



The Royal Bournemouth and
Christchurch Hospitals



"putting patients first"

NHS Foundation Trust



Annual Report and Financial Accounts 2008/09



Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust
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of the National Health Service Act 2006.

Contents

- 05** 1. Chairman's Statement
- 07** 2. Chief Executive's Statement
- 10** 3. Directors' Report
 - 10** About the Trust
 - 15** Looking back on the year
 - 37** Our strength is our staff
 - 45** Business Review
- 55** 4. Operating and Financial Review
 - 55** Audit Committee
 - 57** Social Responsibility
- 59** 5. Governance and Membership
 - 59** Board of Directors
 - 60** Council of Governors
- 67** 6. Public Interest Disclosures
- 68** 7. Remuneration Report

1. Chairman's Statement



2008/09 has seen the Trust build on its successes

I reported last year that we had met the Government's target for treating all elective (planned) patients within 18 weeks from their referral to hospital treatment. In 2008/09 we continued to reduce the time patients need to wait for treatment. 13 weeks is the maximum time that elective patients wait with many being treated far quicker.

Quality is at the heart of what we want to achieve

Hopefully, these short waiting times enable patients to swiftly return to a quality of life. Quality is at the heart of what the Trust is seeking to achieve. Our strap line is "Putting Patients First" and, apart from reducing waiting times, some of the ways we have sought to achieve this include:

- The creation and appointment of a Head of Patient Engagement - whose work streams include ensuring that the patient experience is the best it can be and developing a customer service programme.
- The refurbishment and redesign of our Emergency Department - to support the achievement of a maximum four hour wait for treatment and to give patients a comfortable area in which to wait.
- The redesign of our GUM (sexual health) services to fulfil the wishes patients expressed to have more evening treatment slots.
- Further investment in our cleaning procedures which helped the Trust to achieve one of the lowest rates of MRSA and Clostridium difficile infections in the country.
- Managing the winter pressure months to enable elective work to continue as usual and to ensure medical patients were dealt with in a timely and efficient manner.
- Launching a Respiratory Early Discharge Scheme (REDS) to allow patients with severe breathing problems to be treated at home.
- The redevelopment of the main entrance foyer at the Royal Bournemouth Hospital to enable the relocation of our Patient Advice and Liaison Service (PALS) to provide easy access for patients and visitors.
- Creating extra side rooms to help the Trust perform as efficiently as possible during Norovirus outbreaks.
- Beginning the building of a multi storey car park to ease parking for patients, visitors and staff.

Chairman's Statement

- The purchase of new equipment to provide state-of-the-art treatment for patients. This includes a new type of CT scanner in our Radiology Department, which provides a sophistication of imaging not available yet in any other acute hospital in the UK
- Redesign of the blood taking service to reduce the time patients have to wait and the environment in which they wait.

Staff at the Trust have been key in developing and implementing the above. Their enormous efforts were recognised by the Trust at the Staff Awards Ceremony last September, where competition for the winning position in all the categories was keenly fought. I should like to recognise all their hard work in this report and thank them all.

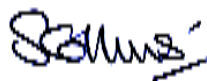
Our Governors have also worked hard this year in improving the quality of service we offer. Their actions in this respect include:

- Involvement in cleanliness checks and reports.
- Arranging healthcare events for members to attend to help educate patients on sickness prevention or on handling their existing conditions.
- Input into, and consultation on, the Annual Plan 2009/10.

The Trust's drive for quality will continue in the coming year. Our plans however will need to take into account the expected reduced growth that is likely as a result of the current economic climate.

Those of you who read my report last year must be wondering why I am writing this one, as I had signalled my retirement as Chairman of the Trust at the end of March 2008.

In the event, the Council of Governors did not appoint a new Chairman as a result of their recruitment campaign last year. I am therefore remaining as Chairman during 2009/10 to allow a fresh recruitment process to take place. Since I have indicated to the Governors that I will not be staying on after 31st March 2010, this is definitely my last Annual Report. I should therefore like to thank the Board members, Governors, staff and Trust members, patients and public for all the support and encouragement you have given me during my time as Chairman.



Sheila Collins
Chairman

2. Chief Executive's Statement



The Trust has once again had an extremely successful year. We treated more patients than in any other year while still significantly reducing waiting times, improving our safety and delivering greater value for money.

Our success over the last 12 months has been recognised at a local and national level:

- We were short listed for the Acute Organisation of the Year, as part of the Health Service Journal awards,
- We won the national Healthcare Financial Managers Association's Provider of the Year award.
- The Derwent, our orthopaedic joint replacement centre, won the Transforming Services Award at the NHS Dorset Health and Social Care Awards.

Earlier in the year the Foundation Trust achieved an 'Excellent' rating for its use of resources and a 'Good' rating for its quality of services from the Healthcare Commission in the Annual Health Check for 2007/08.

Developing our services around you and your feedback

A developing theme throughout the past year, and more evident in our forward plans, is our intention to put patients at the very centre of our services. We have already adopted the vision of Putting Patients First which gives focus to everything that we do.

Throughout this Report you can read about how we are achieving this. Examples include the redesign of GUM

opening hours (Sexual Health Services) and the changes we are making in response to your feedback from our patient surveys.

Our staff are crucial to achieving our goals

We recognise that developing our staff is crucial to achieving our goals and providing services of the highest quality. This starts from the moment a new member of staff joins the hospitals, with a comprehensive induction programme, and continues with relevant and up to date training as part of their Personal Development Plan.

During 2008 we launched the Staff Excellence Awards. Dozens of entries demonstrated just how dedicated and committed to the NHS and our patients, staff are. The ceremony was attended by around 200 members of staff. Chief Executive's from NHS Bournemouth and Poole and Bournemouth Borough Council were among our partners who also attended to present the awards.

Rated among the top 20% of all NHS Trusts

Our staff rated the organisation among the top 20% of acute Trusts in two thirds of the questions in the 2009 Staff Survey. This demonstrates progress against our goal of supporting and developing staff.

Chief Executive's Statement

Exceptional performance over the year

The Trust's overall performance in 2008/09 was excellent. Our regulator, Monitor, gave us a rating of four for financial management (equivalent to an 'Excellent' rating in the Annual Health Check) and Green for both Governance and managing Mandatory Services (the highest scores possible).

We have also performed exceptionally well in all of our key performance indicators:

- Exceptional performance in the prevention and control of infection and significantly ahead of national and local targets.
- Consistently meeting the four hour wait target in the Emergency Department target with 50% of patients seen within two hours.
- Exceeding the Department of Health 18 week referral to treatment target. This target requires Trusts to see and treat 90% of all inpatients and 95% of all non admitted patients within 18 weeks. The Trust agreed to a regional target of 13 weeks which it achieved in March 2009.

The winter is always a time of greater pressure on the health service and acute hospitals incur a significant increase in workload. There has been a tremendous amount of hard work and commitment across our hospitals over the winter months, resulting in near normal operating conditions.

To plan for this we worked hard throughout the summer with our healthcare partners developing a comprehensive winter plan for 2008/09. As part of this plan NHS Bournemouth and Poole commissioned 30 additional beds in community hospitals and nursing homes as well as extra beds at the Royal Bournemouth Hospital. These beds were used by the Trust which led to a more timely discharge and helped ensure that elective surgery continued as normal.

Hospitals across the country experienced outbreaks of both flu and Norovirus which resulted in an increase in admissions and closed wards. Thanks in part to the additional side rooms built this year and the revised outbreak policies implemented within our Trust, with very few operations cancelled due to Norovirus during 2008/09.

This is a remarkable achievement considering the scale of outbreaks across the country. Our Emergency Department remained open at all times and on several occasions over the Christmas and New Year period, accepted patients from other hospitals unable to cope with demand.

New and developing services

Our staff continue to be at the forefront of developing and implementing new techniques and technologies in certain specialist areas including one of the first donor artery bypasses (an allograft) to be carried out in the UK.

In February we launched a Respiratory Early Discharge Scheme (REDS) which

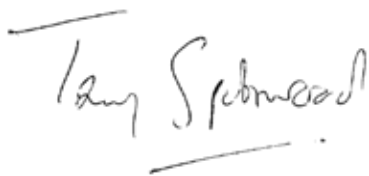
Chief Executive's Statement

allows patients from the Bournemouth area who are admitted to hospital with COPD (Chronic Obstructive Pulmonary Disease) to recover in the comfort of their own home, rather than having to remain in hospital. The support of our local PCT in funding this is greatly appreciated.

Our ambitious capital programme continues, despite the current financial climate. Projects include the building of the multi-storey car park, extending outpatients and building a new Day of Surgery Admission Unit.

I look forward to being able to report on the achievements of the next 12 months in my next report.

Best wishes



Tony Spotswood
Chief Executive



3. Directors' Report

About the Trust

The Hospital Trust gained Foundation status on 1st April 2005 following three consecutive years of being rated as a three star performing trust.

The Foundation Trust includes the Royal Bournemouth and Christchurch Hospitals, which are located about three miles apart on the south coast, and a Sterile Supply Department in Alderney, Poole.

The Royal Bournemouth and Christchurch Hospitals provide health care for the residents of Bournemouth, Christchurch, East Dorset and part of the New Forest with a total population of around 550,000, which rises during the summer months. Some specialist services cover a wider catchment area, including Poole, the Purbecks and south Wiltshire.

The hospitals are close to the New Forest in the east and the Jurassic coastline in the west with most of the catchment population covered by three primary care trusts (PCTs):

- NHS Dorset
- NHS Bournemouth and Poole
- NHS Hampshire

The Royal Bournemouth Hospital

The Royal Bournemouth Hospital is a 692 acute bed site which opened in 1992. It is recognised locally by its blue roof and is located on a large green field site close to the main roads that link with the New Forest, Southampton, Salisbury, Winchester, Christchurch and Poole.

The hospital has a 24-hour Emergency Department, which sees around



Directors' Report

60,000 patients a year, and a large Day Treatment Centre and Day Surgery Unit. A purpose built 18-bed Ophthalmic Unit is located on site as well as a state-of-the-art Cardiology Unit and the award winning Derwent, which is an Orthopaedic Unit providing hip and knee replacements.

The Royal Bournemouth Hospital also provides district-wide services for Vascular Surgery and Urology. Outpatient clinics are provided for Oral Surgery, Paediatrics, Plastic Surgery, ENT (Ears, Nose and Throat), cardiothoracic and neurology.

Christchurch Hospital

Christchurch Hospital provides a pleasant environment for rehabilitation. An all-age rehabilitation service has been developed, though most patients are

elderly reflecting the local population. There is an excellent infrastructure to support rehabilitation with superb physiotherapy and occupational therapy facilities.

There are 177 beds and a 45-place Day Hospital. Other units at Christchurch include Stroke Rehabilitation, Dermatology, Rheumatology and the Macmillan Unit (palliative care). Christchurch Hospital also has several outpatient and therapy services.

Vision and goals

The Trust's vision is "putting patients first while striving to deliver the best quality healthcare." To achieve this vision the Trust has focused on making progress against seven strategic goals, identified as critical to making the vision real.



Directors' Report

Goals

The goals were developed, as part of the Trust's Five Year Strategy, following extensive consultation with staff, the public and health partners. They are:

- To offer patient centred services by providing high quality, responsive, accessible, safe, effective and timely care.
- To promote and improve the quality of life of our patients.
- To strive towards excellence in the services and care we provide.
- To be the provider of choice for local patients and GPs.
- To listen to, support, motivate and develop our staff.
- To work with partner organisations to improve the health of local people.
- To maintain financial stability enabling the Trust to invest in and develop services for patients

The achievement of these goals are referred to throughout this report.

How the Trust is run

The Trust's Board of Directors is made up of full time Executive Directors and part time Non-Executive Directors. The Board formally meets once a month (except August); its role is to determine the overall corporate goals for the Trust and be responsible for ensuring they are delivered.

The Board of Directors also works closely with the Council of Governors which represents the Trust's membership and feeds the views of members to the Board. Governors also ensure members are involved and kept up to date with developments within the hospitals. You can read more about the work of

Governors and details of our membership from page 60.

Foundation Trusts are accountable to Monitor, the Regulator who ensures the governance and performance of the organisation is sufficient and in line with their terms of authorisation. They are also accountable through their membership, whose views are represented by a Council of Governors. In addition there are a large range of inspection and regulatory bodies, including the Care Quality Commission (CQC) to whom the Trust is also accountable.

There are a number of key health partners who work closely with the Trust in developing and delivering services, such as local primary care trusts and social services. You can read more about the Trust's work with partners on page 54.

Board of Directors

The Board has given careful consideration to the range of skills and experience required for the running of the Foundation Trust; it confirms that the necessary balance and completeness has been in place during the year under report.

The Board considers the Trust to be fully compliant with the principles of the NHS Foundation Trust Code of Governance as well as with the provisions of the Code in all but the following areas where we have alternative arrangements in place: meetings between the Chairman and Non-Executive Directors, policy for engagement between the Council of Governors and the Board of Directors, Chief Executive, Executive and Non-Executive Director terms of appointment. Further details can be found in the full compliance statement which is available on the Trust website.

Directors' Report



Sheila Collins, Chairman

Sheila has 17 years of experience on the Board firstly as a Non-Executive and, for the last 12 years, as Chairman. Sheila is also Chair of the Council of Governors.

Sheila is a solicitor and practices locally. She is also a Non-Executive Director of Care South, which is a charity providing care homes and domiciliary care for the elderly.



