CONTENTS

Welcome from the Chairman and Chief Executive .................................................... 4
Strategic report ......................................................................................................... 6
Mental health and specialist services developments .......................................................... 12
Community services .................................................................................................... 14
Future trends and challenges ...................................................................................... 16
Annual Governance Statement .............................................................................. 21
Annual Accounts ....................................................................................................... 27
Remuneration report ................................................................................................. 28

This document is a condensed version of our Annual Report and our Annual Plan submission to Monitor, the regulator of Foundation Trusts. The full version of the Annual Report is available on our website at [www.penninecare.nhs.uk](http://www.penninecare.nhs.uk), and the full version of the Annual Plan is available on the Monitor website at [www.monitor-nhsft.gov.uk](http://www.monitor-nhsft.gov.uk). Should you require a hard copy of our Annual Report, please email communications@penninecare.nhs.uk or ring 0161 716 3152.
The year 2014/15 has seen considerable change, challenge and success for Pennine Care NHS Foundation Trust (Pennine Care) but also for the NHS nationally.

We officially launched a new organisational vision to set a new direction and this was widely communicated to staff, patients, members and partners.

Our vision is to deliver the best possible care to patients, people and families in our local communities by working effectively with partners to help people to live well.

We believe that in order to achieve this vision, we must adopt a whole person approach towards care, meaning we will look at a person’s health, lifestyle and wellbeing in combination.

This will allow us to drive service transformation at pace and scale and will help to improve the quality of care, whilst reducing duplication and having greater focus on prevention and recovery.

A further important development was the launch of the ‘Compassionate Care for Everyone’ strategy for our nursing and healthcare professionals. This sets out how we want to support, develop and enhance the care we provide to patients over the next five years.

Nationally, NHS England published the Five Year Forward View of the NHS, which sets out why change is needed, what that change might look like and how it can be achieved. It describes the various models of care that could be provided in the future, defining the actions required at local and national level to support delivery.

Also this year, Manchester became the first city-region to sign a memorandum of understanding (MOU) for ground breaking plans to devolve and bring together the city region’s £6bn health and social care budgets, which was signed on 20 March 2015.

Under GM Devolution NHS England, the 12 NHS Clinical Commissioning Groups (CCGs), 15 NHS providers and the 10 local authorities will agree a framework for health and social care – with plans for joint decision-making on integrated care to support physical, mental and social wellbeing.

We have continued to work closely with our Council of Governors this year and they have been involved in the Trust’s business more than ever before and we have changed the committee structures so they mirror the Trust’s main structures.

None of our services would continue to improve without the incredible hard work and dedication of our staff. This has been another year in which staff have continued to provide high quality care in very challenging times. We would like to personally thank them for this.

We are looking forward to the coming year and working together with our patients, staff and partners to continue to deliver the best possible services for our local communities.
The purpose of the strategic report is to provide an overview of the Trust’s business and accounts from 2014/15. This year has been significant in Pennine Care’s transformation, progression and growth.

The strategic report includes information on:
- A model for whole person care
- Principles of Care Awards
- Friends and Family Test
- CQC Intelligent Monitoring programme
- Mobile working and Paris
- Compassionate Care strategy
- My Health My Community
- Partnership working
- Mental health and specialist services
- Community services
- Future trends and challenges
- Financial performance and information
- Our staff
- Sustainability
- NHS Constitution

The strategic report has been approved by the Board of Directors.

Michael McCourt
Chief Executive
27 May 2015

Developing a model for whole person care

In 2014, Pennine Care commenced a complete overhaul of its Service Development Strategy (SDS), including launching a new vision and future direction.

Our vision is to deliver the best possible care to patients, people and families in our local communities by working effectively with partners to help people to live well.

In support of this vision, the Trust began to look at the concept of whole person care and 100 members of staff participated in an event called ‘Going Forward Together’ on 29 September, 2014. The purpose was to build a clear picture of what whole person care means in the context of financial challenge and gain a shared agreement on our next steps, so that we all understood our individual and each other’s contribution to moving forward. The outcomes of the staff engagement event fed into a 3-day strategy search event in October 2014 involving the Trust’s senior leaders and clinicians.

As a result of the engagement and work undertaken, the trust has now developed a new model for how it will deliver whole person care.

We believe that adopting a whole person care approach will allow us to drive service transformation at pace and at scale. It will help to improve the quality of care, whilst reducing duplication and having greater focus on prevention and recovery.

Importantly, it promotes parity of esteem for mental health, whilst focussing on the patient’s home or neighbourhood as the first point of care delivery wherever possible.

Pennine Care’s new model for delivering whole person care is below:
Over the last four years Pennine Care has made £32 million in savings, which is a testament to the commitment and hard work of our staff. We have previously said that the Trust’s five year efficiency target was around £45 million, but a more recent forecast now estimates this as being more like £47.5 million. This is around 3.5 per cent of our total budget for operating expenses, which is £262 million each year.

The cost improvement plans (CIPs) for the new financial year 2015/16 have now all been identified and are underway to achieve £7.8 million. These plans have been subject to a quality and risk assessment and scrutiny from our commissioners. However, the plans for how we will meet our savings targets for the years beyond 2015/16 have not yet been identified. We believe that our whole person care model, looking at population segments, will allow us to move forward with plans to redesign our services at scale, whilst maintaining quality, safety and effectiveness of our services.

