services are provided from one or more of these Hospitals, including audiological assessment, community dental services, x-ray facilities, minor surgical procedures, palliative care and day hospital services.

Rehabilitation care is provided from a dedicated unit at Deeside Hospital, at Llesty Hospital in Holywell and at Penley Hospital which is a dedicated service for Polish WWII armed service personnel.

The Flintshire Children's Centre, at Mancot in Deeside, provides services for children with learning disabilities or developmental needs or who require long term healthcare. The Centre is the base for the North Wales Diana Children's Nursing Service, co-ordinated by the Trust to care for children with life-limiting conditions and their families across North Wales.

The Trust also operates a network of over fifty health centres, clinics and team bases throughout Wrexham and Flintshire and many services are provided by community staff to patients in their own homes.

The Trust employs over 5,000 staff in many medical, nursing, therapist, professional and supporting roles.

Organisational Structure

Trust Board

Ultimate responsibility for the management of the Trust lies with the Trust Board which is accountable to the Welsh Assembly Government for ensuring high standards in the conduct of the organisation and in the delivery of services. In particular the Board must ensure that the Trust achieves its performance targets in respect of activity and workload, service quality and financial management.

The Board comprises the Chairman, seven Non-Executive Directors and five Executive Directors. The Chairman and Non-Executive Directors are appointed from the local community for the specific expertise they can bring to the running of an NHS Trust. The Executive Directors are full time employees of the Trust, responsible for the operational management of the Trust.

Trust Board Members

Chairman

Mr T M Williams (from 1st July 2005)

Non-Executive Directors

Mr R Alun Morgan
(to 31st March 2006;
acting Chairman to 30th June 2005)
Mrs Anne Starbuck (née Hughes)
Professor Clare Wilkinson
Mr John Leece Jones
Mr Harri Owen-Jones
Mr Michael Simkins
Dr Philip Davies

Executive Directors

Chief Executive

Ms Hilary Pepler

Deputy Chief Executive and Director of Operations

Mr Mark Common

Medical Director

Dr Peter Rutherford

Executive Nurse

Mrs Valerie Doyle

Director of Finance

Mr Wayne Harris

Mr Richard Tompkins, Director of Personnel, Mr Neil Bradshaw, Director of Planning, and Mr Dave Griffiths and Miss Kath Glendenning (staff representatives) also attend Board meetings in a non-voting capacity.



HRH The Duke of York visited Wrexham Maelor Hospital for the formal opening of the Shooting Star Unit

Operational Services

The Trust's clinical services are managed through a structure of five Clinical Directorates, each led by senior members of clinical staff and a Directorate General Manager. These are detailed below.

These Clinical Directorates are supported by the corporate functions of Personnel, Finance, Estates & Facilities, Clinical Governance, Planning, Modernisation, Operations and Information Management and Technology.

Services for patients with cancer are managed through a separate senior management structure which ensures that the relevant medical, surgical and diagnostic services provided by the directorates are coordinated to meet the needs of this group of patients. The Cancer Management Team is also responsible for the management of the Shooting Star Unit.

Medicine

- General Medicine
- Care of the Elderly
- Rheumatology
- Dermatology
- Cardiology & ECG
- Clinical Haematology
- Nephrology and Renal Dialysis
- Palliative Care
- Physiotherapy
- Occupational Therapy
- Dietetics, Podiatry
- EEG
- Community Hospitals
- Rehabilitation Units
- Rapid Response Service
- Artificial Limb and Appliance Service

Mental Health

- Adult Psychiatry
- EMI Services
- Community Mental Health Teams
- Psychology
- Drug and Alcohol Services
- Adult Learning Disability Service

Surgery, Anaesthesia, Theatres, Critical Care and HSDU

- General Surgery
- Vascular Surgery
- Orthopaedics
- Urology
- Oral & Facial Surgery
- ENT
- Ophthalmology and Orthoptics
- Dental Specialities
- A&E
- Anaesthesia
- Pain Relief
- Theatres
- Day Case Unit
- Critical Care
- HSDU

Child, Family and Community

- Gynaecology
- Maternity Services
- Special Care Baby Unit
- Acute Paediatrics
- Speech and Language Therapy
- Child Health

- Child Development
- Paediatric Learning Disability Service
- Community Nursing Services
- Health Visiting
- School Nurses
- Child & Adolescent Mental Health
- Genetics
- Genito-Urinary Medicine

Clinical Support and Diagnostic Services

- Pharmacy
- Audiology

PATHOLOGY DIVISION:

- Haematology
- Biochemistry
- Microbiology
- Phlebotomy
- Histopathology
- Cytology
- Mortuary

IMAGING DIVISION

- X-Ray
- CT Scanning
- Radio-Nuclei Imaging
- MRI
- Ultrasound

Operating and Financial Review

The Trust's core objective is the provision of safe and effective care and treatment for the members of the local community who have need to call upon these services. To achieve this the Trust must concentrate on managing its day-to-day operations whilst also undertaking the planning and development necessary to ensure that longer term service improvements can be introduced and sustained.



The 'Green Bag Scheme' to remind patients to bring their regular medication when coming to hospital won an Association of the British Pharmaceutical Industry Pharmacy Award

The key business issues for the Trust are set out each year in the annual Service and Financial Framework (SaFF) agreement on service priorities that is drawn up between the organisations of the local health community in North East Wales (the Trust and its lead Local Health Board commissioners, Wrexham and Flintshire LHB).

The SaFF draws upon both national targets and objectives set each year for health service bodies by the Welsh Assembly Government and the local priorities determined by the LHBs to meet the health needs of the communities of North East Wales and beyond. The strategy for meeting these needs is contained within the Health, Social Care and Well-being Strategies for Wrexham and Flintshire, which were developed in partnership by the Trust and the respective LHBs and Local Authorities.

The SaFF sets out the actions proposed by the health community to achieve these targets and to continue to progress the development of services in accordance with the local and national strategies.

Key targets

For 2005/06, the key service targets for the Trust were:

- All patients to receive inpatient / daycase treatment within twelve months of the decision to treat, except for patients requiring treatment for cataracts where the maximum wait will be no more than 4 months;
- All patients to be seen for outpatient treatment within 12 months of referral;
- 95% of all patients to spend less than 4 hours in A&E from arrival until admission, transfer or discharge;
- Achieve a 15% reduction in delayed transfers of care.

The Trust achieved each of these targets. In addition a number of indicators of efficiency such as average lengths of hospital stays, the ratio of new to follow-up outpatient appointments, the proportion of surgery conducted on a day-case basis, and utilisation of operating theatre time are also included within the SaFF agreement.

There are also three key financial targets which all NHS Trusts are required to achieve each year:

- To break even each and every year, balancing income and expenditure;
- To remain within the Trust's External Finance Limit;
- Pay 95% of non-NHS creditors within 30 days of the receipt of the goods or a valid invoice.

In 2005/06 the Trust did not meet the first of these targets and reported a deficit of £3.6million at the end of the year. The other two targets were achieved.

Waiting time performance

During 2005 the Welsh Assembly Government published its Designed for Life strategy for the NHS in Wales. This included a commitment to reduce waiting times, from referral through to the start of treatment, to a maximum total wait of 26 weeks by December 2009.

The first stage of this process was to achieve a maximum wait of twelve months for inpatients, day cases and outpatients in all specialities by the end of 2005/06. Whilst achieving this, the Trust also carried out a detailed modelling exercise to calculate the additional capacity needed in 2006/07 to achieve the next interim target of a maximum eight month wait by the end of the year.

This additional capacity will be created in part through additional investment supported by the Welsh Assembly Government and in part through local increases in efficiency that will be achieved through the Trust's on-going programme of modernisation and service review. An additional allocation of £8.4 million has been granted to the Trust in 2006/07, including £2.2 million as part of the North Wales Orthopaedic Plan.