Ken Tullett, Non-Executive Director

Ken has 10 years experience as Non-Executive Director of the Trust. He was previously a senior officer in the Royal Navy and senior executive of UK and international defence projects with experience of Whitehall, the Procurement Executive, and the Defence Evaluation and Research Agency. He has worked at a senior level within industry in the UK and overseas and brings with him experience of commercial practice and marketing.



Lindsey Dedden, Non-Executive Director

Lindsey was appointed in December 1997 (and her appointment renewed in 2005). She has held HR management posts in Aerospace Industry, Local government, Water Industry (UK) and Insurance Industry (USA). Lindsey has been a Town Councillor since 1990, was Mayor of Verwood in 2003/04. She was also a District Councillor from 1995 to 1999 and is active in a variety of local voluntary and political organisations.



Frances Outram, Non-Executive Director

Frances was appointed as Non-Executive Director in October 2005. She has a background as an HR Director and in consultancy and has worked in a number of large private sector organisations and as a Non Executive Director with the DVLA. Frances was appointed as Senior Independent Director and Vice Chairman in September 2007



Ian Metcalfe, Non-Executive Director

Ian was appointed as Non-Executive Director in 2006. He is a qualified Management Accountant and has worked as a Finance Director in the Housing Association sector since 1998. Ian is Chair of the Audit Committee.



Brian Ford, Non-Executive Director

Brian was appointed as a Non-Executive Director in December 2001. He practiced as a qualified Chartered Accountant from 1973 to 1992 and since 1992 has worked as a Non-Executive Director, consultant and expert witness.



Alex Pike, Non-Executive Director

Alex is International Group Marketing Director for health and beauty company Accantia and former Marketing Director of Fitness First. Alex joined the Trust in 2006 and has a wide range of experience in marketing and communication.

Directors' Report



Tony Spotswood, Chief Executive

Tony has been Chief Executive since 2000. He was previously Chief Executive of Leicester General Hospital between 1998 and 2000 and a Trust Director for 20 years with extensive experience of leading organisations through strategic change including service reconfiguration and mergers.



Belinda Atkinson, Director of Nursing

Belinda joined the Trust in July 2004 from Southampton University Hospitals where she was Deputy Director of Nursing. She was appointed Deputy Chief Executive in 2007. Belinda has 38 years NHS experience in a variety of posts in clinical nursing as well as a senior general management role in a large complex clinical directorate.



Richard Renaut, Director of Service Development

Richard joined the NHS 13 years ago through the NHS management training scheme. He has worked in both Primary Care Trust and tertiary hospital settings. Prior to starting his role as Director of Service Development in April 2006, Richard was General Manager of the Orthopaedic Directorate.



Karen Allman, Director of Human Resources

Karen was appointed Director of HR for the Foundation Trust in 2007, but joined the NHS in

2003 from the Audit Commission, where she was HR Director for District Audit. Her early career was spent in the private sector in retail with Marks & Spencer and Fenwick before working in the city at the London Stock Exchange.



Stuart Hunter, Director of Finance and IT

Appointed in February 2007, Stuart has over 20 years of NHS experience, combined with being a qualified member of the Chartered Institute of Management Accountants. Stuart brings a commercial outlook to the Trust while understanding the fundamental complexities of the health service.



Simon Parvin, Medical Director

Simon was appointed as Medical Director in April 2005. He is a Consultant Vascular Surgeon. Previous roles include Clinical Director for the Surgical Directorate and Associate Medical Director.



Helen Lingham, Director of Operations

Helen joined the Foundation Trust in April 2008 as Director of Operations. Prior to that she was employed as Director of Operations at NHS Lothian University Division where she was responsible for strategic leadership, delivery of performance related targets and development of clinical services across the acute hospitals. Her background is in Radiography prior to moving into NHS management in 2003.

Directors' Report

Looking back on the year

60 reasons to celebrate

2008 was the 60th Anniversary of the NHS. From 1948, when the aim of the NHS was to provide free healthcare at the point of delivery, the same principles remain 60 years on.

Staff, Governors, hospital charities and the public got together for a garden party at the Royal Bournemouth Hospital to celebrate the achievements of the National Health Service, of which there have been many. Long serving members of staff were also invited to a celebratory lunch with the Board of Directors to celebrate the anniversary with a special 60th Anniversary cake.

You said... ...we did

An extensive public consultation took place in 2007 to inform our five-year strategy. This highlighted ten areas we needed to focus on to improve the patient experience.

Significant work has been completed in response to these areas. Over the next few pages you can read about the progress made to date.



Directors' Report

You told us we needed to improve on our customer care, we have...

1. A New home for PALS

The new PALS (Patient Advice and Liaison Service) office opened in the main atrium at the Royal Bournemouth Hospital early in 2009. PALS provide a free and confidential service for patients, their relatives, friends, carers and visitors when they have questions or concerns and don't know who to turn. The service also supports a great deal of equality and diversity work across the Trust. You can read more about this work on page 31.



The PALS team in their new location - more accessible for patients and visitors.

In the last year PALS has recruited an additional PALS Officer and administrator to help with the growing demand for support and requests for information.

You can visit PALS in the main atrium at the Royal Bournemouth Hospital or you can contact the office on 01202 704886 or email pals@rbch.nhs.uk. Office opening hours are between 9am and 4pm Monday to Friday.

PALS is often able to answer queries and concerns but if you feel that you need to make a formal complaint, details can be found on page 54 of this report.

2. Making a difference for emergency patients

The Emergency Department (ED) has started to develop a plan to improve the patient and carer experience. Evidence from surveys, complaints, compliments and talking to patients indicated that while some things were good, the overall patient experience in the ED could be improved.

A number of workshops have been held with different staff groups to look at what the ED experience should look like, using the feedback received and staff experiences as a patient. Together staff have drawn up a plan of what they want to do more of and what they should do less of. Areas that have been identified

Directors' Report

which affect the patient experience include:

- Staff greeting
- Refreshments facilities
- Cleanliness
- Good patient information
- Perceptions of staff behaviour
- Discharge arrangements late at night, especially for more elderly patients

Once the plan is complete the aim is to publish a Charter of care standards which all patients and carers visiting ED can expect to receive.



Staff working together to improve the patient experience in the Emergency Department

Other examples of what has been achieved:

- **The Trust has provided customer care training for staff in Bands 1-4.**
- **Results of the Emergency Department national patient survey showed some dramatic improvements. Patient satisfaction with the information received about their condition rose from being among the bottom 20% of all trusts to the top 20%.**
- **Patient Satisfaction Surveys have been in use for around 12 months. Areas that are receiving extremely high levels of satisfaction include the Day Treatment Centre, Ward 21 (cardiac), Maternity Unit and Endoscopy Unit.**

Directors' Report

You told us you wanted us to remain focused on infection prevention and control, we have...

1. Continued with deep cleans

The Department of Health set a target for all hospitals to deep clean patient areas by March 2008. Having achieved this the Trust is continuing with the programme and has recruited a permanent Deep Clean Team. The team receives training to ensure areas are cleaned effectively and above what is expected of a regular clean. A deep clean includes taking radiators off walls, cleaning all beds and bedding as well as cleaning all medical equipment. It used to be the role of nursing staff to clean medical equipment. Deep Clean Teams have now been trained to do this so that it frees up the time of nurses to spend more time caring for patients.

Housekeeping staff employed by the Trust

All housekeeping staff are employed directly by the Trust, are an integral part of the ward and each has a continual training programme. Each ward has a service leader - a contact in the Housekeeping Department who staff can speak to when they need to.

There is also a housekeeping member of staff who is responsible for recruitment and training to ensure all staff receive a thorough induction programme and training in infection prevention and control measures.

There is a cleaning manual on each ward which sets out how to carry out the 70 different housekeeping and infection control procedures.

2. Communicating with visitors and the public

The Trust has a very clear policy in communicating with patients and the public about its low rates of infection and regularly reports on how it is performing. For example, in 2008/09 the Trust had eight cases of MRSA and some of the lowest rates of *Clostridium difficile* in the UK.

As the Productive Ward initiative gathers pace across the hospitals you will see information displayed outside each ward, including infection results for that area.

Productive Ward is a national initiative aimed at changing the way we do things so that more nursing time can be given to patients.

The Trust also has a very open media policy when it comes to infection prevention and control. It will continue to work with the local media in communicating when we have ward closures due to the winter bug Norovirus.

Directors' Report

3. Change in dress code for medical staff

Medical staff are looking slightly different following the introduction of a new dress code as part of the hospitals' efforts to make already low infection rates even lower.

Doctors no longer wear a jacket or white coat, they are in short sleeves and they don't wear a tie. But, standards have not

slipped and staff should still look smart. The new dress code was introduced in response to the justified concerns of our patients and visitors. It also reflects the guidance issued by the Department of Health about remaining bare below the elbow.

These initiatives along with the underlying Infection Control Strategy have led to continued high performance in the Trust with one of the lowest rates of infection.



New dress code: helping to make low infection rates even lower

Other examples of what has been achieved:

- All curtains have been replaced within the Trust with new ones that have a coating that repels infections.
- A robust contingency plan is in place for the event of a flu pandemic. It has also been working on its business continuity plan to ensure services remain running and patients receive treatment as far as possible.

Directors' Report

You told us there were areas for improvement within our emergency admissions. we have...

1. New life saving telemedicine system for early diagnosis of stroke patients

The Trust was one of the first to launch a new telemedicine system for acute stroke. The Telemedicine Project was implemented to help reduce the time taken for physicians to assess and administer clot busting treatment to stroke patients.

The technology enables immediate communication between the patient and physician, including accurate imagery to

assist in deciding the most appropriate treatment as quickly as possible.

The Trust's IT and Stroke teams subsequently won the award for Innovative Health and Social Care Technology at the South West Health and Social Care Awards.

Joseph Kwan, Consultant Stroke Physician at the Foundation Trust, said: "We are absolutely delighted to win this award. Before we had this technology, clinicians on-call would have to travel to the patient, sometimes from other clinical areas and sometimes from home."



The Trust's Stroke and IT teams at the award ceremony

Directors' Report

2. Better experience for patients needing surgery

Surgical care pathways have been improved for patients who come into hospital with an abscess or needing an appendicectomy.

Waiting times for patients needing an appendicectomy have been reduced. This has been done by supporting direct admissions from GPs and providing dedicated ultrasound slots so that diagnosis, and therefore treatment, is much quicker.

The length of stay for patients coming into hospital with an abscess has also been reduced by creating daytime emergency operating sessions. This means that patients are able to go home on the same day, avoiding an overnight stay in hospital.

This has also reduced the amount of out of hours operating in line with national guidelines for better patient outcomes.

No one wants to be in hospital if they don't have to be. With this in mind the Trust is exploring the possibility of some surgical patients waiting at home with a timed theatre slot for the following day.

This is not suitable for everyone, or all procedures, but there are some patients who would be much more comfortable waiting in their own home and coming into hospital the next day for their surgery.

Other examples of what has been achieved:

- **Recruitment of senior medical staff including new Emergency Department (ED) consultant**

Directors' Report

You told us there was some work to do on the quality of the physical environment, particularly at Christchurch Hospital, we have...

1. Refurbished the Day Hospital at Christchurch

Patients needing care at the Day Hospital in Christchurch are being treated in a better environment following a refurbishment.

A ward has been converted to provide new consulting and clinic rooms, treatment rooms and a treatment area for patients who have had a stroke and a gym for patients with Parkinson's Disease.

The extended facilities have enabled the hospital to open a daily rapid assessment clinic. It aims to see patients who initially have been to the Emergency Department who then need a thorough assessment from a consultant specialised in medicine for the elderly.

Sound proofing has been added in the new treatment areas which provides greater levels of privacy for assessment and treatment.

2. Improved blood test services

There has been a significant reduction in complaints from patients and staff following investment in phlebotomy services (blood testing).

The number of patients using phlebotomy services has continued to grow over recent years causing considerable pressure on the service to ensure waiting times remain reasonable.

Changes have led to significant improvements

Over the past 12 months the Trust has:

- Increased the number of phlebotomists (staff who take the blood within the pathology lab at Bournemouth Hospital).
- Provided staff for a number of phlebotomy clinics in GP surgeries.
- Opened an additional phlebotomy room at Christchurch and invested in additional equipment and phlebotomists to staff the new facility and increase capacity.
- Introduced a number queuing system at Christchurch Hospital where patients are allocated a number upon arrival at reception.

Directors' Report

As a result of these changes the number of patient complaints has dropped dramatically. Several compliments have been received from patients for the changes and the dramatic improvement made.

Waiting times are continually being monitored to see if further work is needed. The Trust is also talking with NHS Dorset about how best to increase the number of community phlebotomy clinics in GP surgeries so that patients won't need to attend hospital to have a blood sample taken.

Other examples of what has been achieved:

- **Refurbished parts of the main Outpatients Department at the Royal Bournemouth Hospital including all the treatment rooms.**
- **New flooring and entrance for the Emergency Department.**
- **More single rooms, e.g. Ward 26 (surgical).**

Directors' Report

You told us you wanted us to look at the quality of care, we have...

1. Rated top ten nationally for stroke services

The Trust's stroke services have been ranked the best in the south west and among the top ten in England, Wales and Northern Ireland as part of a national stroke audit.

The National Stroke Sentinel Audit measured nine aspects of stroke care across the whole of the patient journey including, swallow screening, CT brain scan, and physio assessment.

Claire Moloney, Senior Clinical Leader for Stroke Services, said: "We are really focused on aiming to deliver excellent care for our stroke patients. We are delighted that we are ranked within the top 10 Stroke Units in the country.