Principles of Care Awards

Seven teams were recognised in the second annual Principles of Care Awards for demonstrating excellent quality care and keeping patients at the heart of everything they do. They were chosen by the judges as the winners for the exemplary care they provided to a baby, who was born with a life-limiting condition and required palliative care. Teams nominated themselves for the awards and the winners in each division were voted on by more than 2,000 staff.

The other winning teams were:

- Heywood, Middleton and Rochdale Neuro-Rehabilitation Team – for their emphasis on putting patients at the heart of everything they do.
- Oldham Children’s Community Nursing Team – for developing and implementing a sleep study monitoring service for extremely premature babies who are undergoing the oxygen weaning programme.
- Trafford Ear Care Service – for their commitment to providing service users with a choice of procedures for treating problematic ear wax.
- Ramsbottom Ward – an older people’s mental health unit in Bury – for new leadership which led to the team developing a culture of harmony and work satisfaction.
- Hope Unit – a young people’s mental health unit in Bury – for their commitment to delivering a high quality service, during recent challenging times of transition and unprecedented demand.
- PALS (Patient Advice and Liaison Service) co-trainer team – for successfully delivering around 200 ‘Quality Matters’ sessions to more than 2,000 staff. In addition, the team’s ‘Don’t Bottle It Up’ awareness training has recently been commissioned by the Greater Manchester Fire and Rescue Service for all its 1,500 frontline staff.

Friends and Family Test

From 1 January 2015, patients and service users started to be asked whether or not they would recommend Pennine Care’s community and mental health services to their family and friends. The national Friends and Family Test is a quick and simple way of collecting patient feedback to improve services.

As part of the test, patients are encouraged to answer one simple question: “how likely are you to recommend our service to friends and family if they needed similar care or treatment?” with potential answers ranging from ‘extremely likely’ to ‘extremely unlikely’. Responses can be submitted in a number of ways such as via a postcard, in the post, online and via kiosks.

The results provide Pennine Care with invaluable feedback, which will enable the Trust to make improvements to ensure patients have a positive experience.

In January to March 2015, the Trust received 5,177 responses to the Friends and Family Test, with an average 94 per cent saying they would recommend the Trust.

For more information about the Friends and Family Test visit: nhs.uk/friendsandfamily

CQC Intelligent Monitoring programme

This year the Care Quality Commission (CQC) launched a new Intelligent Monitoring system to help the regulator to decide when, where and what to inspect. For mental health, Intelligent Monitoring looks at 59 different types of evidence based on sources such as the NHS staff survey, bed occupancy rates, the national health outpatient survey and concerns raised by staff.

Every trust has been placed into a priority band from one (highest perceived concern) to four (lowest perceived concern). Pennine Care is the only NHS trust in Greater Manchester to achieve the lowest possible rating of four for mental health.

Move to mobile working and Paris

Pennine Care remains committed to implementing a new digital care record and mobile working for all patients across all services, in line with the national drive for the NHS to operate a seamless and paperless system in the modern day.

The Trust began implementing the Paris clinical information system nearly 12 months ago and now more than 1,200 staff across community and mental health services have moved onto the system.

Any major change programme like this is inevitably challenging, especially during times of significant
service pressures, reconfiguration and external tender processes.

It is planned that all services will be using Paris by June 2016, moving off existing systems that will no longer be in use nationally.

**Compassionate Care strategy**

‘Compassionate care for everyone’ is Pennine Care’s new strategy for nursing and healthcare professionals. The strategy was developed through a series of staff engagement activities and sets out how we want to support, develop and enhance the care we provide to patients over the next five years.

It was officially launched on 24 November, 2014 at a conference attended by nearly 300 staff and partners. The event provided an opportunity for nursing, healthcare professionals and support workers to come together, regardless of role or band, to celebrate the professions and plan for the future challenges together against our ambitions.

Almost 2,000 staff contributed to the development of the strategy through an 18-month engagement process involving forums, workshops, surveys and webinars to capture the ambitions for the future.

Staff identified five key ambitions that underpin the strategy:

1. Value everyone
2. Be the best
3. Support people
4. Champion independence
5. Lead the way

A video describing the strategy can be found on the Trust’s YouTube channel: youtube.com/penninecarehs

**My Health My Community**

Started in May 2014, My Health My Community (formerly Living Well Academy) aims to help people to reach their full potential by ensuring they have the confidence, skills and knowledge to improve and manage their health and wellbeing.

It is open to patients, carers and professionals who want to know more about long term conditions, mainly focusing on chronic obstructive pulmonary disease (COPD), cardiovascular disease, diabetes, dementia, stroke and end of life.

My Health My Community will have an overarching site that pulls together all of the associated tools, resources, modules and websites in one place, which will be launched in May 2015.

A range of people including patients, service users, carers and clinicians were also involved in designing a series of education modules on self-care, mental wellbeing, specific conditions and skills for carers.