The Trust, working together with Wrexham and Flintshire Local Health Boards, has developed a Local Delivery Plan (LDP). This sets out how this additional funding will be invested to achieve the continued reduction in waiting times by enabling a range of measures to improve efficiency and increase capacity. These include

- Managing demand
- Ensuring patients are treated in the most appropriate setting
- Effective management of waiting lists
- Increasing day surgery rates
- Reducing the length of time patients are kept in hospital
- Increasing productivity through more effective working methods
- Reducing the number of patients who fail to attend their appointment

Activity and Efficiency

During the year the Trust saw significant increases in its workload compared to the preceding year. The number of emergency admissions to Wrexham Maelor Hospital rose by 2.7% to 24,812, while the number of planned procedures (inpatient, day case and outpatient procedures) performed increased by 14.3% to 35,508. The Trust carried out 192,524 outpatient consultations (up 3.6%)

This increased activity ensured that the Trust met the target that no patient should wait for more than twelve months for inpatient, day case or outpatient care. However it should be noted that the twelve months is a maximum figure, in fact 61% of patients waiting for inpatient or day case treatment were seen within three months and 79% were seen within six months. Within outpatients, 69% had their appointment within three months and 83% within six months.

The number of operations cancelled by the Trust for non-clinical reasons on the day, or the day before, surgery was due to take place was 92, out of 18705 planned operations (0.49%).

There were 1,479 admissions to community hospitals (8.9% increase), 854 admissions to the rehabilitation hospitals (2.4% increase) and 576 patients were admitted to our mental health facilities (an increase of 4.0%).

In the community, there were 305,189 patient contacts (up 6.6%) in health centres, clinics and patients' own homes.

Demand for the services of the Accident and Emergency Department at Wrexham Maelor Hospital rose by 2.8% to 65,114 attendances and 17,781 patients received treatment in the community hospital minor injuries units. This is a reduction of around 5,000 patients on the previous year; in part this reflects changes in the way these services operate following the withdrawal of GP cover.

Across the whole year over 95% of casualties attending the Trust's A&E Department were assessed, treated and either admitted to hospital, transferred to another hospital or discharged within four hours of their arrival.

During the year the number of delayed transfers of care was reduced from 77 to 46, well ahead of the target 15% reduction.

Capital Investment

In 2005/06 the Welsh Assembly Government approved the Trust's business case for the replacement of the Pharmacy at Wrexham Maelor Hospital. This £9.4 million project will enable the Trust to implement the Assembly's Medicines Management agenda through automation of the Pharmacy stores processes which will release Pharmacy staff to have more direct involvement with patient care on the wards. Design work for this project was completed during 2005/06 and construction commenced early in 2006/07.

Other significant areas of capital investment during 2005/06 included a new 56 place day nursery alongside Wrexham Maelor Hospital for the children of Trust staff, the completion of the training and facilities at the Wrexham Medical Institute which were started in 2004-05 as part of the North Wales Clinical School, £550,000 for the replacement of two X-ray rooms at the Wrexham Maelor and Deeside Community Hospitals with digital imaging equipment and a major £370,000 investment in theatre scopes.

It is expected that in 2006/07 the Trust will receive Welsh Assembly Government approval for the construction of a new Community Hospital for Holywell, enabling the replacement of the existing, elderly Holywell Cottage Hospital and Llesty Hospital with a purpose designed unit that will also provide accommodation for primary health care and social care services.

Financial Performance

The agreed SaFF for 2005/06 included recognition of the challenging national financial allocation which meant there was very limited opportunity for investment and development of new services during the year. The budget setting review identified an initial financial gap of £3.134 million for the Trust and therefore the need for saving schemes to be implemented if the Trust was to achieve financial balance.

The year also saw the continuation of the pay modernisation process. In particular the revised consultants contract was implemented in full and significant progress was made with transferring Trust staff onto the new national Agenda for Change terms and conditions of employment and payscales. The full financial consequences of these initiatives was uncertain at the start of the year and this fact was recognised when the SaFF was first agreed. This situation left the organisation with an unquantifiable financial risk.

As the financial year progressed it became clear that the full costs of pay modernisation, coupled with rapidly rising utility (especially energy) prices and the increased costs of existing services, would mean that the Trust would not be able to achieve a break even position.

The Trust ended the year with a £3.6 million deficit as reported in its Annual Accounts. This is an extremely disappointing position but reflects the need for change and modernisation within the local health service so that in future years the organisations that comprise the North East Wales health community can manage within the resource allocation set by Welsh Assembly Government.

The other key financial performance targets were:

External Financing Limit: The Trust was required to remain within the External Financing Limit (EFL) which was set by the Welsh Assembly Government at £1.457 million. The EFL is a measure of the Trust's ability to manage its working capital and cash resources and the Trust met this target.

Creditor Payment Target: The Trust is required to pay 95% of its non-NHS invoices within 30 days of receipt of the goods or a valid invoice. During 2005/06 the Trust was able to pay 96% of invoices within this timescale. Details on this are included with the summary financial statements at the end of this report.

The Trust's year end position in 2005/06 was supported by additional, non-recurring, income of £2.6 million from Wrexham and Flintshire LHBs. This additional support was made possible as a result of savings on prescribing costs. The Trust therefore opened 2006/07 with an overall recurrent deficit of £6.2 million.

As a result of this financial position the North East Wales NHS Trust, along with its health community partners has been assessed by the Welsh Assembly Government as being in a state of formal financial recovery. Consequently the Trust and LHBs have been required to develop a plan, known as the Strategic Change and Efficiency Plan (SCEP), that sets out how the three health community organisations will return to financial balance.

Initial forecasts within the SaFF for 2006/07 indicated a potential £9.2 million deficit across the health community. Saving plans have been identified that will reduce this deficit to £2.5 million by the end of 2006/07 and bring the economy into balance by the end of 2007-08. During 2006/07 the members of the health community will be seeking approval of this plan from the Welsh Assembly Government and will continue to seek further opportunities to achieve savings.

Accounting Policies

The Trust has complied with the accounting policies as directed by the National Assembly for Wales. These are reproduced in full in the Trust's Annual Accounts.

In 2004-05, as directed by the Welsh Assembly Government, the Accounts departed from the requirements of FRS 12 (an accountancy regulation regarding the reporting of financial provision made for future events) in relation to Agenda for Change cost provision. In 2005-06 the Trust now fully complies with FRS 12 and this represents a change in accounting policy.



The digital PACS imaging system has been extended across the Maelor Hospital and is now being linked to our Community Hospitals

Capital Structure

The Trust is financed through taxpayer's equity held as:

Public Dividend Capital	£85 million
Revaluation Reserve	£35 million
Donated Asset Reserve	£ 3.9 million
Income & Expenditure Reserve	(£ 4.7 million)

Making The Connections

The North East Wales NHS Trust has enthusiastically embraced the Welsh Assembly Government's "Making the Connections" initiative, particularly in respect of the smarter procurement process stream and the North Wales pilot scheme for shared services, the North Wales Business Support Partnership (NWBSB).

During the year the Trust has taken a full and active role in the development of the NWBSB project and has hosted the project team, including the associated support costs, of the initiative.

The NWBSB Business Case was approved at the Trust Board meeting on 3rd May 2006. The Partnership will be operational from January 2007, starting with Procurement and Creditor Payments and developing during 2006/7 to include the Payroll, Human Resources and Treasury Management Finance Functions.

The Trust has also made significant progress with the development of its Business and Financial Management Systems. This has been carried out in collaboration with twelve other NHS Trusts in Wales as part of the Oracle Systems Consortium Board. The Trusts involved in this work have developed best practice across NHS Wales, particularly in relation to the procurement function, and have achieved substantial streamlining of their business systems.