"The results are even more pleasing as the standards have been set higher this time and yet our performance has still improved.

"We know that while this performance is excellent we don't get it right every time and we continue to work as a multi-disciplinary team to ensure joined up care. We want to make the stroke pathway as seamless as possible across both hospitals."

The stroke audit includes the performance of 216 participating hospitals in England, Wales and Northern Ireland and is completed every two years.

The following table provides a breakdown of the Trust's performance:

Measure	RBCH score (%)	National average (%)
Screening for swallowing disorders	100	73.3
Brain scan within 24 hours of stroke	80	57.3
Physiotherapist assessment within 72 hours of admission	96	88
Occupational Therapist assessment within four working days of admission	93	69
Patient weighed during admission	87	75.7
Patient's mood assessed by discharge	95	67.8
Rehabilitation goals agreed by the multi-disciplinary team	100	91.8
Aspirin or clopidogrel by 48 hours after stroke	95	88.3
Patients spent at least 90% of stay on a stroke unit	72	56.3

Directors' Report

2. Piloting single sex wards

Currently all bays within wards are single sex but this still means that sometimes patients have to walk past patients of the opposite sex to use bathroom facilities. The Royal Bournemouth Hospital has piloted two completely single sex wards (Wards 4 and 5) as part of efforts to reduce the areas where male and female patients share facilities.

If this is successful the Trust will look at other areas of the hospital where this can be done.

Better signage for male and female facilities is also being looked at to ensure patients use the right bathrooms.

The issue of mixed-sex accommodation has been high on the national agenda. The Trust remains committed to limit this to the bare minimum in essential high-care areas only, e.g. critical care.

Additional side rooms have been provided during 2008/09 and this programme will continue in 2009/10. In the Emergency Department partitions have been provided in the Clinical Decision Unit.

£210,000 has been allocated to the Foundation Trust which is being topped up by using money saved by the Trust. This will allow the Trust to develop single sex wards by:

- Converting more bays into single sex rooms with en-suites – although this has to be weighed up against the

number of beds the Trust would lose to enable us to do this.

- Providing more bathroom facilities so that patients do not have to share.
- Looking at how the layout of the wards could be re-arranged to reduce instances of patients of the opposite sex walking past each other

3. "I feel very lucky to have the Derwent on my doorstep."

The Derwent Orthopaedic Unit at the Royal Bournemouth Hospital, treated its 1,000th patient in 2008.

Patient James Beachem, from Highcliffe, became the 1,000th patient to experience the Derwent in May 2008, less than a year of the Unit opening.

"I arrived at the Derwent in the morning and had my hip replacement operation on the same day. The facilities are fantastic and the care and attention I have received from the staff has been excellent. I feel very lucky to have the Derwent on my doorstep."

The patient experience of having a hip or knee joint replacement has changed considerably. All patients stay in their own room with private bathroom facilities. They arrive on the day of surgery and on average wait under three hours before they walk to theatre for their surgery. Within 18 hours patients are mobilised by the physiotherapy team and 80% of patients go home on or before day four meaning they can carry on recovering in their own homes.

Directors' Report

The success of the Derwent was acknowledged in 2009 when the Unit received the NHS Dorset Health and Social Care Award for Transforming Services.



Staff and patients celebrate 1st birthday at the Derwent

Other examples of what has been achieved:

- Rehabilitation for stroke patients is now provided seven days a week on the Stroke Rehabilitation Unit at Christchurch Hospital. This ensures continuous progress made by our stroke patients.
- The Trust has an open culture which encourages the reporting of adverse incidents. Learning is gained from each incident resulting in improvements to both patient care and ultimately the patient experience.

Directors' Report

You told us you wanted more joined up care, with better communication and co-ordination around your clinical care, we have...

1. Electronic discharge information

A new electronic system is being used when discharging patients, resulting in quicker and better communication and co-ordination and improved quality patient information for GPs.

Previously when a patient left hospital they were given a paper copy of their discharge form to give to their GP. Inevitably some of these never reached the surgery or they would arrive late. Some patients would worry about getting their forms to their GP when they needed to be thinking about recovering after leaving hospital. GPs also found some discharge forms difficult to read and the Trust's coders found it difficult to extract the information they needed.

The aim of the E-IDF (Electronic Immediate Discharge Form), is that all discharge forms will be electronic and sent across to GPs by the hospital with 48 hours of the patient being discharged.

The electronic system also means that clinicians can access information from anywhere in the hospital without having to request patient notes.

The next stage of the EIDF project is a pilot for junior doctors and nursing staff to move to electronic documentation during and at the end of ward rounds. Instead of paper notes and records, patient information (including test results, medication prescribed and diagnosis) will all be stored as it happens. This makes patient information more accurate and easy to access without having to request notes. They can also be used as a handover document for staff.

2. Life after cancer

Fiona Castle, widow of the late Roy Castle, joined staff to launch a new project to help cancer survivors lead full and active lives following a diagnosis and treatment.

The new Cancer Survivorship Programme has been commissioned by the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust, Bournemouth Borough Council (Littledown Centre) and NHS Bournemouth and Poole. Additional funding was also provided by the Macmillan Cancer Trust in Christchurch and social services.

Directors' Report

It is the first scheme in the country that works across the community to produce a cancer survivorship lifestyle programme that includes fitness assessment, individualised, safe, physical activity plans, and dietary advice.

Dexter Perry, Consultant at the Royal Bournemouth Hospital, said: "This

programme has been supported by a wide range of organisations and it is this collaborative approach between primary care, secondary care and other organisations within the community that makes this programme so special."



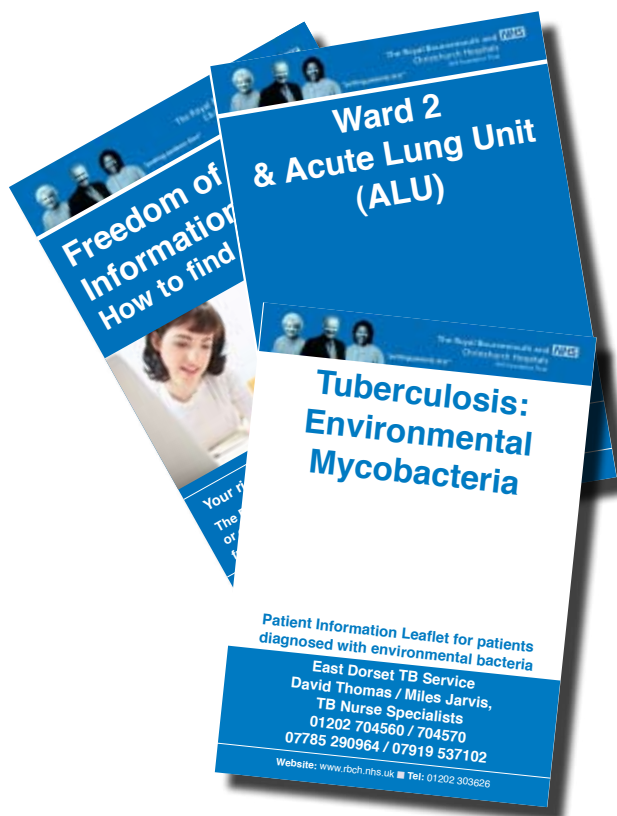
Cancer survivorship launch

Directors' Report

You told us that although there had been improvements in patient information, more needed to be done in this area, we have...

1. Improved standards of patient information

The Trust's Patient Information Group ensures that all patient information meets essential standards for design and content. Over the past 12 months over 300 leaflets have been reviewed and approved.



The Group has also reviewed the availability, location and content of patient information racks and display cases throughout the Trust. Action has been taken to ensure that only approved leaflets are displayed and consistent information made available.

In 2009/10 further work will be carried out to install patient information kiosks within areas of the hospitals.

2. Helping shape information for cancer patients

Staff have been helping to shape a new national website aimed at better standards of information for all cancer patients.

The National Cancer Action Team is building a national cancer patient information pathway. It aims to follow the care pathway so that wherever a patient is in their treatment they can log on to access information that is relevant for them.

Staff at the Foundation Trust have helped to map the pathway, supplied information, that we currently give to patients, for the site and piloted the colorectal patient pathway site. The new site will be launched towards the end of 2009.

Directors' Report

Noeline Young, Cancer Services Manager, said: The whole aim of the website is to provide equity of care. That means the same information and of the same standard for every patient."

3. Celebrating 10 Years of success for BERTIE

An Education programme for patients with Type 1 diabetes has celebrated its 10th Anniversary.

BERTIE is a structured education programme for people with Type 1 diabetes.

Its aim is to teach people how to adjust their insulin doses on a day to day basis according to their carbohydrate intake and activity levels.

This means patients can live a more varied life in the knowledge that their blood sugar level will remain relatively stable, and without the fear of it going too low (a hypo).

The course also teaches patients what to do if the sugar level rises too high because of illness or other factors. It has been a national success, with over one in every three hospital diabetic departments around the country learning from and running their own versions of BERTIE.



Other examples of what has been achieved:

- **PALS has produced a Patient Bedside Information Booklet for all inpatients. The booklet is an A4 folder, which can be wiped clean and contains information about the things you need to know during your stay, e.g. the ward, hospital services, and infection prevention to name a few.**

Directors' Report

You told us to tailor services to where the needs may be different, perhaps because of age, race or disability, we have...

1. Learning skills to care for disabled patients

In November, 2008 the PALS (Patient Advice and Liaison Service) hosted a one day conference for hospital staff and those from partner organisations. The aim was to raise awareness of the needs of people with a learning disability and to provide staff with the knowledge and skills to improve care. The day included a variety of topics, including understanding user and carer views, managing challenging behaviours, physiotherapy for people with a learning disability and total communication skills.

26% of people with a learning disability attend hospital each year compared to 14% of the general population. This is because people with learning disabilities have greater health needs than the rest of the population. Their needs are not always identified or acted upon. Staff need support and advice on how to make improvements to care for this particular group of patients.

2. Diversity training tailored for our staff

The Diversity Training programme has been re-launched across the Trust with a range of activities tailored to meet the specific needs of individuals, depending on their role within the hospitals.

The programme is for everyone. This is a key message of the training – it is each employee's responsibility to appreciate and promote the benefits of diversity to colleagues and service users.



You. Me. Everyone.

Directors' Report

As well as introductory training that all staff must attend, there are also three brand new training courses for people that need more detailed knowledge and specific skills in relation to diversity at work. These sessions are:

- Diversity for Managers and Leaders
- Diversity for People on the Frontline
- Conducting Equality Impact Assessments

3. Improving access for disabled visitors

The Foundation Trust's Disability Forum, chaired by a public Governor, discusses issues that disabled people or their carers have in relation to the hospitals. For example, feedback from disabled visitors about the Education Centre at the Royal Bournemouth Hospital was a key factor which led to a redesign of the entrance. Those in wheel chairs found access difficult. The new entrance is now easy to manoeuvre and has automatic doorways. The Forum also provides information about the hospital to the disabled community.

Other examples of what has been achieved:

- A short film about PALS, with signing and subtitles, can be found online at www.rbch.nhs.uk
- Dorset Blind Association is funding an information advisor within the Eye Unit.

Directors' Report

You told us you wanted getting here made easier, we have...

1. Better information on getting here

Patients and visitors can plan their journey to hospital online at http://www.rbch.nhs.uk/visitors/getting_here/getting_here.shtml The link to the Transport Direct website allows patients to find out the easiest way to get to hospital whether they are travelling by bus, car or on foot.

When at hospital, the latest information on buses leaving the hospital and time

schedules is on display in the atrium at the Royal Bournemouth Hospital.

2. Improving parking

Work is well under way to build a new multi-storey car park at the Royal Bournemouth Hospital. The new car park will provide parking for staff which will free up other areas for patient parking and allow for further proposed developments on site.



New multi-storey car park on target for completion in December 2009

Directors' Report

You told us we needed to make discharge arrangements better, we have...

1. Improved the discharge process

Once a patient has received their treatment as an inpatient they become medically stable to leave hospital. The discharge process, however, begins at admission and involves staff from the hospital, primary care, and social services working together to make sure that the patient has a safe discharge. Being medically fit to leave hospital is not the same as being safe to go home.

We can use 85 year old Emily as an example. Emily was admitted to hospital with pneumonia and she was not coping at home. She lives alone and has become a bit forgetful.

The right surroundings to ensure you are safe when you go home

After receiving treatment the doctors have said Emily is now medically stable to go home. While physiotherapists work on improving her mobility, the occupational therapists assess her ability to perform everyday activities; wash, dress, cook, etc. Following this, the therapists still have concerns about Emily's ability to be independent at home, so a home visit is planned to assess whether she will be safe. The therapist is happy that her home is a bungalow and therefore no stairs, but has recommended that a couple of

hand rails are fitted in the hallway and in the bathroom, and some kitchen aids provided.

The therapists still assess Emily as not able to look after herself completely. They liaise with social workers, who assess her care needs and arrange for a care agency to visit Emily twice a day to ensure she has got up, washed and dressed, eaten and had drinks, and that she has taken her medication. The evening visit ensures she gets to bed safely.

A patient cannot be sent home, even if they are medically fit, until staff at the hospital are sure it is safe for patients to be in their home.

What have we been doing to improve?

The Royal Bournemouth and Christchurch Hospitals have been working closely with colleagues in primary care and social services to try to make this process as quick, but as safe, as possible.

A better understanding of the whole discharge process

Discharge teams from the hospital, primary care and social services are all based at the Royal Bournemouth and Christchurch Hospitals. Together a team has been developed made up of staff from each of the three organisations, this

Directors' Report

has resulted in a better understanding from everyone of the complete discharge process. There has also been a much better level of communication.