**Children’s type 1 diabetes app and website**

Children’s diabetes nurses from Bury, Oldham and Heywood, Middleton and Rochdale worked with an agency to develop a website and app that will help children with type 1 diabetes to monitor their condition and support them to self-manage. The app is called Sugar3 and was officially launched in April 2015.

**Partnership working**

Pennine Care has continued to foster and establish multi-agency partners in each of the localities it serves, bringing health, social care and the voluntary sector together in each town.

- Following the re-procurement of Oldham community services, health and care providers have been working together over the last 12 months to plan and provide care in an integrated way. Partners include Pennine Care, Age UK, Voluntary Action Oldham and Oldham Care and Support.
• Pennine Care is part of the Stockport Together programme which sees health and care agencies working together to redesign services. The partnership has also been selected as one of NHS England’s vanguard sites to test new models of care.

• The Trust already has a section 75 agreement in place with Trafford Council for the joint provision of children’s health and social care services. The agencies are now working together to reach a similar agreement for the provision of services for adults.

• Health and care partners in Heywood, Middleton and Rochdale have joined together to form the HMR Care Collaborative, in a bid for the provision of integrated neighbourhood teams and intermediate tier services.

• Tameside’s health and care economy are looking at developing an integrated care organisation as part of the Care Together programme, of which Pennine Care is a partner.

• The Trust is currently exploring opportunities to establish a partnership network in Bury.

Mental health and specialist services developments

The Trust provides a range of mental health services to people of all ages for a range of conditions ranging from anxiety and depression, to schizophrenia or bipolar disorder.

Many of our services are delivered in the community, but we also have a number of mental health wards on hospital sites or secure units.

Saffron Ward

Following investment from Stockport Clinical Commissioning Group, the Saffron Ward located at The Meadows now provides care for older people who are experiencing delirium, which is an acute form of confusion that can be triggered by a physical health problem or stay in hospital.

Saffron Ward enables these patients to be discharged from the hospital setting and continue their care in an environment that is purpose built, by staff who are trained to deliver older people’s mental health care. This is conducive to a patient’s recovery and often a comfort to their family and carers.

Additional funding was allocated for dealing with winter pressures, which was used to expand the ward from 15 to 20 beds, allowing five extra patients to be discharged earlier from the local hospital, freeing up beds for other patients in the process.

Psychiatry liaison services

An independent evaluation of the psychiatry liaison services or RAID (Rapid Assessment Interface and Discharge) by the University of Chester found that people are six times less likely to be readmitted to hospital following intervention by the team.

RAID involves experienced mental health workers working on hospital sites to support people with mental health and/or alcohol problems. The practitioners assess people who may require mental health or alcohol support and ensure they receive this support quickly to reduce the risk of problems escalating.

There are three strands to RAID:

• Accident and Emergency (A&E) Liaison – for people who attend A&E in relation to mental health issues and as a result of self-harm.

• Alcohol Liaison – or people who attend A&E, or are staying on a ward, with alcohol or drug-related problems.

• Older People’s Liaison – for older people on hospital wards who are experiencing dementia, delirium or depression.

The service is delivered at several hospitals across the Trust’s footprint.

Street Triage

New this year, Street Triage is delivered by Pennine Care in partnership with Greater Manchester Police and North West Ambulance Service, in Oldham, Tameside, Bury and the Rochdale borough.

It gives police officers and paramedics 24/7 access to mental health practitioners from Pennine Care for help, advice and signposting. If they attend an incident and believe a person may require mental health support, they can phone Street Triage for help to make appropriate decisions about the best course of action.

Depending on the individual’s needs, the course of action may be: a ‘section 136’ of the Mental Health Act, which requires the police to take the person to a place of safety; attendance at an Accident and Emergency department, if the person has a medical need; signposting to another care team; or any number of other suitable actions.

It ensures people with mental health needs receive the correct level of support in the most appropriate setting, at the point of crisis. The close working between organisations gives them improved access to various sources of care and support for mental and physical health and social care needs.

In Oldham, an evaluation for the six months from December to May 2014 showed that 227 calls were made to Street Triage. Of those, 37 resulted in a joint decision being made to take the individual to a place of safety under section 136. In just three of those 37 cases, people were detained under the Mental Health Act. This is a 60 per cent reduction in the number of people detained when compared to figures from before the introduction of the scheme, demonstrating that patients are now more likely to be signposted to a more appropriate care pathway for their needs.

Healthy Minds

In a bid to encourage more people to come forward for help with mental health problems such as depression and anxiety, the Trust rebranded its psychological therapies services to Healthy Minds.

The name was selected following a service user engagement exercise and now applies across Bury, Oldham, Rochdale, Stockport and Tameside and Glossop.

Service users can now self-refer for help and support via the Trust website, as well as access a range of self-help materials and other information. The rebrand was supported with a wide spread promotional campaign in January 2015 to tie in with post-Christmas blues and increased experiences of low mood.

Thumbs up award

The learning disability directorate has this year introduced a new ‘Thumbs up’ award to recognise services that are going the extra mile to meet the needs of people with a learning disability.

The changes do not have to be major, complex or costly and are often simple to implement and result in financial savings. As part of the process a service must evidence improvements in two or more key themes looking at appointments, values and respect, environment, understanding behaviour and communication.