The Consortium Board has expanded its membership in 2006/7 to include an additional NHS Trust and the North Wales Business Service Centre and further expansion is planned to include all NHS service providers by 2009.

The work undertaken on shared services during 2005/06 was designed to achieve savings worth:

Smarter procurement`	£400,000
Streamlining support functions	£420,000
Reshaping of services	£250,000
Better use of staff	£800,000

All of these savings released funds that were reinvested in the provision of front-line services.



Linda Griffiths (left), Health Care Support Worker at Mold Community Hospital, was the 10th winner of the Trust's Haydn Hughes Award which recognises members of staff who make an outstanding contribution to the care of patients

Corporate Social Responsibility

As a large public sector organisation, the Trust has a responsibility to consider the consequences of its activities on the local community and environment.

The Trust's Environmental Management Policy commits the Trust to minimising its impact on the environment by conforming to all environmental regulations, minimising energy and water use, minimising waste production, promotion of recycling and green transport policies and minimising the environmental impact of goods and services purchased by the Trust. During the year The Trust has secured Level 2 accreditation of the Green Dragon Environmental Management Standard and is seeking to achieve Level three accreditation by the end of 2006/07.

An Energy and Environment Manager has been appointed to lead on the Trust's work to minimise energy usage and further improve the Trust's environmental arrangements through developing and promoting recycling. The Trust is engaged in a programme to introduce light fittings with sensors that switch lights off when there is sufficient natural light or when there is no movement in the area.

A scheme has been set up to recycle printer cartridges which, as well as minimising waste, results in a payment to the Trust for each cartridge. Fluorescent tubes and electrical equipment is also recycled where possible, and during 2006/07 the Trust will be seeking to implement further recycling schemes for a range of waste including paper, cardboard, plastics and metals.

These measures are reducing the quantity of waste generated by the Trust. However the Trust must still dispose of a varied range of matter, including clinical, pharmaceutical, radioactive and other hazardous waste. During the year the Trust reviewed and amended its systems for handling and disposing of waste to ensure compliance with the new Hazardous Waste Regulations (2005), which took effect in July.

Each year the Trust spends over £35 million on the goods and services needed to maintain its patient care activity. While a large proportion of this is spent on specialist clinical equipment, medication and other technical supplies, where possible the Trust seeks to do business with local suppliers, both as a means of supporting the local economy and to minimise the environmental impact of long distance transportation.

The Trust has worked in collaboration with Welsh Health Supplies to develop contracts that include environmental specifications and has introduced food supply contracts that support Welsh suppliers of meat and milk and encourages its frozen and chilled food distributor to source Welsh-produced items. The Trust is also working with other public sector agencies on furniture contracts that will include the use of workshops that offer sheltered placements to provide repair and re-upholstering services. During the year the Trust also switched to using recycled copier paper.

Quality & Clinical Governance

The Chief Executive has overall accountability for the quality of care provided by the Trust. The Clinical Governance function provides central support and co-ordination on issues relating to the safety and quality of clinical services. The co-ordination and management of Clinical Governance arrangements is delegated through a shared leadership model with the Executive Nurse and Medical Director as the joint leads.

The Clinical Governance committee is chaired by a Non-Executive Director and has representation from each Clinical Directorate. It provides strategic direction to the Trust's clinical governance work through the implementation and monitoring of an annual plan. A clinical governance report is provided to the Trust Board each month.

The Committee's membership ensures that the quality strategy is closely aligned to the Trust's Operational Plan, Human Resources Strategy and Information Management and Technology Strategy and with the business planning and strategic development of partner organisations.

A number of sub-groups to the committee have been established to address specific areas of work, including Patient and Public Involvement, Complaints and Risk Management.

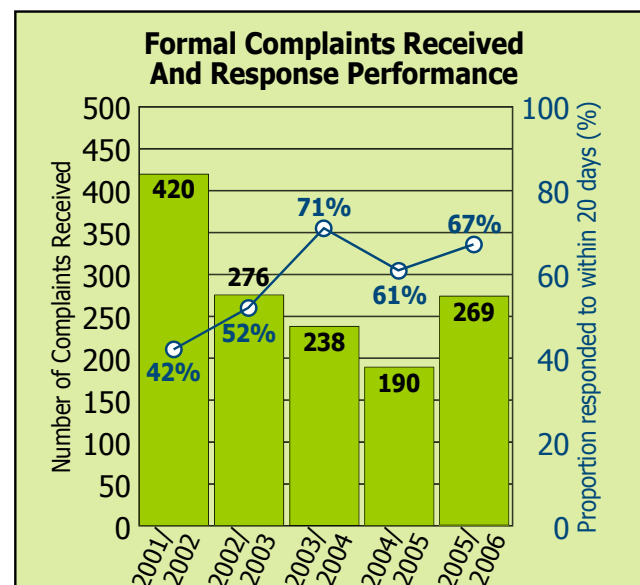
Within the Directorates Clinical Directors, Heads of Nursing and General Managers have explicit responsibility for ensuring that appropriate arrangements exist to oversee implementation, monitoring and communication of Clinical Governance activity.

Complaints

The Trust recognises the importance of listening to and learning from our service users. We receive complaints, concerns, comments and compliments from patients, their friends and relatives, and other representatives, including MPs and Assembly Members, the Community Health Councils (CHC) and other advocates.

Where complaints highlight areas for improvement, the complaints response process ensures that appropriate action is taken to ensure that our patients receive a quality service, and complainants are informed of these outcomes.

During 2005/2006 there were over 1.3 million contacts with patients, giving rise to 269 formal complaints, an increase of 79 complaints since the previous year. The number of formal compliments received during the same period was 2163, eight times the number of formal complaints.



The national standard is for Trusts to provide a response to a complaint within twenty days. However the growth of multi-disciplinary working, where a range of different health professionals contribute their individual expertise to each patient's care, is making clinical care, and thus the investigation of complaints, more complex. This makes it more difficult to meet this standard.

The Trust achieved 67% compliance against these targets during 2005/2006, a significant improvement on the 61% compliance during the preceding year. The average time taken to respond to a complaint was 14 days.

Just over two hundred of the complaints received were resolved at the initial stage. Where complainants were not satisfied with the response received from the Trust, they had the opportunity to ask for further local resolution, either through a meeting with key staff or in a further written response, before seeking an independent review of their complaint.

During 2005/2006 the Trust received thirty-six requests for an independent review, twelve more than in the previous year. Nineteen of these requests were referred back to the Trust for further resolution locally, and thirteen requests were refused. Two requests were progressed to an Independent Review Panel and at the end of the year decisions had still to be made on these.

During the year, we have introduced updated complaints literature for patients and relatives and have distributed this throughout the Trust, along with a guidance booklet for staff on how to handle concerns and complaints. We have also provided an extensive programme of complaints awareness training to all levels of Trust staff.

The introduction of feedback and suggestion boxes at three pilot sites in the Trust has given patients and visitors a way to submit compliments and concerns anonymously if required. All comments received have been followed up as appropriate by relevant departments.

All formal and informal complaints are recorded on a new database, which allows detailed analysis of trends and areas of concern. This has demonstrated that prompt intervention by the Trust's Patient Support Officer when concerns are raised informally means that only 10% of these issues progress to become formal complaints.

Through their clinical governance structures, directorates are responsible for ensuring that lessons learned from complaints are put into practice, their implementation is monitored and shared across the Trust where appropriate.