2. Continuity of care for stroke patients

Stroke patients discharged from hospital can now continue the rehabilitation they received in hospital at home with the same therapist.

The Foundation Trust has set up a community stroke rehabilitation team. Instead of care passing to social services or primary care, the stroke therapists who cared for the patient in hospital can continue this care at home.

This means that patients not only have continuity of care, but it is also provided by a familiar person and at home, where patients usually respond better and quicker.

3. Early discharge for respiratory patients

A new Respiratory Early Discharge Scheme (REDS) was launched early in 2009.

The new scheme allows patients from the Bournemouth and Poole area who are admitted to hospital with COPD (Chronic Obstructive Pulmonary Disorder) to recover in the comfort of their own home.

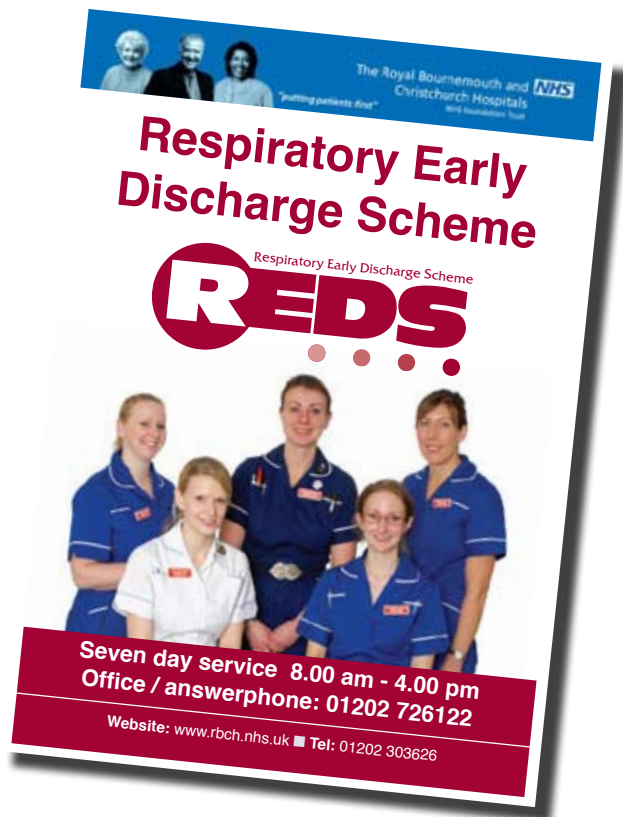
COPD is the name for a number of lung diseases usually due to smoking related damage, e.g. chronic bronchitis and can result in increasing disability.

Patients who come into hospital are assessed by a respiratory nurse to see if they are suitable for early discharge. Sometimes their condition is serious enough to need immediate treatment, including support of their breathing on the Acute Lung Unit. For others however, treatment is usually observation on a ward and medication, including treatment via a nebuliser and nursing care which can be provided from home. Most will be able to go home in less than two days and some sooner. Patients then receive a daily visit from the specialist respiratory nurse for up to seven days – instead of spending those seven days in hospital.

Directors' Report

The REDS nurses are all experienced nurses who have worked on the chest wards for a number of years and are experts in dealing with patients with breathing problems. The time they spend with patients at home enables them to help the patient and carer learn more about their disease and to receive helpful advice. It is hoped that this will give people confidence to manage their own condition at home and know what to do if they have problems again in the future.

NHS Bournemouth and Poole has invested an additional £250,000 a year to fund the service.



Other examples of what has been achieved:

- There is now a stroke discharge co-ordinator working across both hospital sites to ensure a smooth discharge process.
- A new Leaving Hospital Support Service is provided for patients who are discharged and need help with settling back into home life. Bournemouth Churches Housing Association (BCHA) has been awarded the contact as from 1st April 2009. The service is provided in partnership between the Foundation Trust and the social services departments of Bournemouth, Dorset, Poole and Hampshire.

Directors' Report

Our strength is our staff

One of the Trust's strengths, and the reason for consistently performing well, is its staff. Without their extraordinary commitment and dedication the Trust would not have been able to achieve the things you will read about in this Report.

The Foundation Trust is a significant employer in the area with around 4,100 employees (full time equivalent of 3,700) as of 31st March, 2009. Staff turnover is below the national average and generally staff regard the Trust as a good place to work – as demonstrated in staff surveys carried out during the year (further details can be found over the next few pages).

Sickness absence for the Trust during 2008/09 was 4.29%, lower than the national average. Staff turnover is also lower than the national average at 10.9%.

Supporting diversity

The Trust has a Single Equality Scheme (SES) which clearly sets out the policies regarding all diversity strands including race, gender and disability. The SES applies to staff and patients. It also provides for equality impact assessments to be made for all policies and is kept under regular review by the Trust's Diversity and Equality Committee, which meets quarterly.

The Trust also:

- Provides diversity training to all staff
- Encourages applications from disabled candidates in line with its "Two Ticks Employer" status.

- Has signed up to the Mindful Employer Charter, which shows our commitment to supporting employees suffering from mental health issues.
- Provides a confidential and free counselling service to staff members on request.

Rewarding excellence

In 2008 the first Staff Excellence Awards were launched to recognise the excellent work and commitment shown by staff that went above and beyond what is expected of them. This was also the first time that members of the public and our patients could nominate a member of staff for the Daily Echo Unsung Hero Award, which you did in your dozens. Winners of the award categories were:



Directors' Report

1. Award for Infection Prevention and Control

This award is given for improvements in infection control, within in a defined area or across the Trust. It was awarded to Darren Wilson, Antimicrobial Pharmacist, for the support he provides to colleagues in pharmacy and beyond, to ensure the effective implementation of the Trust's antibiotic policy.

2. Award for Services to the Community

Awarded to an individual or team who can demonstrate exceptional loyalty or enthusiasm, this award went to Fred Davis, a volunteer in the Eye Unit. Fred has been a volunteer for eight years, practically on a part time basis and has 'certainly gone above and beyond what it expected of him.'

3. Award for Leadership

This award is given to an individual who has shown exceptional leadership skills. Claire Moloney, Senior Clinical Leader for Stroke received the award for being instrumental in the re-design of the stroke services, in support of the national strategy, while fully supporting staff.

4. Team of the Year Award

Awarded to a team who has provided an exceptional service as a result of team working, this was given to the Older People's Assessment and Liaison team (OPAL). Occupational therapists, physiotherapists, nurses and rehabilitation assistants all work together to prevent unnecessary hospital admissions.

5. Award for Working in Partnership

This award is given to a team or individual who has worked in partnership to successfully improve patient services. Two awards were given in this category to:

Young Disabled Unit Rehabilitation

Medicine Multidisciplinary Team based at Forest Dene Ward – awarded for the teams work in improving the patient journey within limited resources, working with hospital teams and multiple sclerosis services in Dorset and Poole.

Jackie Coleman, Senior Sister in the Fertility Team.

Jackie devised a system to manage the flow of patients off the IVF waiting list. Through an initial assessment, where lifestyle advice was given, the plan was to make people 'fit for fertility'. Waiting times were reduced from three and a half years to 20 months.

6. Award for Putting Patients First

This award reflects the Trust's overall vision to put patients first. GU Medicine was given the award for making changes to clinics as a direct result of patient feedback. This included continuing to provide a service during six weeks of building work. As a result of the clinic changes – which required staff to be flexible – more patients were seen quicker.

7. Customer Service Award

This award recognises an individual or team who has provided excellent customer service to either patients, staff

Directors' Report

or partners. Marc O'Connor, Chargehand Porter was awarded the accolade for consistently being 'reliable, dependable and going that extra mile.'

8. Award for Innovation

Louisa Way, Tissue Viability Nurse won this award for her outstanding contribution with regards to training, education, promoting improved patient care outcomes, reducing hospital expenditure and promoting the continuity of care between primary and secondary care.



Award for innovation winner 2008, Louisa Way

9. Daily Echo Unsung Hero(es) Award

This award was sponsored by the Bournemouth Daily Echo and is the only award where a member of the public can nominate a member of staff. HDU and ITU were nominated by the Harrop family for their 'wonderful approach to their job' and in particular their care for patients and support to families.

In their nomination the family wrote: "I didn't believe a hospital experience could be so caring and individual, even when life is slipping away. They did everything they could for him and possibly some things they shouldn't have. Granting my grandfather's dying wish to see his dog

again was one of the most amazing. Thank you HDU."

10. Chairman's Cup

The Chairman's Cup is a special award given to the overall achiever selected from the winners of the above categories. This award is judged by the Board of Directors who made the award to GU Medicine for their truly patient focused approach to redesigning GUM clinics.

Members of the public can nominate a member of staff or a team from the Royal Bournemouth or Christchurch Hospitals for the Daily Echo Unsung Hero Award throughout the year. Judging is held each June/July and the winners announced in September. For a nomination form and further details please contact the Communications Department on 01202 726172 or email comments@rbch.nhs.uk

Staff vote the Trust in the top 20%

Hospital staff rated the organisation among the top 20% of acute trusts in a number of areas in the Staff Survey 2008.

The results by the Healthcare Commission showed the Foundation Trust achieved a green scoring for three quarters of the areas surveyed. For the vast majority of these the Trust was rated among the top 20% of all acute trusts in the country, including:

- Staff feeling satisfied with the quality of work and patient care
- Working in a well structured team
- Staff using flexible working options

Directors' Report

- Receiving job relevant training
- Staff job satisfaction
- Those suffering from work related injury and stress
- Those witnessing potential harmful errors, near misses or incidents
- Those experiencing harassment, bullying or abuse from staff
- Good communication between senior management and staff

Karen Allman, Director of Human Resources, said: "We are delighted with the results of this year's survey which is an improvement on last year. The survey reflects all the hard work which has been taking place over the last twelve months.

"I would like to thank all of our staff for their hard work and commitment in trying to make sure we are putting patients first. There is still work we need to do and we will continue to address the issues over the next 12 months."

The Trust scored below average in two areas, both relating to appraisals. Karen Allman explains the work already taking place: "We have already recognised this is an area for improvement. The executive team has agreed a way forward and work is underway to re-launch the NHS Knowledge and Skills Framework.

"All managers will have to ensure this is carried out for their staff and this will be monitored at Board level."

Top 100 employer

Staff voted the Foundation Trust into the top 100 healthcare organisations to work for during 2008/09.

The Health Service Journal and Nursing Times developed the Healthcare 100 together with NHS Employers and Ipsos MORI to identify the top healthcare providers to work for in the UK. Highlights of the survey include:

An effective workforce

Training this year has had more emphasis on frontline staff in bands 1-4, due to the Department of Health's financial investment towards developing these staff groups, such as Healthcare Assistants and receptionists. 13 programmes of "Confident Communication in Customer Care" were delivered to over 400 staff. The main purpose of the programme was to make the staff feel valued as well as to improve communication among staff and between staff and patients.

The programme was extremely well evaluated with staff reporting that the programme made them feel a valued and important part of the organisation. Managers reported an increase in confidence from staff who had attended.

The other major initiative for Band 1-4 staff was Train to Gain. The Trust has been working closely with Bournemouth and Poole College to help staff to achieve an NVQ Level 2 qualification, and beyond.

Directors' Report

To date, there are over 100 members of staff working towards NVQs in: Business Administration (levels 3 & 4); Customer Service (level 2); Team Leading (level 2); Management (level 3); Support Service (level 2) and Health and Social Care (level 2 & 3).

This success has been recognised regionally with the Trust winning the 'Train to Gain Large Employer of the Year' category in the South West Skills Awards, organised by the Learning Skills Council.



Training Manager, Jan Ryan, and Chief Executive, Tony Spotswood with the Train to Gain award.

Workforce planning: The Department of Health is establishing a Centre of Excellence for Workforce Planning and Strategy. The Trust will use the centre to obtain high quality intelligence and evidence to help in the production of workforce plans and to strengthen decision making.

During 2008/09 the Trust developed its workforce information capacity and capability to concentrate initially on improving the quality of workforce data. Progress has been made on such measures as sickness absence and turnover rates which are routinely reported to managers and Board committees.

The next area of work will be to develop workforce plans which will enable General Managers to produce a basic workforce planning template. These can then be refined in the light of Directorate strategy over the subsequent three to five years, as part of the overall planning process for Directorates.

Occupational Health remains a key service to support the wellbeing of the Trust's staff via ongoing activities such as chairing the Sharps Committee, which promotes a safer working environment for staff. The staff counselling service continues to be in high demand and is recognised in the staff survey as being a valued service.

The Trust was effective in the early provision of influenza vaccine for its staff

Directors' Report

during 2008/09. The Occupational Health Department offered a wide range of open access for the vaccination and uptake was markedly improved on 2007/08.

As part of World AIDS Day, Occupational Health, in collaboration with the Department of Genito-Urinary Medicine, carried out a health promotion event. With HIV increasingly presenting itself in the workplace, the Trust now holds resource packs for managers/staff to provide guidance and support.

In 2008/09 the Trust also supported staff with:

- Giving up smoking
- Training in stress management
- Healthy eating options in the staff (and public) dining areas

Informing and consulting our staff

During 2008/09 the Trust consulted its staff and the staff side groups on a number of issues, including:

- Provision of the Trust's payroll system
- Changes to employee relations policies
- Moving from Flexible Working Allowance to the national Unsocial Hours payment

There are a number of different ways that staff are kept up to date with the Trust's performance, news, events and developments across the Trust as well as support to ensure good internal communication.