The awards have been well received by teams and so far services within Bury, Oldham and Rochdale community services have been through the process. It will be rolled out across the Trust even further in 2015/16.

Child and adolescent mental health services

The Trust has worked in partnership with the local Councils and Clinical Commissioning Groups (CCGs) to undertake a review and redesign of our child and adolescent mental health services (CAMHS).

The new pathway will provide improved emotional health and wellbeing support and CAMHS will offer increased consultation, training and advice to professionals who work closely with service users. Teams will also work closely with voluntary groups and other agencies to develop improved ways for families to help their children to maintain good emotional health.

Services will be delivered in innovative and flexible ways, including the use of online resources and apps, increased group offers to young people, flexible timing and venues and increased access to parent and peer mentor support.

These proposals have also been developed in close partnership with service users, their family and carers and partner organisations across Greater Manchester.
Community services

Pennine Care provides community services across Bury, Oldham, Rochdale, Stockport and Trafford. These services are focussed on providing care to patients at home or in the community, helping them to manage their conditions and avoid going into hospital.

Community services tend not to work in isolation but have strong links with the hospital, social care, voluntary agencies and of course, each other. This means that in each of the boroughs we serve, integration is a top priority so we can provide joined up care for our patients by working closely with our partners.

Skype consultations

The Oldham Community Stroke service was the first of Pennine Care’s services to use Skype video conferencing for routine patient appointments. The use of technology cut the appointment time by half, by eliminating the need for travel, either by staff to a patient’s home or by the patient to a clinic appointment. It also prevented the need for an additional face-to-face appointment that usually follows a telephone consultation.

One of the patients participating in the pilot said: “The video call worked well for us because it meant the therapists didn’t have to come over for an appointment. It means you can get around to see more people and was less of an interruption to my day.”

Age UK Promoting Independence

in People advisors

As part of an enhanced community services offer, Pennine Care has funded Age UK Oldham to establish new posts to support older people.

Older people will be referred by GPs or health and care professionals to the PIP (Promoting Independence in People) advisors if they are at risk of being isolated or anxious about their health issues and need extra support to regain confidence and live life to the full.

The PIP advisors will work with individuals to get an understanding of their needs and make a tailored plan that will help them maintain and manage their health conditions, gain independence and increase their social interaction and wellbeing.

HMR asthma service Facebook page

The HMR Children’s Asthma Service launched a Facebook page to provide parents with a forum to ask for advice about how to manage their child’s condition. As well as answering individual queries and signposting parents to the most appropriate help, the provide specialist advice on managing flu, colds and other illnesses in children with asthma.

The page has received more than 300 likes from parents and carers and feedback from parents has been unanimously positive. A parent said: “I get absolutely fantastic support from the team. The nurse is brilliant with my two little ones and has helped me manage my son’s asthma. Someone is always available to offer advice and nothing is too much trouble.”

Pennine Care is launching Facebook and Twitter accounts across several of its services to share key health messages and as a point of contact for support and advice.

View the page here: https://www.facebook.com/rochdalechildrensasthma

Integrated sexual health service in HMR

Clinicians from Pennine Care and Pennine Acute Hospitals NHS Trust are now working together to provide an integrated Sexual Health and Contraception Service for the Rochdale borough.

Commissioned by Rochdale Borough Council, the service is for all ages, with dedicated provision for young people aged up to 25 years.

Located at health centres across the borough, clients can access sexual health advice and information, contraception advice and provision, screening and treatment for sexually transmitted infections, pregnancy testing and signposting to other services.

The new service also includes a Young People’s Sexual Health Support Service (formerly Crisis Intervention) for vulnerable young people aged up to 25 years.

Integrated diabetes service

The Bury and Heywood, Middleton and Rochdale Diabetes Service launched in September 2014, bringing together acute and community health professionals to form one integrated service.

The service is provided in partnership between Pennine Care and Pennine Acute Hospitals NHS Trust and a similar service is already provided in Oldham.

As a result of the integration, the majority of diabetes care is now provided in a community setting via a hub and spoke model, with only the most complex cases requiring acute care. The service also delivers training and education to patients and healthcare professionals to encourage self-management.

Audiology services amongst the best nationally

Pennine Care’s audiology services covering Bury, Heywood, Middleton and Rochdale and Oldham are amongst the first in the country to be recommended by UKAS (United Kingdom Accreditation Service).

Only 17 audiology services in the county have been accredited as meeting the Improving Quality in Physiological Service’s standards. The teams achieved the ‘good’ rating, which has only been given to one other service nationally.

The services had to submit a significant amount of evidence in the domains of patient experience, facilities, resources and workforce, safety and clinical quality. This was followed by four assessors visiting all sites, over a three day period, to assess first-hand how the service operated and delve into its clinical governance in practice.

The teams were highlighted for their high standard of care, involvement of patients and the third sector, provision of enhanced practitioners and strong leadership.
Family Nurse Partnership project

The Bury, Oldham and Heywood, Middleton and Rochdale community services each received an additional £350k funding from the NHS England GM Local Area Team to roll out the evidence-based Family Nurse Partnership (FNP) programme. The programme will provide intensive support to 100 first-time mums under the age of 20 in each borough, to improve child health and care outcomes.