During the last year these improvements included:

- Introduction of a pain assessment tool to improve management of patients' pain relief;
- Staff undertaking daily leg measurements of patients who wear surgical stockings to monitor and document any swelling or adverse reactions;
- At their initial appointment, providing all expectant mothers with better information about and how to contact and access the Antenatal Department;
- Production of an information leaflet for patients with an MRSA infection, giving advice to the patient, their families and other carers on precautionary measures;
- Where an operation is postponed with less than five days notice, telephoning patients to inform them of the postponement in addition to sending a cancellation letter;
- Production of a post-gastrectomy dietary advice poster which is displayed on wards for staff information;
- Undertaking a review of patient/relative information, including improved directions to Deeside Community hospital;
- Reviewing of individual patient circumstances by Paediatric consultants when bookings are made, to ensure patients are offered appropriate time slots;
- When a patient dies, circulating a manual report to all databases within the hospital to ensure that follow-up appointments are not sent out inadvertently.

Health and Safety and Occupational Health

The Trust takes its health and safety responsibilities seriously, to protect the health and welfare of patients, visitors and staff. As well as ensuring compliance with all relevant legislation, the Trust undertakes programmes of risk assessment and monitoring to identify local opportunities for improvement.

During the last twelve months, key areas of work included:

- preparing for the implementation of the Regulatory Reform Act (Fire Safety) Order 2005, which is designed to improve fire prevention and protection in public premises
- new entry controls on the Maternity Wards
- better CCTV and security coverage of the Wrexham Maelor Hospital car parks
- improved radiation incident reporting system
- survey of community premises to identify the presence of asbestos

In addition the Trust continued to provide training for staff on a wide range of health and safety matters including manual handling and lifting, fire safety, security, hazard identification and risk assessment and handling violence and aggression.

The Occupational Health Department continues to advise staff of the Trust, as well as over 40 local companies and organisations, on matters relating to their health at work. During the year 13,656 staff were seen by the department.

The year has seen the appointment of two Occupational Health Specialist Nurse Practitioners to compliment the team and the recruitment of a further Occupational Physician for one session per week.

The department's protocols and procedures have been updated to reflect best evidence based practice. Sickness absence and health referrals are now triaged and seen by a Specialist Nurse Practitioner and waiting times have been reduced from five weeks to three days.

The Occupational Health website has been updated and extended to provide more information for staff on both work-related and other health matters.

The new criteria for Welsh Risk Management Standard thirteen now covers Occupational Health as well as Health and Safety. The Trust achieved a score of 95% for this standard.

Public Involvement and Consultation

The Trust is keen that those who use our services are able to influence how those services should be provided. Patients and members of the public are involved with our work at many levels, providing feedback on the care they have received, commenting on proposals for service change and through direct involvement in the Trust's management.

The Trust's Public and Patient Involvement Committee plays a central role in ensuring that the public's voice is heard. As well as individual members of the public, the committee also includes representation from local voluntary organisations, the Community Health Council and Local Health Boards.

Alongside this central committee, public members sit on and contribute to the work of many Trust Committees including the Clean Hospitals Group, the Communications Committee and the Internet Editorial Team, the Bereavement Group and the Control of Infection Committee, as well as working with Directorate Public and Patient Involvement groups.

Public members have also worked on the project for reconfiguring day case services and on the North Wales Secondary Care Review. Their presence helps the Trust to understand and consider the needs of members of the public and to recognise that the public viewpoint may often be very different to the perspective of those working within the service.

This engagement with our local communities means we can ensure that services are developed around the needs of patients and encourages greater understanding between the public and service providers.

The Medical Directorate have established a PPI sub-group to review the quality of information provided to patients and carers, ensuring the involvement of service users in the development of new leaflets and compliance with best practice guidelines regarding wording and design. This has included developing larger print publications for the Wrexham Rehabilitation Unit and Day Hospital and improved direction leaflets to community premises.

Patients have highlighted the difficulties faced by people who are deaf or hearing impaired when using buzzer/intercom systems to gain entry to Trust premises and we are working with patient representatives to develop solutions to this. A pioneering project to help staff easily identify patients whose first language is Welsh has also been set up in response to comments from patients and after a successful pilot will be extended across the Trust.

Actor Ricky Tomlinson helped the Trust to launch the 'Clean Your Hands' campaign as part of the continuing effort to reduce the number of healthcare associated infections

Research, Audit and Effectiveness

The Trust actively supports staff participation in projects to evaluate both existing and new services.

All proposed research activity is subjected to two formal review processes prior to approval; one is undertaken from an ethical perspective independent of the Trust, the second considers the proposal from a risk and scientific perspective. This review is undertaken by a combination of lay members, health and academic staff.

Staff are also required to audit existing services and, where new services are being developed, to build in arrangements for their on-going evaluation. These arrangements must be registered with the Clinical Audit / Research and Effectiveness Department prior to commencement.

Similarly all national documents such as National Service Frameworks should form part of the Trust's programme of audit and evaluation. Staff are supported to share and disseminate their findings with colleagues locally and nationally.



Internal Control and Risk Management

The Trust Board is accountable for internal control within the organisation. The Chief Executive is the Accountable Officer and is responsible for ensuring that the Trust maintains a sound system of internal control that supports the achievement of the Trust's policies, aims and objectives, whilst safeguarding public funds and the organisation's assets.

The Audit Committee is responsible for overseeing the organisation's risk management and controls assurance processes and compliance with legal and code of conduct requirements. It comprises Non-Executive Directors Michael Simkins, Alun Morgan, Anne Starbuck and Harri Owen-Jones, with the Director of Finance and representatives of the Trust's Internal Audit function and the External Auditors.

Risk management is a fundamental part of our organisational approach to quality, corporate and clinical governance. The system of internal control is based on an on-going process to identify risks, assess their probability of being realised and their potential impact and to then manage these risks in an efficient, effective and economic manner.

Executive responsibility for Risk Management is delegated to the Executive Nurse. A committee structure is in place to assist the Board in fulfilling its responsibilities and to ensure that risk management is an integral part of the business of the Trust. The Risk Management Committee is chaired by a Non-Executive Director and is charged with developing, implementing and monitoring the Risk Management Policy and Strategy which sets out the roles and responsibilities of all staff in relation to risk management and in particular the delegated responsibility for leadership from senior managers at operational levels.

The key elements of the risk and control framework are:

- Recognition and Identification of risk at all levels of the organisation which is communicated by means of an incident reporting system that is accessible to all staff
- Effective communication of the roles and responsibilities of staff in relation to risk, through the committee and management structure of the organisation.
- An established process of risk assessment that informs local risk registers.
- Identification and management of significant risks through the Corporate Risk Register.
- Reference to an organisational risk matrix that identifies the impact of the risks facing the organisation based upon; severity, likelihood and consequence of risk.
- An effective hierarchical reporting system that allows the risk management committee and Executive Board to review all identified risks and monitor the system of control required to manage the risks.
- The Risk Management Committee reports monthly to the Trust Board through the Clinical Governance Exception report.
- Annual risk management and health and safety reports to the Board
- Welsh Risk Pool (WRP) external assessment and self-assessment,
- Annual Internal audit review of the five key controls assurance standards: Risk Management Policy and Strategy, Risk Assessment and Treatment, Incident and Hazard Reporting, Governance and Financial Management.

Emergency Planning

The Corporate Risk Register is routinely updated and monitored to ensure it reflects all identified risks that could impact upon the business objectives of the Trust. The mechanism for monitoring of the Corporate Risk Register is bi-monthly review by the Risk Management Committee, quarterly review by the Executive Team and Annual review by the Trust Board.

The most significant risks facing the Trust at the end of 2005/06 were the possibility of not achieving the plans to address the Trust's financial overspend, the potential impact of issues arising from the differing health policies and structures in Wales and England and difficulties in recruitment for certain specialist staff groups.

The Trust exceeded the mandatory compliance score of 60% in all 26 Welsh Risk Pool standards that were externally assessed. The overall draft compliance score was 75%, which meets the minimum acceptable level set by the Welsh Risk Pool. Action plans to improve the Trust achievement in Welsh Risk Management Standards have been developed and are monitored closely through the Trust Clinical Governance arrangements.