Following the communications audit carried out in 2007/09 a set of guidance and advice was developed for managers and team leaders on how to give good and effective team briefings.

An audit was carried out to find out what briefing systems were in place. Results were encouraging and showed that good cascading systems were in place. There appeared to be a gap in the opportunities there were for front line staff to both receive information face to face with senior managers but also for two way communication.

As a result a new initiative was launched called 'Ask the Execs'. This is a monthly opportunity for staff to attend a lunch time session with executive directors to hear the latest information and to ask what ever question they wish. The initiative is in its early days but feedback from staff already attending is positive. Details of all the questions asked and answers given are subsequently circulated to all staff for their information.

The Trust also has:

- A monthly staff brief
- A bi-monthly staff newsletter 'Buzzword' - redesigned following staff consultation
- A widely-used intranet site
- A campaigns and events calendar
- Inductions for all new staff

Directors' Report



Engagement with staff also continues with the Board of Directors taking an active role in visits to both clinical and non-clinical areas. These are particularly welcomed by staff on the wards and departments visited.

Key meetings are also held between staff side and Trust management. The meetings offer a valuable opportunity to discuss issues with staff representatives and for feedback opportunities.

Directors' Report

Support from local charities

The Board would like to thank the charities for their continued support. The Foundation Trust is lucky enough to benefit from support from a number of hospital charities, including:

- League of Friends, Bournemouth
- League of Friends, Christchurch
- Friends of the Eye Unit
- WRVS
- Red Cross

Continued support from the Macmillan Cancer Trust

Throughout the year the Foundation Trust received significant support from the Macmillan Cancer Trust at Christchurch. Trustees committed to donate nearly £4.5m for:

- The redevelopment of the Macmillan Unit at Christchurch Hospital
- Endoscopic Ultrasound Machine - £246,000
- BMS for Flow cytometry for a three year period - £106,000
- Two specialist nurses for a three year period to deal with brain cancer and urological cancers - £265,000
- Funding for social workers - £240,000
- Cancer Unit conservatory - £600,000

The Trust is extremely grateful to the Trustees for the continued support and presented the Trustees with a granite plaque, part of the Jigsaw Appeal's Sponsor a Brick initiative.

Raising £1.6m for cancer patients

The Jigsaw Cancer and Blood Disorders Appeal finished in 2009 and the £1.6m raised will help provide a state-of-the-



The Trust's Chief Executive, Tony Spotswood, presents the plaque to Keith Lomas, Chair of the Macmillan Cancer Trust

art facility dedicated to the care and treatment of patients with cancer.

A variety of initiatives took place throughout the year, including:

- Annual Tree of Light
- New Forest cycle ride
- Everest Trek
- Raffle of a Mini Cooper
- Season of Sport – football and cricket tournament
- Jail Break

The Jigsaw Appeal has received outstanding support from the local community and businesses which has significantly contributed to its success.

A new appeal related to women's health will be launched in the Autumn 2009.

Directors' Report

Business Review

Maintaining strong financial control

The Trust has maintained strong financial control during the year, leading to the organisation exceeding its financial targets agreed with Monitor. The Trust ended the year with a £5.8m surplus which will be retained within the Trust and used to support the 2009/10 investment programme. The Trust is intending to invest £10m in new buildings and equipment and is the largest investment since the hospital was built.

The Trust's liquidity position remains exceptionally strong. It is pleasing to see a generally strong financial position across the whole of the local health service, with sizeable surpluses held by NHS Bournemouth and Poole and NHS Dorset. This provides a sound financial base for planning future changes in service provision. However, recognition is needed that further pressures are likely to fall on the Trust as a consequence of the economic downturn.

Strong clinical performance

The Trust performed exceptionally well in all of its key performance indicators:

- Exceptional performance in the prevention and control of infection, and is significantly ahead of national and local targets.
- Consistently met the four hour wait target in the Emergency Department target and over performed by seeing 50% of patients within two hours.

- Exceeded the Department of Health 18 week referral to treatment target. This target requires trusts to see and treat 90% of all inpatients and 95% of all non admitted patients within 18 weeks. The Trust agreed to a regional target of 13 weeks which it achieved by March 2009.

The Trust met all of its cancer and cardiology access targets. You can read more about our achievements in the Trust's Quality Accounts.

The Trust received its own healthcheck

In 2008/09 the Foundation Trust achieved an "Excellent" rating for its use of resources and a "Good" rating for its quality of services from the Healthcare Commission in the Annual Health Check for 2007/08.

The ratings reflect the hard work and commitment from staff to continually improve services for patients.

The "Excellent" rating for Use of Resources means that the Trust demonstrated a strong level of financial performance and management of the organisation. It also shows that the Trust represents value for money and makes good use of public money in the planning and delivery of its services.

Within the Quality of Services standard, the Trust achieved a "Good" and narrowly missed an "Excellent" rating for the second year running. It was compliant with all of the core standards, which

Directors' Report

includes aspects of safety, patient focus, accessible and responsive care and environment and amenities.

The Trust missed obtaining an "Excellent" rating for its quality of services due to its performance on waiting times for diagnostics, where approximately 200 patients were waiting for over six weeks for an appointment. This has now been addressed and virtually no patients wait over four weeks. The Trust is confident of meeting this standard in future.

Achieving NHS Litigation Authority compliance

In June 2008 the Trust achieved Level 2 compliance against the NHS Litigation Authority Risk Management standards for Acute Trusts. This is the key measure as to how well managed risk and patient safety is across the organisation. A compliance score of 48/50 was achieved, scoring 10/10 for those standards relating to the organisation's risk management framework.

Winter pressures

During the winter months activity in the hospital considerably increased due to respiratory and other seasonal illnesses. This is often referred to as winter pressures and can result in the cancellation of elective operations as the Trust deals with an increase in emergency admissions.

This year the number of cancelled operations due to lack of beds was considerably reduced thanks to an effective winter plan which the Trust developed in conjunction with its healthcare partners. All operations that were cancelled were rebooked within 28 days.

In 2008/09 the Trust saw and treated more patients than it had done in any preceding year, while still significantly reducing waiting times and improving access targets. This is illustrated in the table below.

Category	2005/06	2006/07	2007/08	2008/09
Day case admissions	41,797	41,592	45,094	49,146
Elective admissions	13,127	13,042	13,595	15,082
Emergency admissions	25,414	26,146	26,914	27,447
Outpatient attendances	242,483	248,075	261,646	294,590
Grand Total	322,821	328,855	347,249	386,265

Directors' Report

The number of elective operations carried out as a day case has continued to increase year on year. In 2005/06 76% of procedures were day cases compared to a figure of 79% in 2008/09. Patients say they want the amount of time they spend in hospital to be minimised. In addition to doing more procedures as day cases, the Trust opened a Day of Surgery Admission Unit (DoSAU). This means that the vast majority of inpatients are now admitted on the day of their surgery, reducing the need for patients to spend unnecessary time in hospital and safely reducing the number of beds needed.

Continuing to prevent and control infection

Performance in infection control during the year has remained strong. The Trust has invested in an additional Consultant Microbiologist and an Infection Control Nurse. Staff systems at directorate level have also been strengthened.

The Trust has maintained excellent performance in the control of both MRSA and *Clostridium difficile*, continuing to demonstrate some of the best performance for a Trust of its size nationally and meeting the very challenging reduction targets. The Trust has also introduced MRSA screening for all elective patients as a further safety measure.

The Trust has continued to develop processes and procedures for the management of Norovirus, otherwise known as the winter vomiting virus. This virus poses a challenge particularly in the winter months. To protect patients'

safety, strict visiting regulations were enforced during outbreaks. Much of the work has been carried out with the input of NHS Bournemouth and Poole and the local Health Protection Agency.

In common with all acute trusts, the Trust received an unannounced inspection from the Healthcare Commission in May 2008 in respect of the Hygiene Code. The Commission made a number of recommendations which have been fully implemented and signed off as such by the Commission. The Trust has successfully complied with the requirement to register with the Care Quality Commission for 2009/10 in respect of Healthcare Acquired Infection.



Directors' Report

Productive wards

The Productive Ward initiative is a national project developed by the NHS Institute for Innovation and Improvement and is about releasing time to care so that nurses can do the job that they were trained for. The project is broken down into 12 modules and each is supported by a practical toolkit. One of the areas under review is meal times; so that meals are protected from interruption and staff can help and monitor patients' nutritional needs. The working environment is also under the spotlight; storage on the wards is being reviewed so that equipment is kept easy to find, ready, and fit for purpose.

As at March 2009, 14 wards and departments were taking part in the programme and it is intended to roll this out across the whole organisation during 2009/10.

The early pilot areas in the organisation are now beginning to be able to demonstrate some real gains in time available for direct caring and this is most encouraging. The programme is accompanied by a number of other interventions such as a clinical leadership development programme.

Making a surplus for a purpose

The Foundation Trust is able to make a surplus (in fact it is a requirement by Monitor). This is because Foundation Trusts are required to be financially independent. A small margin is needed for contingencies – just as any sensible

business or household needs to spend less than its income. This surplus can be used in following years to invest in patient care and providing patient services.

The Trust is able to make a surplus for a number of reasons:

- The hospitals are run extremely efficiently and have made significant savings, for example finding better value suppliers for some equipment and materials.
- Foundation Trusts are paid for each patient treated. Staff have treated more patients to meet the Government's 18 week target and the local 13 week target.
- Several 'one off' items of savings that have added to the 2008/09 surplus.

Over the next five years the Trust will be investing £50m of capital to improve hospital services. Significant investments planned for 2009/10 include:

- Investment in the equipment replacement programme
- Investment in information technology
- Development of the Outpatient Department at RBH
- An increase in the car parking at RBH
- Developing a dedicated Day of Surgery Admissions Unit

Other investments in staff and services include:

- Achieving, and often exceeding, the 13 week target at speciality level.
- Investing in our staff – ensuring we have a workforce that can meet the

Directors' Report

Trust's vision and goals. This includes establishing a customer service programme.

- Reducing hospital acquired infections.
- £1.5m bed and mattress replacement programme.

If the Trust did not make a surplus it would not be able to carry out any of the significant improvements to facilities or patient services mentioned.

For further details of the Trust's five year plan log on to www.rbch.nhs.uk or contact the Communications Department on **01202 704271**.

The Trust achieved a risk rating of 4 at the year end, as part of Monitor's compliance framework. The following financial metrics confirm a strong financial performance:

Putting Patients First

The Trust's vision of Putting Patients

First is something which patients and their carers should experience every time they visit or have contact with the Royal Bournemouth and Christchurch Hospitals. The Trust recognises that this is not easy as everyone has their own view on what makes for a good experience and excellent service. However, we are committed to creating an environment in which our staff work with patients to ensure that the Trust builds on its record of delivering high quality services and outstanding levels of patient care.

That's why the Trust has created a set of initiatives designed to change our whole approach to Putting Patients First. These will be built around the basic principles of seeing hospital services through patients' eyes, listening and responding sensitively to their needs and measuring what patients tell us they value most.

	Actual	Rating (out of 5 with 5 being the highest)
Earnings Before Interest, Tax, Depreciation and amortisation margin %	7.2%	3
Earnings Before Interest, Tax, Depreciation and amortisation % achieved	107.9%	5
Return On Assets %	6.1%	5
Income and Expenditure Surplus Margin %	2.6%	4
Liquid Ratio Days	55.8	5
		4

Directors' Report

Priority areas for attention

As well as continuing to work on the ten areas of concern (see pages 14 to 35), the Trust wants to move onto specific issues raised by certain groups. Creating the conditions for staff to see services from a patient's perspective is an important first step. This will be given greater focus through identifying priority groups covering some of our most vulnerable patients. This will include:

- The elderly
- Those with learning, physical, and mental health disabilities
- Children and teenagers

Through providing ways for staff to experience what the hospitals are like for more vulnerable patients, it is hoped they will customise services which will raise levels of customers' experience and satisfaction. This will in turn create a series of benefits for all patients who use the hospital and its services. In this way the Trust aims to create a more patient-friendly and caring environment where staff and patients both feel equally empowered to change services for the better.

Putting Patients First into practice:

For the first phase the Trust is considering prioritising three specific areas of the Trust:

- Emergency Department
- Main Outpatients Department
- Longer stay wards at Christchurch Hospital

These areas have been chosen as they present particularly challenging issues for the most vulnerable patients and they are also among some of the most highly used services. All of these areas have made note-worthy improvements over the last year, but there is always more that can be done. You will have already read about the efforts being made within the Emergency Department in developing a customer service plan.

If you would like to help the Trust with its challenge of Putting Patients First, please contact Steven Edwards, Head of Patient Engagement at: steven.edwards@rbch.nhs.uk or telephone 01202 704271.

Patient Safety

Patient safety is a key priority for the Trust and this year there have been a number of actions and initiatives that have ensured that we continue to achieve this.

At local ward and department level, clinical leaders and managers are encouraged to identify risk assessments and risk controls. Examples of issues raised and actions taken included:

- Funding replacement of patient weighing scales in all clinical areas to ensure accurate medication doses could be calculated.
- Provision of clinical simulation training equipment to enable hands on training for pressure sore management and Naso-gastric tube placement.
- Support for a medication safety pharmacy post to develop medicines

Directors' Report

management training and awareness for all clinical staff.

- Provision of manual handling equipment such as specialist hoists and hoist slings to enable safe movement of patients.