A team of specially trained and experienced nurses will support young mums from early pregnancy through to the child’s second birthday, as well as working with the extended family. They will be integrated with the existing community child and family teams and will work in close partnership with children’s social care services in each Local Authority.

HMR and Oldham will go live from July 2014, with Bury taking part in a later cohort from October 2014.

Trafford adult health and social care integration

Over recent years, there has been a huge focus on health and social care providers across the country working together to provide improved, integrated care for our towns and boroughs.

Pennine Care is already in Trafford, where our children’s health and social care services work side-by-side with other local organisations to provide integrated Children’s and Young People services. This year Pennine Care has been working with Trafford Council to integrate services for adults. The vision is to provide health and social care services to the population of Trafford, which are person centred, seamless, coordinated, and locally provided, by 2015.

An integrated care model will help to reduce emergency admissions, re-admissions, excess bed days, delayed transfers of care and duplication of services, as well as increasing the effectiveness of care and support for residents closer to home, ultimately, improving people’s experience.

Trafford Community Enhanced Care Service

More than 1,900 hospital admissions were avoided for residents of Trafford over a nine month period, thanks to the Community Enhanced Care (CEC) service.

The service provides urgent care within six hours for patients at risk of a hospital admission and delivers specialist, enhanced care packages for up to 72 hours in the patient’s own home.

It comprises a range of staff including a dementia nurse, a heart failure specialist nurse, community matrons, occupational therapists or physiotherapists.

It is estimated that between April and December 2014, the service prevented 1,900 admissions, reducing pressure on busy local hospitals and saving an estimated £1.3m for the Trafford health economy.

Future trends and challenges

GM Devolution

One of the most significant future developments that will impact on the Trust is GM Devolution. A memorandum of understanding (MOU) for ground breaking plans to devolve and bring together the city region’s £6bn health and social care budgets was signed on 20 March 2015.

Under GM Devolution NHS England, the 12 NHS Clinical Commissioning Groups (CCGs), 15 NHS providers and the 10 local authorities will agree a framework for health and social care – with plans for joint decision-making on integrated care to support physical, mental and social wellbeing.

Integrated care in Greater Manchester will focus more on preventative work in the community – putting services in place to keep people well and as independent as possible. Focusing on community services that bring health and social care closer to home will also help in the long-term to ease pressure on hospitals.

Michael McCourt, Chief Executive of Pennine Care, has joined the board to represent community and mental health services to ensure parity of esteem.

NHS England Five Year Forward View

Nationally, the 2014/15 saw the publication of a blueprint for the future NHS, called the ‘Five Year Forward View’ or 5YFV.

The purpose of the 5YFV is to articulate why change is needed, what that change might look like and how it can be achieved. It describes various models of care that could be provided in the future, defining the actions required at local and national level to support delivery.

The 5YFV starts the move towards a different NHS, recognising the challenges and outlining potential solutions to the big questions facing health and care services in England. It defines the framework for further detailed planning about how the NHS needs to evolve over the next five years.

Pennine Care has joined partners in Stockport to become one of NHS England’s vanguard sites for testing new models of care. The Trust is also in the running to become a vanguard site under the alternative viable hospitals category, which has yet to be decided.

Clearly, the 5YFV is a significant milestone in the continued reform of the NHS and will have a direct impact on the trust’s future form and function.

Financial efficiencies

The financial position of the Trust is tightening and the Trust is expecting to break even on income and expenditure in 2015/16.

To manage the reductions in the Trust’s contract income and also to comply with Monitor requirements, financial efficiencies of £47.5 million over five years are required (ie 3.5 per cent of operating expenses per annum).

Nationally, it is predicted that the NHS will have a funding gap of £30 billion by 2020 due to rising costs, static funding and increased demands.

Over the last four years, Pennine Care has successfully achieved £32 million in financial efficiencies, which is a testament to the commitment and hard work of its staff. But a significant change to the way services are provided is needed in the future for the Trust to meet its financial challenges over the next five years.
The cost improvement plans (CIPs) for the new financial year 2015/16 have now all been finalised and are underway to achieve £7.8 million. These plans have been subject to a quality and risk assessment and scrutiny from our commissioners.

However, the plans for how we will meet our savings targets for the years beyond 2015/16 have not yet been finalised. We believe that our whole person care model, looking at population segments, will allow us to move forward with plans to redesign our services at scale, whilst maintaining quality, safety and effectiveness of our services.

**Competition and procurement**

Since the strengthening of competition within the NHS, the Trust has been involved in an unprecedented number of tenders to retain its existing business or to grow its market share. There is recognition that responding to formal tenders is resource intensive and may be less efficient than more collaborative means of service redesign and improvement.

The impact of the competitive market could have a destabilising effect on the Trust’s ability to deliver its strategy by implementing new transformational and innovative models of care, creating a short-term culture that does not support sustainable investment and change.

In response, the Trust has worked hard to develop its skills and expertise in managing the competitive market and developing high quality, cost effective tender responses. The Trust’s success in retaining existing business and winning new business has ensured that it has maintained a strong position in the local health economy and strengthened its financial sustainability.