Self Assessment scores have been submitted to the Risk Management Committee for those standards not assessed by the Welsh Risk Pool external audit. This identified areas of potential risk relating to Transport and Environmental Management.

The Chief Executive's Statement on Internal Control is included within the full annual accounts which are available on application to the Director of Finance as set out on page 28.

The Trust is required to have carefully written and tested plans to ensure that it is ready to respond to major incidents, which are defined as any act that adversely affects the Trust's ability to continue its business as normal. Such incidents would include both those that occur away from the Trust, such as serious road traffic accidents, and events that directly affect our facilities such as power failures or fire.

The Trust's Major Incident Plan is prepared by the Trust's Emergency Planning Group and is reviewed and updated annually. It is widely distributed across the Trust and is available on the Trust's intranet. The plan contains action cards which clearly set out the role of each member of staff who has a responsibility in responding to a major incident.

The plan is subjected to regular exercising and testing. Communication Exercises are carried out three times a year and the Trust runs a rigorous training programme for all relevant staff to ensure the Trust is prepared in the event of a Major Incident.

The Trust sits as a member of a number of regional and national planning groups, along with colleagues from other Trusts, the emergency services, local authorities and other public services and bodies that may be involved in responding to a large-scale incident. This ensures that there is co-ordinated planning and training for any incident that would affect the population that we serve

Human Resources

During the year the Trust made significant progress in implementing its Human Resource Strategy and the Personnel Department has provided key strategic and operational support to Trust projects including the Secondary Care Review, the Business Support Partnership and the Maternity Services Review, as well as supporting Directorates in developing plans to meet waiting time and financial targets.

The Department has also progressed with the implementation of the Electronic Staff Record system, testing new elements of the system including the Manager Self Service and Oracle Learning Management modules. The Trust is also working on the development of e-recruitment and has introduced a bilingual internet application form that allows candidates to apply for positions with the Trust on-line. Another use of new technology has been the development of a micro-website to highlight job opportunities within the Trust's therapy services to assist in attracting candidates to posts that have been difficult to fill.

The Trust has continued with the implementation of the national Agenda for Change pay modernisation agreement and the revised Consultant Contract. All Junior Doctor posts are now subject to monitoring twice a year to ensure they are compliant with the European Working Time Directive and to identify any further refinement in pay bandings.

Risk Management Standards

The Human Resources Standard of the Welsh NHS Risk Management Pool was assessed again this year by the assessors. The Trust maintained a compliance score of 78% and work will continue to further improve this during 2006/07.

Personnel Policies

The Trust operates its employment practices according to over forty policies that cover recruitment, equality of opportunity, standards of conduct and flexible employment practices. The Trust's Policy-sub group has both management and trade union representatives and met on a quarterly basis during the year to ensure policies comply with new legislation and recognised best practice.

A key policy development during the year was the combining of the existing Appointing Staff Policy and Arrangements for Filling Vacancies into a new recruitment policy that also incorporates guidance on pre-employment checks including the procedure for Criminal Records Bureau (CRB) checks. The Policy adheres to current employment and equality legislation. Other policies being developed during the year included:

- Capability Policy
- Domestic Violence Policy
- Annual Leave Policy
- Overtime Policy
- Job Share Policy
- Work Experience Policy
- Employing Agency Staff
- Protection of Pay and Conditions of Service
- Childcare Vouchers Direct
- Smoke Free Policy
- Joint Consultative Arrangements

In addition we reviewed the Sickness Absence and Parental Leave Policies.

Equal Opportunities

The Trust is committed to ensuring equality of treatment for all patients, service users and staff, in accordance with the NHS Wales Human Resource Strategy .

During 2005/06 much work was focused on incorporating equality issues within the mainstream of the Trust's activities by raising awareness and ensuring that equality matters are addressed in the Trust's strategic framework.

The Trust continues to report progress on the actions outlined within the Equality and Human Rights Action Plan to the Welsh Assembly Regional Office, using the balanced scorecard reporting mechanisms.

During the year the Trust reviewed how it could improve the overall experience it offers to service users who have a sensory impairment, publishing the results and recommendations in 'See Hear'. A working group has been established, led by the Public and Patient Involvement Manager, to consider how these recommendations can be taken forward. The document will also assist in the development of the Trust's Disability Equality Scheme.

The Trust opened its first Muslim prayer room in October 2005. The room is regularly used by Muslim staff and has been welcomed by both staff and service users alike.

Local interpretation arrangements have been reviewed and a new interpretation policy has been written. The Trust's database of foreign language speakers has been up-dated and renewed, giving staff rapid access, via the Trust's intranet web site, to details of colleagues able to provide interpretation services in many languages. The site also now provides details on how to access a 24 hour interpretation service and allows booking of a British Sign Language (BSL) interpreter.

Disability Discrimination Act

During 2005/06, the Trust began working in partnership with Wrexham and Flintshire Local Health Boards and the Local Authorities of Wrexham and Flintshire to develop individual Disability Equality Schemes before the 4th December 2006 deadline set by the Act. The Scheme will set out how the Trust will fulfil its legal duties and ensure active engagement with disabled people, including members of the public, service users and Trust employees.

The Trust continues to use the Two Ticks Symbol, 'Positive about Disabled People', on all job advertisements and offers an Interview Guarantee Scheme for candidates with disabilities who meet essential job criteria.

Race Relations (Amendment) Act 2000

The Trust's second Race Equality Scheme was formally approved in June 2005. The Trust worked closely with Wrexham and Flintshire Local Health Boards (LHBs) to develop the Scheme and in so doing consulted with a wide range of stakeholders, including public bodies and voluntary, community and trade union organisations.

Equality Impact Assessment continues to be a priority task for the Trust. This requires the Trust to scrutinise all of its activity to ensure there is no unlawful discrimination and to promote equality of opportunity and good relations between all groups of people.

An action plan has been developed that will result in an impact assessment being undertaken for all relevant policies, strategies and patient information to assess their potential to have an inadvertent adverse impact upon groups or individuals. Impact assessment is now included in the Trust's training on preparing policies and the Equality Impact Assessment Tool and Management of Policies Policy are available on the Trust's internal website. During 2005/06 twenty seven equality impact assessments were carried out; the results of these will also be published on the website.

The first stage of the Patient Equalities Monitoring Project has begun with the monitoring of the ethnic origin of patients in a community hospital and in the Maelor Hospital's admissions ward and outpatients department. Posters and leaflets have been developed to explain to staff and patients why this work is being carried out.

In accordance with the duty in the Trust's Race Equality Scheme to monitor employment figures, the following information has been collated:

Ethnic Origin of Staff in Post, compared to estimates of the Local Community (based on data from 2001 census)

Code	Ethnic Origin	Staff %	Wrex %	Flint %
A	White			
	British of which	94.60	97.39	97.69
	English	37.7)		
	Scottish	1.6)		
	Welsh	55.3)		
	Irish	0.90	0.49	0.60
	Other White	1.70	1.03	0.92
B	Mixed			
	White & Black Caribbean	0.00	0.10	0.09
	White & Black African	0.10	0.04	0.04
	White & Asian	0.20	0.13	0.11
	Other Mixed	0.10	0.08	0.11
C	Asian or Asian British			
	Indian	0.70	0.18	0.07
	Pakistani	0.00	0.10	0.03
	Bangladeshi	0.00	0.04	0.05
	Other Asian	0.50	0.03	0.03
D	Black or Black British			
	Caribbean	0.10	0.03	0.02
	African	0.20	0.07	0.03
	Other Black	0.00	0.01	0.01
E	Other			
	Chinese	0.10	0.13	0.13
	Other Ethnic Group	0.30	0.15	0.07
F	Did not state ethnic origin			
		0.50	0.00	0.00

Source:

Workforce figures are taken from ethnic monitoring data provided by staff during the Trust Staff Attitude Survey 2002

Staff Monitoring Information as per the Trust's Employment Monitoring Duty

Code	Ethnic Origin	Applicants for Jobs	Grievances Raised	Disciplinary action	Dismissals	Training	Performance Appraisals
A	White	1246	9	8	4	Figures not available: please see footnote	Figures not available: please see footnote
B	Mixed	2	0	0	0		
C	Asian or Asian British	3	0	0	0		
D	Black or Black British	30	0	0	1		
E	Other	78	0	0	0		
F	Did not state ethnic origin	2118	0	0	0		
	Total	3477	9	8	5		

Footnote:

Although the implementation of the Electronic Staff Record System in 2004 has enabled the Trust to collect staff monitoring information more accurately and effectively, current information is yet to be recorded for Training and Performance Appraisals. The Trust is currently working closely with the ESR Central Team developing the ESR reporting solution, which will enable the Trust to identify promotional increases across all equality strands. This is an area of high priority for the Trust and is currently being addressed.