New electronic beds allow patients to have more control over their comfort

On a larger scale, the Trust has started a full bed and mattress replacement programme this year. To date, 300 new electronic profiling beds and high specification mattresses have been purchased. This new equipment supports staff and patient safety and patient care. The replacement programme will continue in 2009/10.

Signing up to the Patient Safety First Campaign

This year the Trust signed up to the voluntary National Patient Safety First Campaign for England. The campaign is supported by the NHS Institute for Innovation and Improvement, the National

Patient Safety Agency (NPSA) and the Health Foundation. The campaign has been created to put the safety of patients as the highest priority for Trust Boards and to make all avoidable harm unacceptable. The campaign focuses on the following areas: leadership for safety; early recognition and treatment of acutely unwell patients; managing high risk medications and surgical safety. The Trust is committed to implement all of the campaign initiative.

Effective Risk Management

The Trust continued to support the development and management of an active Risk Register that is regularly reviewed by the Governance and Risk Management Committee and the Board of Directors. The Board of Directors gives a high priority to risk management and all risks on the register are assigned a Board level lead.

The on-going management of risk is carried out by the Governance and Risk Management Committee (GRMC) which meets on a monthly basis and reports directly to the Board of Directors. The GRMC is made up of key stakeholders in the organisation, including both Executive and Non-Executive Directors representing the Board and Governors.

All clinical directorates produced Directorate Clinical Governance Development Plans for 2008/09. The plans included directorate action plans for clinical audit, clinical effectiveness, policy development and review, patient and staff safety and clinical care. Plans

Directors' Report

are discussed locally at directorate clinical governance meetings and progress monitored centrally by the Governance and Risk Management Committee.

Health and Safety

The Trust took part in the NHS Staff Survey, conducted by the Healthcare Commission. Staff rated the Trust among the best 20% of acute trusts for health and safety provisions.

The percentage of staff who stated that they had received training in the last 12 months was above the national average. The Trust was in the lowest quartile (best) for the percentage of staff suffering work related injury or work related stress in the previous 12 months. Similarly the percentage of staff witnessing potential harmful errors, near misses or incidents was in the lowest (best) 20%.

The Trust recognises the importance of supporting managers in the implementation of their health and safety responsibilities. The Clinical Governance and Risk Management Department continues to provide the Institute of Occupational Safety and Health (IOSH) Managing Safety course for managers, heads of department, supervisors and health and safety representatives. The course is professionally accredited and provides practical steps for developing and supporting a team approach to risk management. To date over 300 staff have completed the IOSH course.

An incident reporting culture

The organisation has a strong culture for the reporting of all incidents. The Trust reported and investigated over 5,500 adverse incidents (and potential adverse incidents) during 2008/09. Of these incidents over 60% were 'no harm' events.

Reported risk issues may include potential or actual staff accidents, patient accidents (e.g. patient falls), security incidents, breaches of confidentiality or lack of availability or fault of equipment or medical devices.

Staff are encouraged to report any potential (near miss) or non harm events so that it can be investigated fully to avoid further incidents occurring. Recommendations and action plans from incident investigations are regularly discussed at Directorate Clinical Governance Committee and department/ward meetings. Anonymised reports and case studies are also included in special reports or newsletters from the Clinical Governance Department and Medicines Management Team. The reports aid dissemination of key learning points and safe practice.

The Trust reports all patient safety incidents to the National Patient Safety Agency in accordance with the National Reporting and Learning System (NRLS). Feedback from the NRLS is that the Trust has a strong reporting and learning culture and in line with the national average for all acute trusts.

Directors' Report

Improving the patient experience following complaints

Ensuring the patient experience is the best it can be is a priority. By its very nature, providing healthcare is demanding and complex, and the Trust doesn't always get it right. It does, however, try to learn from each of these instances and to make things better as a result.

During 2008/09, 300 formal complaints were investigated and responded to in line with the complaints procedure. The aim of dealing with the concerns expressed was to provide an explanation, apology where appropriate and to help us make changes that could prevent similar concerns arising in future.

Examples of changes brought about through complaints include:

- Key members of Ward staff are to attend the next available deaf-awareness training.
- Ward staff to be re-educated regarding the care of pressure sores and the policy for care of patient who use TED stockings (used to prevent deep vein thrombosis).
- Ward staff have been asked to ensure that completion of a district nurse referral is comprehensive and that a patient is discharged home with the appropriate equipment.
- The GUM Department (Sexual Health Services) is investigating introducing a new telephone system.
- Acute Admissions Unit staff have been asked to use simple terminology wherever possible when talking to patients.
- A review of Pharmacy staff working on a Saturday has taken place to ensure that there will now be a senior member of staff and a second pharmacist on duty to minimise delays when dispensing discharge medication.
- The Housekeeping Department has allocated a specific member of staff to fill the gel containers and soap dispensers. All housekeeping staff have been reminded to report any maintenance or repair problems.
- The Maternity Department has started a programme of training for midwives to ensure consistency of advice is given regarding breast feeding.
- Ward staff have been reminded of the importance of communication and documentation of meetings with relatives.
- Notices have been placed in each phlebotomy bay to ensure patients are aware of the need for phlebotomists to wear gloves.
- The Rehabilitation Directorate has developed an action plan to improve communication with relatives and hand over information on Ward 27.
- Ward staff have been asked to ensure that radios are not used during the night, or that patients are supplied with headphones.

Directors' Report

After receiving a response from the Trust during the year under review, six people chose to refer their concerns to the Healthcare Commission requesting an independent review. Of these, three complaints were upheld and three were not. One complaint from 2005/06 was re-considered by the Healthcare Commission and upheld in 2008/09.

In relation to those complaints upheld by the Healthcare Commission, the Trust has provided apologies and further explanations in line with the recommendations made.

The Trust welcomes patient and public feedback on its services at any time. In each clinical area there are patient satisfaction surveys which ask patients and visitors about their experience at our hospitals. Surveys are also available from the PALS office, located in the main atrium at the Royal Bournemouth Hospital.

If you need to make a formal complaint about your experience please contact the Complaints Department on 01202 704452.

Working in Partnership

As well as working closely with local primary care trusts and social services on the initiatives mentioned in this report, the Trust works with other local organisations:

Key relationship with the University

The Foundation Trust continues to have a good relationship with Bournemouth University, both for graduate and post-graduate courses. A wide variety of programmes are available to staff.

The Trust is a major source of clinical placements for students in training with the university and there is a high rate of recruitment on completion of all training.

Well-developed mentorship and preceptorship programmes are also in place.

There is a wide range of post-registration programmes available for staff of all disciplines and a good uptake of local opportunities available. Many staff have completed undergraduate and post-graduate programmes.

Local Resilience Forum

The Foundation Trust has been working with local partners to prepare its contingency plans for a flu pandemic.

The Dorset Local Resilience Forum (LRF), which includes all of the emergency services, hospitals and local authorities, has been working for some time to produce a coordinated pandemic flu plan, which identifies a whole range of measures in place to protect the population, reduce the impact on health, safeguard essential services and minimise social disruption.

4. Operating and Financial Review

After making enquiries, the Directors have a reasonable expectation that the Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the ongoing concern basis in preparing the accounts.

Audit Committee

The Trust's Audit Committee meets quarterly and is authorised by the Board to:

- Investigate any activity within its terms of reference.
- Seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.
- Obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The duties of the Committee can be categorised as follows:

1. Internal Control, Risk Management and Corporate Governance

The Committee shall review the establishment and maintenance of an effective system of internal control, risk management and corporate governance, with particular reference to the organisations assurance framework.

In particular the Committee will review the adequacy of:

- All risks and control related disclosure statements, together with any accompanying Head of Internal Audit statement, prior to endorsement by the Board
- The structure, processes and

responsibilities for identifying and managing key risks facing the organisation.

- The operational effectiveness of relevant policies and procedures including but not limited to:
 - The policies for ensuring there is compliance with relevant regulatory, legal and code of conduct requirements as set out by the Health Care Commission (HCC), (the Care Quality Commission as of 1st April 2009) (CQC), and other relevant guidance.
 - The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as recommended by the appointed Counter Fraud Service.
 - The policies and procedures in place for ensuring economy, efficiencies and effectiveness in the use of resources.
 - The matters arising from Governance and Risk Management Committee and Information Governance Committee and recommend actions to the Board of Directors.
- #### 2. Internal Audit
- Appoint the internal auditors, set the audit fee and resolve any questions of resignation and dismissal.
 - Ensure that the internal audit function is adequately resourced and has appropriate standing within the organisation.

Operating and Financial Review

- Review the internal audit programme, consider major findings of internal audit investigations (and management's response) and ensure coordination between the internal and external auditors.
- Report non compliance with, or inadequate response to, internal audit reports to the Board of Directors.

3. External Audit

- Consider the appointment of the external auditor, the audit fee and any questions of resignation and dismissal. Make a recommendation to the Council of Governors.
- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and ensure coordination, as appropriate, with internal audit and the representation from the Counter Fraud Service.
- Review external audit reports together with the management response.
- Report non compliance with, or inadequate response to, external audit. Report to the Board of Directors

4. Counter Fraud Service

The Committee will:

- Appoint the Counter Fraud service, set the fee and resolve any questions of resignation and dismissal.
- Ensure that the Counter Fraud function has appropriate standing within organisation.

- Review the Counter Fraud programme, consider major findings of investigations (and management's response), and ensure co-ordination between the Internal Auditors and Counter Fraud.
- Report non-compliance with, or inadequate response to, Counter Fraud reports to the Board of Directors.

5. Financial Reporting

The Committee will review the annual financial statements before submission to the board, focusing particularly on:

- Changes in, and compliance with, accounting policies and practices.
- Major judgemental areas resulting from the audit.
- Significant adjustments resulting from the audit.

The Audit Committee met five times during the year and representatives of external audit and internal audit attended.

The Committee members were:

- Ian Metcalfe, Non-Executive Director (Chair)
- Brian Ford, Non-Executive Director
- Lindsey Dedden, Non-Executive Director

Operating and Financial Review

Social Responsibilities

The Environment

The Trust closely monitors its production of greenhouse gases, and generated 3,558 tonnes of CO₂ last year, a 22% reduction on the previous year, due to changes of use of the site. There is an ongoing programme of activity to reduce the hospitals' carbon footprint. The evaluation of all major building projects includes consideration of the implications of our carbon footprint and we comply with the BREEAM regulations. In addition a number of technical solutions are being planned/implemented to save energy, including:

- Intelligent hospital street lighting which is expected to save up to 50% over the previous manually operated system.
- Significant investment to modernise and extend the building management system to give more efficient use of the energy used for heating, ventilation and air-conditioning systems.
- Ventilation plant upgrades using energy efficient motors and improved control and reduce energy consumption.
- Upgrade of the boiler house water treatment plant which involves a complete re-design of the process to make this a less chemically intensive process.
- Remote meter reading capability that will allow us to proactively monitor consumption trends, identify problem areas and more quickly implement remedial actions.
- Revised maintenance contract in place to ensure gas and oil fired burners are operating optimally on a regular basis via monthly/ quarterly checks.
- General upgrades of facilities evaluated for energy and operational efficiencies including; lighting generally being upgraded to newer fittings incorporating energy efficient electronic control gear and high output lamps with improved efficiency
- Roofing upgrades to include improved insulation.
- Automatic doors installed to minimise door open times, reduce drafts and heat loss.
- Site evaluation, cost analysis and pay back period on of the benefits of replacing the single glazed metal framed windows with UPVC secondary or double glazed units.

These efforts are delivering real reductions in energy consumption year on year, even though the hospitals floor area and workforce continues to expand.

Green Energy – reducing our carbon footprint

25% of the electricity used within the Royal Bournemouth and Christchurch Hospitals last year came from green sources.

Generating our own electricity via a wind turbine has been explored but because of the close proximity of the airport (and interference with radar), the location of the residences and the low wind forces in

Operating and Financial Review

the area throughout the year, this is not a viable proposition.

The use of Photo-voltaic cells on the roofs cannot be justified because of their low efficiency output and the high cost of installation with a poor pay back period.

Waste heat generated from the on site incinerator is used to supplement the heating on the Royal Bournemouth site. The benefits of this facility mean we reduce the large volumes of gas used to heat the hot water and buildings. An additional benefit of this facility is that our clinical waste has a zero carbon effect in transporting it from site via road transport.

Waste and recycling

Our aim is to reduce household waste by expanding our recycling, including glass, plastics and aluminium that would otherwise go to landfill sites. This will reduce costs, as landfill taxes continue to rise, as well as reducing our carbon footprint. Last year for example the Trust recycled:

- Cardboard and paper - 56 tonnes
- Lamps and tubes - 635kg (over 4,000 units)
- Electrical white goods (60 units)
- Plastic bottles - 1,100kg

We currently also have provisions to recycle:

- Batteries
- Electronic equipment, televisions, computers/monitors

- Green garden waste
- Used oil

The volume of waste sent to landfill has decreased by approx 5% with the introduction of the Landfill Directive. To comply with the Directive the Trust now pre-treat and separate all hazardous waste which is then dealt with by a specialist contract.

To further reduce the amount going to landfill the Trust is introducing mixed recycling schemes to include plastic bottles, aluminium cans and glass. 10% of our waste volume is recycled which equates to 14.5% of our total waste costs.

Green Transport Plan

The Trust's Green Transport Plan has recently been updated and encourages staff, patients and visitors to consider alternatives to using their car to come into hospital. This includes subsidised bus fares and car sharing schemes and incentives for staff to use bicycles or walk to work where possible including the increased provision of cycle and changing facilities. The plan is updated regularly and is produced in partnership with the local council and our partners in local bus companies with whom we actively work to improve public transport links.