In 2014/15, the Trust bid for thirteen tenders and, although some of these included new elements of service, the Trust was the incumbent provider in the majority of cases.

**Growing demands**

Demographic changes such as increased life expectancy and the growth in lifestyle related conditions mean that the way that care is delivered currently cannot continue.

In particular, the Trust is working on its approach to managing long-term conditions, in respect of both physical and mental health and the inter-relationships between the two.

**Quality and safety**

Nationally, there has been a number of substantial failings in care over the last few years, including Mid-Staffordshire Hospital, Winterbourne View and Morecambe Bay maternity units.

This has had a significant impact on the way that services and changes are monitored and delivered. Commissioners, and other local stakeholders, have a duty to ensure that service changes and service efficiencies do not have a detrimental effect on quality.

In response to this, the Trust has implemented a robust approach to Quality Impact Assessments, which ensures that proposed service changes are reviewed rigorously to protect quality standards.

Pennine Care remains in a strong position as a provider of high quality physical and mental health care. The plans set out in this report can be viewed in more detail within the Trust’s Service Development Strategy and Operational Plan, which can be found on the Pennine Care website www.penninecare.nhs.uk
As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust’s policies, aims and objectives, whilst safeguarding public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am also responsible for ensuring that the NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise risks relating to the achievement of the Trust’s policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically. The system of internal control has been in place within Pennine Care for the year ended 31 March 2015 and up to the date of approval of the Annual Report and Accounts.

Capacity to handle risk

The Trust has a Risk Management Strategy which clearly outlines the risk management process that is endorsed by the Board. The Trust has also an Integrated Business Plan which details risk issues in meeting short, medium and long-term business plans. The Integrated Business Planning Group monitors ongoing risks and takes appropriate steps to mitigate them and lessen their impact.

Training and education are key elements of the Trust’s risk management development process. It provides staff with the necessary knowledge and skills to work safely and to minimise risks at all levels. The Trust provides training in all areas to staff and other agencies working with services to ensure the maintenance and continuous development of a risk management culture.

This process is started at the Trust’s corporate induction, which all newly appointed staff are required to attend. This includes
an introduction to risk management, which requires staff to self-assess their personal responsibilities and development needs in relation to risk management. Staff are also required to undertake further training, as identified in the mandatory training plan, which is developed as part of the Organisational Development Strategy.

The risk and control framework

The Trust aims to provide the safest possible care and environment for patients, employees and visitors. The Risk Management Strategy details the framework for setting objectives, providing assurance and managing risk. The Trust is committed to the continued development of a risk management system to identify, understand and control exposure to uncertain events, which may threaten the achievement of our objectives.

Risk management enables individuals to deal competently with all key risks, providing confidence that the Trust will achieve its objectives through:

- Clear objective setting
- Structured risk identification systems
- Robust control mechanisms
- Appropriate monitoring and review mechanisms.

The Trust maintains an assurance framework that informs the Board of Directors about the effectiveness of the key controls that seek to mitigate or manage stated risks. The resulting Board Assurance Framework (BAF) is reported to the Board quarterly and any changes are summarised to the monthly meeting. This reporting includes a link to any risks or threats scored as significant in the risk register.

The BAF is subject to an annual review by the Trust’s internal auditors, who provided a rating of substantial assurance for 2014/15, confirming it was fully aligned to the Trust’s objectives and no significant gaps were noted.

Board Assurance Framework

The Board Assurance Framework (BAF) provides the Board of Directors with a system of monitoring risks to the achievement of the organisation’s strategic objectives, which includes a link to any significant risks from the Trust’s Risk Register.

Additionally, it provides a structure for evidencing the key controls and forms of assurance that risks are being managed, along with any gaps in controls or assurances and actions to address these.

The full BAF is reviewed by the Board of Directors on a quarterly basis and from November 2013, the Board has received a monthly summary report outlining any changes made in the interim.

The BAF is subject to annual review by the Trust’s internal auditors, who provided a rating of ‘substantial assurance’ for 2014/15, confirming it was fully aligned to the Trust’s objectives and no significant gaps in control were noted.

Information governance

Responsibility for information governance within Pennine Care rests with the Medical Director, who acts as the Caldicott Guardian and the Director of Planning Performance and Information, who acts as the Senior Information Risk Owner (SIRO).

The Trust has self-assessed against the Information Governance Toolkit, which assesses performance with Department of Health information governance policies and standards, achieving a score of 68 per cent overall. The annual submission is reviewed by internal audit and there is now significant assurance that there is a sound system of control. The Trust has achieved the target of overall compliance of level two and above for the Information Governance Toolkit with some criteria achieving level three.

Information security incidents are managed as part of the Trust’s information governance processes and all information security incidents are reviewed by the information governance team. Incidents are investigated with lessons learnt, which are shared throughout the organisation. The Trust has implemented the national information governance incidents reporting requirements, named as Serious Incidents Requiring Investigation (SIRI). Four SIRI’s have been reported in total across 2014/15 – please see the table below.