Equality information is now being recorded electronically on the Electronic Staff Record system as part of our recruitment process. This has helped the Trust to produce accurate and up-to-date reports for equality monitoring purposes.

Family Friendly Initiatives

At the start of the year the Trust introduced the option for staff to receive childcare vouchers as part of a Trust salary sacrifice scheme. This enables staff to pay for childcare before Tax and National Insurance contributions are deducted from their salary.

The Trust's new 58-place nursery opened in January 2006 adjacent to the Maelor Hospital site. For the first two years this will continue to be run by Peter Pan Enterprises who have provided this service to the Trust since 1990.

Staff Involvement and Communication

The Trust remains committed to the principle that staff and their representatives should be properly involved with, and have the opportunity to influence and contribute to, decisions that affect their work.

After reviewing the joint consultative arrangements in the Trust, two levels of consultative meetings have been established, the Strategic Consultative Forum and the Operational Joint Consultative Committee (OJCC). These provide a regular forum where Management and Staff Side representatives can discuss key issues that affect Trust employees.

There are also a number of other ways in which the Trust communicates with its staff.

The most important of these are the monthly team briefings, carried out locally within wards and departments by line managers. At these briefing meetings core information from the Trust Board and news of trust-wide relevance is shared with all staff, along with local news items which relate specifically to the directorate, department or ward.

During the year the format of these briefings was reviewed, with a more comprehensive newsletter now accompanying the formal Chief Executive's Briefing. This change has been well received by staff.

A number of departments also publish local staff bulletins and the Trust's intranet and internet sites provide further sources of information that many staff can access from their own or departmental computer workstations.

'Talk Shops', which are an innovation designed to improve communication within the organisation, continued in 2005/06. Each month between thirty and forty members of staff are randomly selected from all disciplines and locations across the Trust and invited to attend a session, led by the Chief Executive and Director of Personnel, where they can set the agenda for discussion. These gatherings have been well received and have encouraged some lively debates.

A Staff Survey questionnaire was distributed to all staff during September 2005. A 34% return rate was achieved. The aim of the questionnaire was to seek staff views regarding working conditions and their perceptions as to how they view the NHS as an employer. Overall, the results are positive and show an improvement on the scores from the previous survey carried out in 2002.

Training and Development

The Trust remains committed to developing the skills, knowledge and competence of our staff as a means of improving the quality of care provided for our patients. The introduction of the Knowledge and Skills Framework (KSF) as part of Agenda for Change will support this by providing a formal structure for personal development linked to each employee's role.

The Trust's Learning and Development Programme has been updated to cross reference to the Knowledge and Skills Framework to help staff and managers to identify appropriate development opportunities. The Personal Development and Review Policy has also been updated to take account of the KSF and training being provided for managers who will be drawing up job outlines and undertaking reviews.

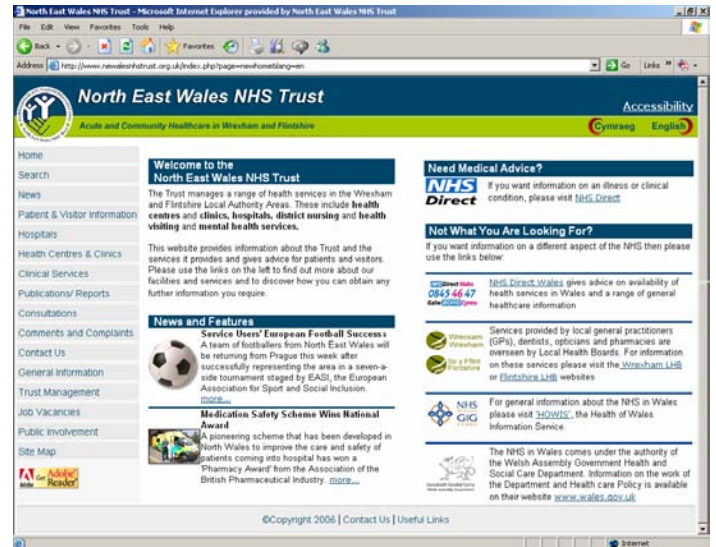
As well as training provided by the Trust, nearly 500 part time courses have been taken by staff through the Employee Development Scheme run in conjunction with Yale and Deeside Colleges. New training initiatives have included working with the North East Wales Institute to develop a Masters level qualification in Public Sector Management and the introduction of a new 'Coaching for Performance' programme which will help managers to use coaching skills in their day-to-day management activities, supporting the further development of their staff during their regular duties.

The IT training department continues to provide a comprehensive programme of courses covering both clinical and administrative IT systems. There is on-going support for staff who wish to undertake the European Computer Driving Licence (ECDL) qualification, with a range of course options and around 200 staff have now completed all seven modules.

Welsh Language

In 2004 a review by the Welsh Language Board highlighted a number of areas where the Trust could improve its provision for Welsh speakers. The Trust has made significant progress since then, culminating in being awarded the overall Achievement Award in the Welsh Assembly-sponsored Welsh Language in Health Care Awards. The Trust also received awards for its fully-bilingual website and the Welsh language provision and enquiry phone line on the reception desk in the Main Entrance to Wrexham Maelor Hospital.

During the year 650 members of staff received Welsh language awareness training and 75 attended the Trust's basic Welsh classes. Informal Welsh chat sessions have been arranged with local Welsh Language Initiative Group, Menter Iaith Maelor to give staff a chance to practice their Welsh and regain confidence in conversing in the language.



The Trust internet site was completely rewritten during the year and won top prize in the Assembly Government's Welsh Language in Healthcare Awards

The Trust has now appointed its first directly-employed Welsh language translator, providing an on-site service dedicated to the Trust's needs. The database of Welsh and foreign language speakers has been improved and a range of Welsh language material (games, books, DVDs and videos) has been provided on the Children's Ward.

The Trust has also launched a project to improve the identification of patients who are Welsh speakers; this was initially launched within the Medical Directorate and will be extended to other parts of the organisation.

Remuneration Report

Appointments

The appointment of the Chairman and Non-Executive Directors is made by the Minister for Health and Social Services for Wales. These are fixed term appointments of three to five years which may be renewed once before each position has to be re-appointed. The authority to terminate the appointments of the Chairman or a Non-Executive Director lies with the Minister.

The Chief Executive was appointed through a comprehensive recruitment and selection process and following interview with a panel comprising the Chairman of the Trust, two Non-Executive Directors, the Director for NHS Wales and an external assessor. The appointment process for other Director level positions would mirror the above process, but with the Trust's Chief Executive taking the place of the Director for NHS Wales.

The Chief Executive and all Executive Directors (with the exception of the Medical Director who is employed on national terms and conditions for Medical and Dental staff) have appointments with the Trust which are without a fixed term and six months notice may be given by either party to terminate the contract.