5. Governance and Membership

Board of Directors

Attendance at Board of Directors' meetings 2008/09		
Name	Title	Attendance (out of 14)
Belinda Atkinson	Director of Nursing	13
Karen Allman	Director of Human Resources (from July 2007)	14
Sheila Collins	Chairman	13
Lindsey Dedden	Non-Executive Director	13
Brian Ford	Non-Executive Director	11
Stuart Hunter	Director of Finance and IT	14
Richard Renaut	Director of Service Development	14
Ian Metcalfe	Non-Executive Director	13
Frances Outram	Senior Independent Director and Vice Chairman	13
Simon Parvin	Medical Director	9
Alex Pike	Non-Executive Director	11
Tony Spotswood	Chief Executive	14
Ken Tullett	Non-Executive Director	13
Helen Lingham	Director of Operations (from May 2008)	11

All of the Non-Executive Directors are considered to be independent by the Board of Directors.

The Non-Executive Directors were appointed for a period of four years from 1st April 2005 by a committee of the Council of Governors and approved at a general meeting of the Council. Arrangements for the termination of appointment of a Non-Executive Director

are set out in the Trust's constitution.

The Board has given careful consideration to the range of skills and experience required for the running of a Foundation Trust; it confirms that the necessary balance and completeness has been in place during the year under report.

The performance of the Non-Executive Directors and the Chairman was

Governance and Membership

Council of Governors

evaluated during the year. The Chairman led a process of evaluation of the Non-Executive Directors and the Senior Independent Director undertook the evaluation of the performance of the Chairman, with the outcomes of both processes being shared with the Council of Governors. The Chief Executive undertook appraisals of the performance of the Executive Directors and the Chief Executive's performance was appraised by the Chairman.

Each Director has declared their interests at a meeting in public. The register of interests is held by the Trust Secretary and is available for inspection by arrangement. This includes the other significant commitments of the Chairman which have not changed in the year under report.

There are 28 members of the Council of Governors. The Council of Governors plays a role in helping to set the overall strategic direction of the organisation by advising the Board of Directors of the views of the constituencies they represent. They also have specific responsibilities set out in relation to appointment or removal of Non-Executive Directors and their remuneration, and the approval of the membership strategy.

In 2008/09 the Council of Governors was made up as follows:

Bournemouth public governors (elected)
David Bellamy from October 2008
David Craig from October 2008 to January 2009
Derek Dundas from October 2008
Mollie Harwood
Phil Carey
Sharon Carr-Brown
Joyce Littman
Leon Kaufman

Governance and Membership

Christchurch, East Dorset and Purbeck public governors (elected)	Nominated (appointed by their respective organisations)
Sue Bungey	Stephen McLoughlin Bournemouth Borough Council from October 2008,
James Watts-Phillips	Ken Hockey, NHS Bournemouth and Poole
Michael Desforges	David Fox, Dorset County Council
Lee Foord	Dennis Hasted, Hospital Volunteers
Alf Hall	Two vacancies NHS Dorset External Voluntary organisations
Poole public governors (elected)	<p>Public governors were first elected in February 2005 by secret ballot of the public membership, using the single transferable vote system. Each public governor is elected for a term of three years. Similar arrangements apply to the staff governors who are elected from the relevant staff group.</p>
Maureen Baker from October 2008	<p>A record of the number of meetings held by the Council of Governors and the attendance of individual governors is kept by the Trust Secretary and is available to members on request.</p>
Paul Weaver from October 2008	
New Forest public governors (elected)	
Celia Fern	
John Hempstead	
Staff public governors (elected)	
Alan McCoy	
Pauline Kimpton	
Dean Feegrade from October 2008	
David Dickson from October 2008	
Fiona Stephenson	

Governance and Membership

Governor Elections

Elections to vacant positions for public and staff governors took place in July and August 2008. The following were elected for a three year term from October 2008:

- Maureen Baker
- David Bellamy
- Sue Bungey
- Sharon Carr-Brown
- David Craig (2 years)
- David Dickson
- Derek Dundas
- Dean Feegrade (1 year)
- Celia Fern
- Alf Hall
- Mollie Harwood
- John Hempstead
- Leon Kaufman
- James Watts-Phillips
- Paul Weaver

At each meeting of the Council of Governors, a declaration of any interests held which may conflict with their role as Governor is recorded.

The register of Governors' interest is held by the Trust Secretary and may be inspected by arrangement.

Executive and Non-Executive Directors attend the public meetings of the Council of Governors as one means of understanding the views of governors and members. They have also met in private seminar format to discuss issues of concern to Governors.

Nomination Committee

The Nomination Committee is a committee of the Council of Governors whose primary function is to assist the Board of Directors with its oversight role by:

- Receiving recommendations from the Board of Directors and the numbers, structure and composition of the Non-Executive Director element of the board, to reflect the expertise and experience required and making recommendations to the Council of Governors
- Developing succession plans for Non-Executive Directors, taking into account the challenges and opportunities facing the trust
- Identifying and nominating candidates to fill Non-Executive Director posts
- Keeping the leadership requirements of the trust under review, to ensure the continued ability to provide cost effective, high quality and appropriate health services.

The Committee membership was:

	Meetings attended (out of 4)
Sheila Collins (Chairman)	4
Lee Foord	3
Ken Hockey	4
Keith Mitchell (until October 2008)	1
Michael Desforges (from October 2008)	2
Karen Allman (director of HR)	4

Governance and Membership

The Committee met on four occasions in 2008/09. No appointments of Non-Executive Directors were made during the year under report. In addition, the members of the Nomination Committee met on a further 12 occasions, as part of the panel responsible for the recruitment of a new Chairman.

Developing the Membership

During 2008/09 the role of Governors continued to evolve, particular in relation to meeting with members in local constituency events.

Various meetings and information sessions were held within the constituencies bringing members together to listen to presentations on all aspects of services delivered within the Trust. These events also gave members an opportunity to speak and ask questions of Trust staff and governors.

In some cases individual letters have been sent to members inviting them to Governor led events which has developed a more personal membership approach resulting in better communication and better attendance at meetings.

Staff Governors have held meetings with staff throughout the year to try and encourage more to join the membership.

A new Governor Information Booklet was produced outlining the aims and responsibilities of governors in an attempt to encourage more members to put their names forward for election.

This will be updated each year. Governors also developed, with Trust staff, an induction programme for new Governors. This was successfully delivered to the new governors.

Membership issues are led by the Membership Development Committee. Chaired by a public Governor with Governor representation from each constituency, a staff member and members of the Trust, the Committee meets to develop and progress a Membership Development Strategy. Over the next 12 months developments include:

- Continue to build a membership representative of the local community.
- Continue to develop and improve the co-ordination of recruitment activities.
- 500 new members to be recruited during 2009/10.
- Raise the profile of governors within the community to establish better local links and to encourage members to stand for election as public and staff governors.
- Continue to increase partnership between the Council of Governors and the Board of Directors through the Trust's Chairman.
- Ensure membership activities are organised throughout the year which aim to educate, involve and engage members.

Eligibility to become a member

Public membership of the Foundation Trust is open to those people over the

Governance and Membership

age of 16 years who live in one of the following local authority areas:

- Bournemouth
- Poole
- Christchurch, East Dorset and Purbeck
- New Forest

Staff membership is open to individuals employed by the Trust under a contract of employment or who exercise the functions of someone so employed for at least 12 months. As of 31st March, 2009 there were 13,372 members in the following constituencies:

Public constituency	Last year	Next year (estimated)
At year start (April 1)	*12,763	12,450
New members	420	500
Members leaving	**733	200
At year end (31 March)	12,450	12,750

The Trust's membership is open to persons aged 16+

Staff constituency	Last year	Next year (estimated)
At year start (April 1)	*985	922
New members	52	50
Members leaving	115	30
At year end (31 March)	922	942

A small adjustment has been made in the tables above to the 'At year start' figures from the 'At year end' figures reported last year due to enhanced database capabilities. Last year the 'At year end' figure for public constituency members was 13,086 and for staff constituency members was 972.

** This figure is significantly larger than would normally be expected due to database 'cleanup' which was undertaken during the year as part of the enhanced database capabilities.

The Foundation Trust does not have a separate patient constituency

Governance and Membership

Analysis of membership in constituencies			
Public		Staff	
Bournemouth	8,673	Medical	80
Poole	1,649	Allied Medicine	157
Christchurch	585	Nursing & Midwifery	390
East Dorset	716	Admin, Clerical & Management	228
Purbeck	265	Estates and Ancillary	67
New Forest	562		

Analysis of current membership - public constituency		
Public constituency	Number of members	Eligible membership #
Age (years):		
16	0	7,326
17-21	27	33,976
22+	10,413	489,509
Not stated	2,010	

Ethnicity	Number of members	Eligible membership #
White	11,789	521,135
Mixed	33	3,732
Asian or Asian British	20	2,185
Black or Black British	21	1,047
Other	211	2,712
Not stated	376	

Governance and Membership

Gender:	Number of members	Eligible membership #
Male	5,477	254,412
Female	6,921	276,399
Not stated	52	

Socio-economic groupings	Number of members	Eligible membership #
ABC1	6,769	286,422
C2	1,808	76,726
D	1,848	71,782
E	2,025	83,575
Unknown		12,306

Eligible Membership figures are taken from the Office of National Statistics (2001 Census).

Election Turnout

Elections took place in all constituencies during the year. Efforts to maximise turnout included extensive publicity and meetings both pre and post nomination.

The Board confirms that the elections to the Council of Governors were held in accordance with the election rules as stated in the Constitution.

Date of Election	Constituencies involved	Number of members in constituency	Number of seats contested	Number of contestants	Election turnout %
1 Aug 2008	Poole	1,956	2	4	32.6
29 Sep 2008	Bournemouth	8,869	6	12	35.6
29 Sep 2008	East Dorset, Christchurch and Purbeck	1,390	3	6	39.4

Members who wish to communicate with their Governors and/or Directors should contact the Trust Secretary, The Royal Bournemouth Hospital, Castle Lane East, Bournemouth, BH7 7DW.

6. Public Interest Disclosures

Details of the Trust's consultation activities and other patient and public involvement activities for the year 2008/09 can be found within the Directors Report.

The Foundation Trust's policies in relation to disabled employees and equal opportunities can be found on page 37.

Information on health and safety can be found on pages 50 and 52.

7. Remuneration Report

Remuneration Committee

The Trust operates two separate committees to make recommendations with regard to the remuneration of Executive and Non-Executive Directors.

The remuneration of Executive Directors is considered by a committee consisting of three Non-Executive Directors and the Chairman. They met on two occasions during the year. Its recommendations are put before the Board of Directors for approval.

The remuneration of Non-Executive Directors is considered by a committee made up of Governors, elected by their colleague Governors for this purpose. In 2008/09 it met on four occasions and the membership of this remuneration committee can be seen in the table below:

The Committee is advised by the Chief Executive and the Director of Human Resources with regard to appropriate market rates and relativities (based on research commissioned by the Trust and usually carried out and reported upon by NHS partners), and by the Director of Finance with regard to overall affordability. The Trust Secretary is in attendance to record the proceedings.

Meetings of the Executive Director Remuneration Committee	
Name	Meetings attended
Sheila Collins (Chairman)	2
Brian Ford	1
Ken Tullett	2
Frances Outram	2

Meetings of Non-Executive Director Remuneration Committee	
Name	Meetings attended
Sharon Carr-Brown	7
Sue Bungey	7
Ken Hockey	7
Leon Kaufman	6

Notes - Directors Remuneration

Directors Remuneration for the year ended 31st March, 2009							
Name	Note	2008/09			2007/08		
		Salary	Other Remuneration	Benefits in Kind	Salary	Other Remuneration	Benefits in Kind
		(bands of £5000)	(bands of £5000)	Rounded to the nearest £100	(bands of £5000)	(bands of £5000)	Rounded to the nearest £100
		£' 000	£' 000		£' 000	£' 000	
Mr A Spotswood		166 - 170	0	0	161 - 165	0	0
Mr S Hunter		116 - 120	0	0	106 - 110	0	0
Miss B Atkinson		96 - 100	0	0	91 - 95	0	0
Mr S Parvin	1	41 - 45	136 - 140	0	41 - 45	131 - 135	0
Mr R Renaut		101 - 105	0	0	86 - 90	0	0
Mrs K Allman	3	96 - 100	0	0	71 - 75	0	0
Mrs H Lingham	2	106 - 110	0	0	0	0	0
Mrs S Collins		51 - 55	0	0	46 - 50	0	0
Mr B Ford		16 - 20	0	0	16 - 20	0	0
Mrs L Dedden		11 - 15	0	0	11 - 15	0	0
Mr K Tullett		11 - 15	0	0	11 - 15	0	0
Mrs F Outram		16 - 20	0	0	11 - 15	0	0
Mr I Metcalfe		16 - 20	0	0	16 - 20	0	0
Mrs A Pike		11 - 15	0	0	11 - 15	0	0

For positions held as at 31st March 2009, please see page 12 of the Annual Report.

Note 1 - The 'other remuneration' relates to separate duties as a medical consultant.

Note 2 - Joined 21st April 2008

Note 3 - Joined 1st June 2007

All other senior managers' remuneration arrangements are determined through job evaluation (currently through Agenda for Change).

Director and senior manager remuneration does not include a performance component.

Summary and explanation of policy on duration of contracts, notice periods and termination payments.