Serious incidents requiring investigations involving personal data, as reported to the Information Commissioner’s Office

<table>
<thead>
<tr>
<th>Date of incident (month)</th>
<th>Nature of incident</th>
<th>Nature of data involved</th>
<th>Number of data subjects potentially affected</th>
<th>Notification steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>22/09/14</td>
<td>Lost or stolen paperwork</td>
<td>Name, Appointment info, Staff names, Staff personal telephone numbers</td>
<td>approx 50</td>
<td>Staff notified, Patient details unknown</td>
</tr>
<tr>
<td>23/10/14</td>
<td>Other – failure to follow procedure in record keeping</td>
<td>Sensitive medical information</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Further action

Ward diary missing. Extensive searches undertaken. Memo from Caldicott Guardian to all staff. Full investigation undertaken. Lessons learned, actions identified and implemented.

Further action

Full investigation undertaken. Change to system to allow all users to override stop-noted records – this will generate an alert on the system which will be investigated by the Privacy Officer.
information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

The Board of Directors received drafts of the Quality Account on several occasions throughout the drafting process. My review of the effectiveness of the system of internal control by the Board, and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Quality Account is structured according to detailed guidance set down by Monitor. It includes an update on performance against priorities reported on in 2013/14, a review of performance in 2014/15 and targets for 2015/16.

Quality priorities were selected to reflect the wishes of leading operational staff, clinicians, and the Council of Governors, together with national priorities identified by Monitor and local and regional CQUIN priorities. Priorities cover the three domains of quality – patient experience, patient safety and clinical quality.

The Trust is confident that the involvement of stakeholders in the creation of the Quality Account means that the account is an accurate reflection of priorities.

Data used in the Quality Account has come from reliable and robust sources subject to regular audit and the data quality policies of the Trust. Where available, the Trust has included external benchmarks to drive quality improvement. The Board has been presented with updates on work to improve data quality in the past and receives regular reports on the data metrics used in the Quality Account throughout the year.

As part of the assurance process, final drafts of the Quality Account have been shared with commissioners, Healthwatch and Health and Wellbeing Boards and the Joint Health Overview and Scrutiny panel.

The Audit Committee reviews risks and gains assurance on controls from external and internal audit and approves the annual audit programme. The Audit Committee reviews risks and gains assurance on controls from external and internal audit and approves the annual audit programme.

The Trust monitors its performance against the standards required of it by the Care Quality Commission and is fully registered with no conditions. Where improvement work has been deemed necessary, this is completed according to plans signed off appropriately by the Board.

Annual Quality Report
The Directors are required under the Health Act 2009 and the National Health Service Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of the Annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

Further action
Full investigation undertaken. All staff reminded of correct procedures for sending personal information by email. Meeting with council arranged to discuss access of global email addresses.

Further action
Full investigation undertaken. Additional measures implemented to ensure systems are updated appropriately.

Further action
Full investigation undertaken. Staff member given further guidance/training on confidentiality.

The Trust is in liaison with the Information Commissioners Office regarding the recommendations to be identified as part of the Investigation.

Review of economy, efficiency and effectiveness of the use of resources
Penneine Care has robust arrangements in place for setting objectives and monitoring progress against them both strategically and on an annual basis.

The Board of Directors ensures that the financial strategy is affordable, savings plans are reviewed in detail and priorities for reinvestment agreed. Corporate objectives filter into individual objectives and performance against objectives is monitored through a number of channels:

• Approval of the annual budget by the Board of Directors prior to the commencement of the financial year;

• Monthly reporting to the Board on key performance indicators that include finance, governance, activity and human resources targets;

• Monthly performance reports to the divisions and heads of corporate services including finance, governance, activity and human resources targets;

• Approval of the internal audit annual plan by the Audit Committee and regular review of progress against the plan by the committee throughout the year;

• Quarterly reporting to Monitor and compliance with the terms of authorisation.

The Trust monitors its performance against the standards required of it by the Care Quality Commission and is fully registered with no conditions. Where improvement work has been deemed necessary, this is completed according to plans signed off appropriately by the Board.

Annual Quality Report
The Directors are required under the Health Act 2009 and the National Health Service Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of the Annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Board of Directors received drafts of the Quality Account on several occasions throughout the drafting process.

The Quality Account is structured according to detailed guidance set down by Monitor. It includes an update on performance against priorities reported on in 2013/14, a review of performance in 2014/15 and targets for 2015/16.

Quality priorities were selected to reflect the wishes of leading operational staff, clinicians, and the Council of Governors, together with national priorities identified by Monitor and local and regional CQUIN priorities. Priorities cover the three domains of quality – patient experience, patient safety and clinical quality.

The Trust is confident that the involvement of stakeholders in the creation of the Quality Account means that the account is an accurate reflection of priorities.

Data used in the Quality Account has come from reliable and robust sources subject to regular audit and the data quality policies of the Trust. Where available, the Trust has included external benchmarks to drive quality improvement. The Board has been presented with updates on work to improve data quality in the past and receives regular reports on the data metrics used in the Quality Account throughout the year.

As part of the assurance process, final drafts of the Quality Account have been shared with commissioners, Healthwatch and Health and Wellbeing Boards and the Joint Health Overview and Scrutiny panel.

Review of effectiveness
As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executives and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework.