Remuneration

The Remuneration for the Chairman and Non-Executive Directors is set by the Welsh Assembly Government.

Remuneration for Executive Directors and other senior managers of the Trust, along with other aspects of their terms and conditions of service, is determined by the Remuneration Committee. This comprises the Chairman and Non-Executive Directors Alun Morgan, John Leece Jones, Harri Owen-Jones and Philip Davies, with Chief Executive Hilary Pepler and Director of Personnel Richard Tompkins in attendance.

Details of remuneration paid to Senior Managers and pension benefits are given in the table overleaf. The benefits in kind noted in the table relate to the provision of lease cars. The Trust does not pay any performance-related bonuses to any Senior Managers.

Past and present employees are covered by the provisions of the NHS Pension Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State. As a consequence it is not possible for the trust to identify its share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period. The total employer contribution payable in 2005-06 was £13,652,926 (£12,630,223 for 2004-05).

Further details on the pension scheme are available in the full annual accounts which are available on application to the Director of Finance as set out on page 28

The Trust has complied with guidance from the Welsh Assembly Government on pay rises for Senior Managers (contained in the letter of 10th May 2005 'Pay for NHS Trust and LHB Senior Managers 2005-2006' from Ann Lloyd, Director of NHS Wales) which have not exceeded 3.225% of the senior managerial pay bill.

Register of Interests

Under the Code of Conduct and Accountability, all Board members, along with other senior officers of the Trust, are required to declare any interests they have that could affect their impartiality with regard to their work with the Trust. A register of these is held by the Secretary to the Trust Board and is available for public inspection. A summary of these interests is shown overleaf.

Management Costs

Management costs (£000):	2005/06	2004/05
Income (£000):	7,687	7,672
Management costs as percentage of total income:	194,148	183,005
	4.0%	4.2%

This cost information is collected using the definition for Trust management costs from WHC(2000)113.

Senior Managers' Remuneration 2005/06

Name and title	2005-06			2004-05		
	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in kind (Rounded to nearest £00)	Salary (bands of £5,000)	Other Remuneration (bands of £5,000)	Benefits in kind (Rounded to nearest £00)
	£000s	£000s	£000s	£000s	£000s	£000s
Mr E F L FitzHugh <i>Chairman</i> (to 31/01/2005)	0	0	0.0	25 - 30	0	0.0
Mr R A Morgan <i>Chairman</i> (01/02/2005 to 30/06/2005)	5 - 10	0	0.0	5 - 10	0	0.0
Mr Michael Williams <i>Chairman</i> (from 01/07/2005)	25 - 30	0	0.0	0	0	0.0
Mr R A Morgan <i>Non-Exec. Director</i> (from 01/07/2005)	5 - 10	0	0.0	5 - 10	0	0.0
Ms A Starbuck (née Hughes) <i>Non-Executive Director</i>	5 - 10	0	0.0	5 - 10	0	0.0
Prof C Wilkinson <i>Non-Executive Director</i>	5 - 10	0	0.0	5 - 10	0	0.0
Mr H Owen-Jones <i>Non-Executive Director</i>	5 - 10	0	0.0	5 - 10	0	0.0
Mr J Leece-Jones <i>Non-Executive Director</i>	5 - 10	0	0.0	5 - 10	0	0.0
Dr P Davies <i>Non-Executive Director</i>	5 - 10	0	0.0	5 - 10	0	0.0
Mr M Simkins <i>Non-Executive Director</i>	5 - 10	0	0.0	5 - 10	0	0.0
Ms H Pepler <i>Chief Executive</i>	115 - 120	0	6.1	110 - 115	0	6.1
Mr M Common <i>Deputy Chief Executive</i>	85 - 90*	0	10.7	85 - 90	0	7.7
Mr W Harris <i>Director of Finance</i>	85 - 90	0	5.4	85 - 90	0	4.8
Mrs V Doyle <i>Executive Nurse</i>	75 - 80	0	5.8	70 - 75	0	4.8
Dr P Rutherford <i>Medical Director</i>	25 - 30	100 - 105	7.8	30 - 35	95 - 100	2.9
Mr R Tompkins <i>Director of Personnel</i>	70 - 75	0	5.8	70 - 75	0	5.5
Mr N Bradshaw <i>Director of Planning</i>	65 - 70	0	5.2	65 - 70	0	3.3

Mr E F L FitzHugh retired as Chairman on the 31st January 2005. Mr R A Morgan was appointed as Acting Chairman for the period 1st February 2005 to the 30th June 2005. Mr M Williams started as Chairman on 1st July 2005.

The benefit in kind noted above is the taxable benefit to the employee for the use of a lease car. It is calculated as a percentage of the list price of the vehicle, the percentage varying according to the CO₂ emissions of the vehicle. The actual cost to the Trust for each lease car is a fixed allowance and is of similar value for all directors; any additional cost is met by the individual director.

Senior Managers' Pension Benefits 2005/06

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Lump sum at aged 60 related to real increase in pension (bands of £2,500) £000	Total accrued pension at age 60 at 31 Mar 2006 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 Mar 2006 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 Mar 2006 £000	Cash Equivalent Transfer Value at 31 Mar 2005 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Ms H Pepler <i>Chief Executive</i>	CONSENT TO DISCLOSURE WITHHELD							
Mr M Common <i>Deputy Chief Executive</i>	CONSENT TO DISCLOSURE WITHHELD							
Mr W Harris <i>Director of Finance</i>	CONSENT TO DISCLOSURE WITHHELD							
Mrs V Doyle <i>Executive Nurse</i>	CONSENT TO DISCLOSURE WITHHELD							
Dr P Rutherford <i>Medical Director</i>	CONSENT TO DISCLOSURE WITHHELD							
Mr R Tompkins <i>Director of Personnel</i>	CONSENT TO DISCLOSURE WITHHELD							
Mr N Bradshaw <i>Director of Planning</i>	CONSENT TO DISCLOSURE WITHHELD							

Senior Managers' Declared Interests**Mr R Alun Morgan**

Trustee of the Clwyd Special Riding Centre, Llanfynydd
Trustee of the Shooting Star Appeal

Mr John Leece Jones

Council Member, and Deputy Chair of Preliminary Proceedings and Investigating Committees, UK Nursing and Midwifery Council
Councillor, Gresford Community Council
Chairman and Chair of Trustee Board, Wrexham and District Citizens' Advice Bureau
Member of Court, University of Wales College of Medicine
Chair of Governors, Rofft School, Marford
Chair of Estates Committee, Governors of Yale College, Wrexham
Chair of Finance Committee, Governors of Ysgol Tan y Fron, Southsea

Mr Harri Owen-Jones

Director of Development & Outreach Services, Multiple Sclerosis Support Centre Ltd
Member, Flintshire Well-Being Network (Executive Group)
Non-Executive Director, Deeside College Corporation
Trustee & Director, Age Concern North East Wales
Trustee & Director, Flintshire Local Voluntary Council

Prof Clare Wilkinson

Clinical Professor of General Practice, University of Wales College of Medicine
Sessional work for Beechley Medical Centre, Wrexham

Dr Philip Davies

Magistrates' Trainer, HM Court Service
Justice of the Peace, Wrexham PSD
Chair of Governors, Ysgol Morgan Llwyd, Wrexham
Chairman, Wrexham Central Hall Trust
Circuit Steward, Maelor Methodist Churches

Mr Michael Simkins

Non-Executive Director, Careers Wales North East

Ms Hilary Pepler

Governor, North East Wales Institute

Dr Peter Rutherford

Senior Lecturer, University of Wales College of Medicine

Mr Wayne Harris

Trustee of the Shooting Star Appeal

Mr Richard Tompkins

Chairman, Offermore Ltd

Summary Financial Statements

The North East Wales NHS Trust under section 98(2) of the National Health Service Act (1977) as amended by schedule 2 of the National Health Service and Community Care Act (1990) have prepared the following Summary Financial Statements for the year ending 31st March 2005. They are a summary of the financial information contained in the Trust's annual accounts in the form that the Secretary of State has, with the approval of the Treasury, directed. A full set of accounts is available on request, by writing to the Director of Finance at Finance Department, Trust Headquarters, Wrexham Maelor Hospital, PO Box 860, Wrexham, LL13 7JL.