I have drawn on the content of the Quality Account, attached to this Annual Report, and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

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

The system of internal control is monitored throughout the year by the Board, the Audit Committee and other groups within the organisation, including internal audit. Through reports, monitoring and regular communication, any weaknesses can be identified and addressed.

No significant internal control issues have been identified and the Head of Internal Audit has issued their significant assurance opinion on the systems of internal control and financial management processes.

The effectiveness of the system of internal control has been maintained and reviewed according to a well understood process involving the Board, Audit Committee and others. The involvement of the Board of Directors has included individual Executive and Non-Executive Directors who approve, review and monitor the Assurance Framework, risk register, and key performance indicators and receive reports from sub-committees of the Board.

The Audit Committee reviews risks and gains assurance on controls from external and internal audit and approves the annual audit programme.

If identified, significant internal control gaps would be managed, mitigated and improved using these processes.

Conclusion
No significant internal control issues have been identified.

Michael McCourt
Chief Executive
27 May 2015
The independent auditors issued an unqualified report on the Annual Accounts 2014/2015. The auditors issued an unqualified report to state the strategic and directors’ reports were consistent with the accounts.

To view the set of accounts, please visit:

www.penninecare.nhs.uk/resources/annual-report
Please view our Annual Report and Accounts for the full report.

Section A: Total remuneration 2014/15

<table>
<thead>
<tr>
<th>Remuneration 2014 – 15</th>
<th>Salary and fees (Bands of £5,000)</th>
<th>Taxable benefits</th>
<th>Annual performance related bonuses (Bands of £5,000)</th>
<th>Long-term performance related bonuses (Bands of £5,000)</th>
<th>Pension related benefits (Bands of £5,000)</th>
<th>Total (Bands of £5,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Directors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr M McCourt, Chief Executive</td>
<td>180 – 185</td>
<td>35</td>
<td>450 – 455</td>
<td>635 – 640</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr M Roe, Executive Director of Finance/Deputy Chief Executive</td>
<td>135 – 140</td>
<td>35</td>
<td>35 – 40</td>
<td>170 – 175</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms K Calvin-Thomas, Executive Director of Planning, Performance and Information</td>
<td>125 – 130</td>
<td></td>
<td>15 – 20</td>
<td>145 – 150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr H Ticehurst, Executive Medical Director</td>
<td>155 – 160</td>
<td>120 – 125</td>
<td>280 – 285</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms J Crosby, Director of Finance</td>
<td>100 – 105</td>
<td></td>
<td>10 – 15</td>
<td>115 – 120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ms B Worthington, Director of Workforce and Organisational Learning and Development (to 4 January 2015)</td>
<td>75 – 80</td>
<td></td>
<td>25 – 30</td>
<td>100 – 105</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr I Trodden, Executive Director of Nursing (from 26 January 2015. Previously Acting Executive Director of Nursing)</td>
<td>130 – 135</td>
<td></td>
<td>180 – 185</td>
<td>310 – 315</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr R Spearing, Acting Director of Service Development and Partnerships</td>
<td>100 – 105</td>
<td></td>
<td>15 – 20</td>
<td>115 – 120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Petra Bryan, Acting Director of Workforce and Organisational Learning and Development* (from 3 Nov 2014)</td>
<td>50 – 55</td>
<td></td>
<td>30 – 35</td>
<td>85 – 90</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: Ms Bryan was employed by Pennine Care NHS Foundation Trust in another role prior to appointment to the Board. Remuneration is disclosed for the full year.
### Section A: Total remuneration 2014/15 (continued)

<table>
<thead>
<tr>
<th>Remuneration 2014 – 15</th>
<th>Salary and fees (Bands of £5,000)</th>
<th>Taxable benefits £000</th>
<th>Annual performance related bonuses (Bands of £5,000) £000</th>
<th>Long-term performance related bonuses (Bands of £5,000) £000</th>
<th>Pension related benefits (Bands of £5,000) £000</th>
<th>Total (Bands of £5,000) £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>45 – 50</td>
</tr>
<tr>
<td>Mr J Schofield</td>
<td>45 – 50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Executive Directors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr A Moran, Non-Executive Director (until 31 July 14)</td>
<td>5 – 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5 – 10</td>
</tr>
<tr>
<td>Mr R Ainsworth, Non-Executive Director</td>
<td>15 – 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15 – 20</td>
</tr>
<tr>
<td>Dr D Edge, Non-Executive Director</td>
<td>10 – 15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10 – 15</td>
</tr>
<tr>
<td>Mr A Berry, Non-Executive Director</td>
<td>15 – 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15 – 20</td>
</tr>
<tr>
<td>Mr C McKinless, Non-Executive Director (until 31 October 14)</td>
<td>20 – 25</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>20 – 25</td>
</tr>
<tr>
<td>Mr Paula Ormandy, Non-Executive Director</td>
<td>5 – 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5 – 10</td>
</tr>
<tr>
<td>Mrs Joan Beresford, Non-Executive Director</td>
<td>5 – 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5 – 10</td>
</tr>
<tr>
<td>Mrs Sandra Jowett, Non-Executive Director</td>
<td>5 – 10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5 – 10</td>
</tr>
</tbody>
</table>