BALANCE SHEET AS AT 31 MARCH 2006

	£000	£000	31 March 2005 £000
Fixed assets			
Intangible assets	0		12
Tangible assets	127,182		130,414
		-----	-----
		127,182	130,426
Current assets			
Stocks and work-in-progress	2,819		2,646
Debtors	8,447		13,552
Investments	0		0
Cash at bank and in hand	40		40
		-----	-----
		11,306	16,238
Creditors: amounts falling due within one year		(12,163)	(14,112)
		-----	-----
Net current assets / (liabilities)		(857)	2,126
		-----	-----
Total assets less current liabilities		126,325	132,552
Creditors: amounts falling due after more than one year		(399)	(446)
Provisions for liabilities and charges		(6,296)	(5,523)
		-----	-----
Total assets employed		119,630	126,583
		=====	=====
Financed by:			
Taxpayer's equity			
Public dividend capital		85,313	86,727
Revaluation reserve		35,087	37,353
Donated asset reserve		3,951	3,821
Government grant reserve		0	0
Other reserves		0	0
Income and expenditure reserve		(4,721)	(1,318)
		-----	-----
Total taxpayer's equity		119,630	126,583
		=====	=====

INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2006

	£000	2004/05 £000
Income from activities	180,093	170,547
Other operating income	14,055	12,458
	-----	-----
Total income	194,148	183,005
Operating expenses	(194,159)	(179,194)
	-----	-----
Operating surplus / (deficit)	(11)	3,811
Costs of fundamental reorganisation / restructuring	0	0
Profit / (loss) on disposal of fixed assets	232	(91)
	-----	-----
Surplus / (deficit) before interest	221	3,720
Interest receivable	425	401
Interest payable	(109)	(70)
Other finance costs	(37)	(38)
	-----	-----
Surplus / (deficit) for the financial year	500	4,013
Public Dividend Capital dividends payable	(4,131)	(4,012)
	-----	-----
Retained surplus / (deficit) for the year	(3,631)	1
	=====	=====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2006

	£000	2004/05 £000
Surplus / (deficit) for the financial year before dividend payments	500	4,013
Fixed asset impairment losses	0	0
Unrealised surplus / (deficit) on fixed assets revaluations / indexation	(1,967)	8,111
Increases in the donated asset & government grant reserves due to receipt of donated & government grant finance assets	444	360
Reduction in the donated asset and government grant reserves due to the depreciation, impairment & disposal of donated and & government grant financed assets	(385)	(247)
Additions / (reductions) in "other reserves"	0	0
Defined benefit scheme actuarial gains & losses	0	0
	-----	-----
Total recognised gains and losses for the financial year	1,408	12,237
Prior period adjustment	0	0
	-----	-----
Total gains and losses recognised in the financial year	1,408	12,237
	=====	=====

CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2006

	£000	£000	2004/05 £000
Operating activities			
Net cash inflow from operating activities		10,406	11,560
Returns on investments & servicing of finance			
Interest received	422		398
Interest paid	(24)		(23)
Interest element of finance leases	(85)		(47)
	-----		-----
Net cash inflow / (outflow) from returns on investments and servicing of finance		313	328
Capital expenditure			
Payments to acquire tangible fixed assets	(5,595)		(15,159)
Receipts from sale of tangible fixed assets	679		73
Payments to acquire receipts from sale of intangible assets	0		0
	-----		-----
Net cash inflow / (outflow) from capital expenditure		(4,916)	(15,086)
Public dividend capital dividends paid		(4,346)	(3,697)
Management of liquid resources			
Purchase of current asset investments	0		0
Sale of investments	0		0
	-----		-----
Net cash inflow / (outflow) from management of liquid resources		0	0
		-----	-----
Net cash inflow / (outflow) before financing		1,457	(6,895)
Financing			
Public dividend capital received	0		7,348
Public dividend capital repaid (not previously accrued)	(1,414)		(415)
Public dividend capital repaid (accrued in previous period)	0		0
Government loans received: short term	1,000		1,400
Government loans repaid: short term	(1,000)		1,400
Loan advances / brokerage received	0		0
Loan advances / brokerage repaid	0		0
Other capital receipts	0		0
Capital element of finance leases	(43)		(38)
	-----		-----
Net cash inflow / (outflow) from financing		1,457	6,895
		-----	-----
Increase / (decrease) in cash		0	0
		=====	=====

PUBLIC SECTOR PAYMENT POLICYPrompt payment code - measure of compliance

The Assembly requires that Trusts pay all their trade creditors in accordance with the CBI Better Payments Practice Code and Government Accounting rules. The code requires that businesses:

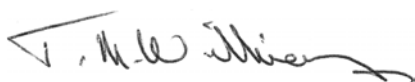
- agree payment terms at the outset of a deal and stick to them;
- explain their payment procedures to suppliers;
- pay bills in accordance with any contract agreed with the supplier or as required by law; and
- tell suppliers without delay when an invoice is contested, and settle disputes quickly.

As part of the Trust financial targets, the Assembly has set a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the sooner. The Trust's performance in relation to this target is noted below.

	Number	Value (£000)	2004-05 Value (£000)
NHS			
Total bills paid 2005-06	1,530	8,294	8,838
Total bills paid within target	1,444	8,160	8,791
Percentage of bills paid within target	94.4%	98.4%	99.5%
Non-NHS			
Total bills paid 2005-06	70,116	45,873	51,967
Total bills paid within target	67,396	44,810	50,871
Percentage of bills paid within target	96.1%	97.7%	97.9%
Total			
Total bills paid 2005-06	71,646	54,167	60,805
Total bills paid within target	68,840	52,970	59,662
Percentage of bills paid within target	96.1%	97.8%	98.1%

The Late Payment of Commercial Debts (Interest) Act 1998

	Value (£000)	2004-05 Value (£000)
Amounts included within Interest Payable arising from claims made under this legislation and compensation paid to cover debt recovery costs	0	0

Signed on behalf of the Board by

T M Williams, Chairman

H J Pepler, Chief Executive

W Harris, Director of Finance

Adopted by the Board on 28th June 2006

AUDITORS

The Trust's external auditors are the Wales Audit Office under the direction of the Auditor General for Wales. The audit fee for the statutory audit and services carried out in relation to the statutory audit is £204,000. Wales Audit Office have not provided any other services to the Trust during 2005/06.

SUMMARY FINANCIAL STATEMENTS

Report of the Auditor General for Wales to the Members of the National Assembly for Wales on the Summary Financial Statements

I have examined the abridged version of the annual accounts set out on pages 28 - 31.

Respective responsibilities of the Directors and Auditor

The Directors are responsible for preparing the Annual Report. My responsibility is to report my opinion on the consistency of the abridged version of the annual accounts with the statutory financial statements. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

I conducted my work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In my opinion the abridged version of the annual accounts is consistent with the statutory financial statements of the Trust for the year ended 31st March 2006 on which I have issued an unqualified opinion.

Jeremy Colman
Auditor General for Wales

3rd July 2006

Wales Audit Office
2-4 Park Grove
Cardiff
CF10 3PA

Further Information

If you require further information on the Trust, or if you require additional copies of this report, please contact Mr Andy Scotson, Secretary to the Board:

Address: North East Wales NHS Trust, PO Box 18, Wrexham LL13 7ZH
Telephone: 01978 725130
e-mail: andrew.scotson@new-tr.wales.nhs.uk