The current policy is that all Executive Directors are required to give/receive six months' notice; in appropriate cases this could be varied by mutual agreement.

All contracts are permanent in nature (i.e. not fixed term).

There are no provisions in place for termination payments, other than through legal compromise agreements. All senior managers are appointed on "permanent" contracts are required to give/receive three months' notice.

Notes - Directors Pensions

Director pensions for the year ending 31st March, 2009						
Name	Real Increase in Pension and Related Lump Sum at age 60	Total accrued Pension and Related Lump Sum at age 60 at 31st March 2009	Cash Equivalent Transfer Value at 31st March 2009	Cash Equivalent Transfer Value at 31st March 2008 (Inflated)	Real Increase in Cash Equivalent Transfer Value	Employer Funded contribution to growth in CETV for the year
	(Bands of £2500) £' 000	(Bands of £2500) £' 000	£' 000	£' 000	£' 000	£' 000
Mr A Spotswood	7.5 - 10	220 - 222.5	965	731	234	164
Mr S Hunter	12.5 - 15	152.5 - 155	653	491	162	114
Mrs K Allman	5 - 7.5	25 - 27.5	116	75	41	29
Mrs B Atkinson	5 - 7.5	142.5 - 145	814	588	226	158
Mr S Parvin	0 - 2.5	232.5 - 235	1,391	1,023	367	257
Mrs H Lingham	0 - 2.5	97.5 - 100	432	0	457	286
Mr R Renaut	5 - 7.5	52.5 - 55	152	111	41	29

As Non-Executive directors do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive directors.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004/05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated as prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Quality Account 2008/09



1. Statement by the Chief Executive



This is the first Quality Account published by the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust to accompany our Annual Report.

The Trust has had a busy and successful year and has met all the relevant national standards and targets. In addition, there has

been a strong emphasis on improving the patient experience, which remains a centre piece of our Strategy and the “Putting Patients First” initiative. Much of this work has been developed in conjunction with patients and carers, either via direct involvement in focus groups and our Patients Panel, or as a result of consultation and other direct feedback. We are grateful for the input that these individuals and other stakeholders have made and warmly welcome their feedback.

In this report we have outlined some of the quality activities which have taken place in the Trust over 2008/09. There are particular success stories to tell in respect of some improvements in our Inpatient Survey, our Staff Survey and the National Stroke Sentinel Audit. We have also continued to perform exceptionally well in respect of Healthcare Acquired Infections. Local patients can be reassured that we continue to have some of the lowest rates for MRSA and Clostridium difficile infections in the country. In addition we gained accreditation at Level 2 of the National Health Service Litigation Authority standards in June 2008, and in

December 2008 we were delighted to be a shortlisted finalist in the Health Service Journal awards for Acute organisation of the Year.

Our quality programme has also been enhanced by a wide ranging audit programme which covers a large range of specialities and topics. A number of our clinicians hold prominent national roles in their specialities and this has undoubtedly increased the profile of our service development and quality improvement work.

The report outlines our priorities for 2009/10 and within these, patient safety and continuing to improve the patient experience will feature prominently. In addition a large number of initiatives will be undertaken in conjunction with our commissioners – NHS Bournemouth and Poole and NHS Dorset. We welcome the opportunity to work with them on a number of projects aimed at providing seamless care for our patients across primary and secondary care.

Finally, it has not been possible to include all of the quality initiatives that we have been or will be engaged in, within this report, which can at best, be a snapshot of what is taking place. However, we hope that it will fulfil the purpose it sets out to - provide an account of quality activity in the Trust and to demonstrate the clear commitment of the Board to “Putting Patients First”.

2. Review of 2008/09

2.1 2008/9 Quality Objectives

In line with the Trust's vision: "Putting patients first while striving to deliver the best quality healthcare," the Trust Board agreed a comprehensive set of strategic goals and objectives for 2008/09. The key goals for quality were:

- To offer patient centred services through the provision of high quality, responsive, accessible, safe, effective and timely care.
- To promote and improve the quality of life of our patients.

- To strive towards excellence in the services and care we provide.
- To work collaboratively with partner organisations to improve the health of local people.

Strategic Goals extract

The following table contains a summary of the key quality metrics which supported the strategic quality activity in 2008/09.

The Operating Framework-national headline objectives

MRSA	Exceeded
Clostridium difficile	Exceeded
Achieve maximum waits of 18 weeks from GP referral to treatment	Exceeded
Achieve maximum 14 day waits from urgent GP referral for suspected cancer	Achieved
Achieve maximum 31 day waits from diagnosis to treatment for all cancers	Achieved
Achieve maximum 62 day waits from urgent referral to treatment for all cancers	Achieved

The Healthcare Commission – Annual Health Check Rating

Achieve "excellent" for 08-09 use of resource rating	Expected*
Achieve "good" for 08-09 quality of service rating	Expected*

* Report issued by Care Quality Commission in October 2009

Review of 2008/09

Trust Strategic Objectives

Achieve compliance with all national and local waiting time targets	Exceeded
Ensure that 98% of patients wait four hours or less in the Emergency Department	Achieved
Reduce the number of cancelled operations on the day of admission or after for non medical reasons.	Achieved
Ensure high quality care for Stroke patients	Achieved
Maintain “good” scores for the Patient Environment Action Team (PEAT) programme and high standards for cleanliness, single sex facilities, privacy and dignity	Achieved
Reduce preoperative length of stay	Achieved
Improve patient scores for quality of services provided	Achieved
Introduce a Trust wide Patient Survey for routine monitoring of patient satisfaction	Achieved



Review of 2008/09

2.2 2008/9 Quality Overview

2.2.1 What our patients say about us.

National Inpatient Survey 2008

The National Inpatient Survey 2008 (carried out by the Care Quality Commission) found that high levels of patient satisfaction were found in the following areas of the Trust:

- **Arrangements for leaving hospital** - which included patients receiving information on how to take medication, what side effects to look for, what they should do after leaving hospital and providing information for patients' families.
- **How patients rated their care and treatment** - including patient involvement in care decisions, someone to talk to about fears and worries, privacy when being examined or treated and controlling pain.
- **The hospital and the ward** - including areas such as single sex accommodation and bathroom facilities, cleanliness, noise and feeling threatened by other patients or visitors.

The Trust scored excellent in a number of areas (with no low scores at all in the survey), which is evident of a number of initiatives that staff have been working on, including:

- **The length of time a patient is on the waiting list** - The Trust was an early achiever of the 18 week referral to treatment target and also achieved the local 13 week target. Patient pathways have been assessed, taking

away any unnecessary waits and reducing the number of patient visits to hospital.

- **Not having admission dates changed by the hospital.**
- **Nurses on duty to care for patients while in hospital.**
- **Privacy when discussing treatment** - for example, the Eye Unit has revised the layout of the orthoptic assessment area to provide a more private and confidential environment for patients.
- **Giving information to patients about their treatment or condition** - over the past couple of years patient information across the Trust has been standardised ensuring information is clear, explains the risks and benefits and meets corporate standards.

Continuing to improve patient experience will remain a priority for the Trust in the future, but we are pleased with the improvements that have been made to date.

Trust Patient Survey Card Results

In addition to responding to national patient surveys, the Trust has an internal patient survey card which is available for all inpatients and outpatients to complete. In 2008/09 3,784 survey cards were completed.

The results demonstrate a high level of patient satisfaction with over 95% of respondents saying that they would

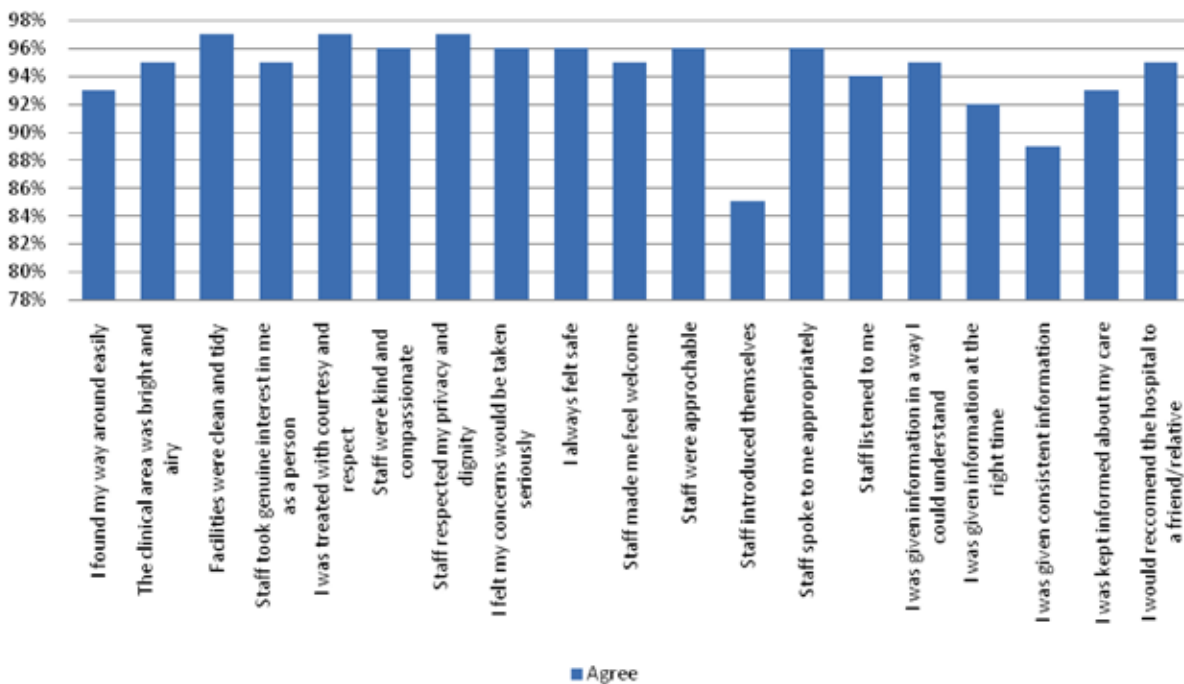
Review of 2008/09

recommend the hospital to a friend or relative.

This is the first year that we have used this type of survey. Continued use will enable us to assess changes in the future – noting improvements and identifying areas for further work.



RBCH Patient Survey Results 2008/9 (n=3784)



Managing Complaints

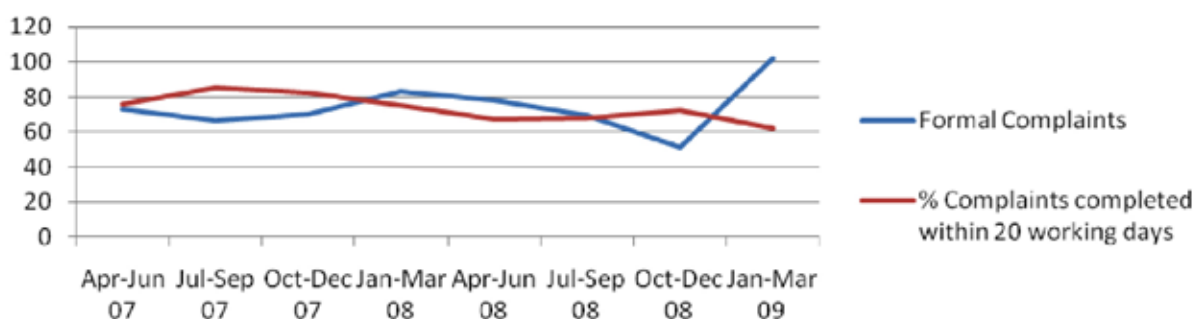
The Trust recognises the need to respond to formal complaints in a timely manner while still ensuring that sufficient time is given to provide a full and proper review of the issues raised. The Trust has recently strengthened its complaints management function and policies have been revised to take account of the new complaints handling regulations.

The last quarter of 2008/09 saw an increase in the number of complaints received within the Trust. This seems to be in line with trends experienced by other providers in this period and this will be closely monitored in 2009/10 to identify any specific areas of concern which require attention.

Review of 2008/09

Number of complaints and response times

April 2007 – March 2009



2.2.2 What our staff say about us.

National Staff Survey 2008

Each year, a random selection of staff are asked to take part in the annual staff survey which is carried out by the Care Quality Commission. This year was no different and 814 eligible responses were received, giving a response rate of 61% (the average for all acute trusts was 52%).

The Trust has a green score in 31 of the 36 areas on which staff were questioned. For the vast majority of these we have scored in the top 20% of all acute trusts in the country. There were only three areas where we were average, and below average in only two – both relating to appraisals. We already know that this is an area in which we can perform better and this will be a key objective for action in 2009/10.

We were also rated in the top 20% nationally for helping staff to find a good balance between their work and home life.



Review of 2008/09

The following tables show the Trust's results from the National Staff Survey 2008 in relation to the four NHS staff pledges.

Staff Pledge 1

To provide all staff with clear roles and responsibilities and rewarding jobs for teams and individuals that make a difference to patients, their families and carers and communities.

% feeling satisfied with the quality of work and patient care they are able to deliver	Highest (best) 20%
% agreeing that their role makes a difference to patients	Highest (best) 20%
% feeling valued by their work colleagues	Highest (best) 20%
% agreeing that they have an interesting job	Average
Quality of job design	Highest (best) 20%
Work pressure felt by staff	Lowest (best) 20%
% working in a well structured team environment	Highest (best) 20%
Trust commitment to work-life balance	Highest (best) 20%
% working extra hours	Lowest (best) 20%
% using flexible working options	Highest (best) 20%

Staff Pledge 2

To provide all staff with personal development, access to appropriate training for their jobs and line management support to succeed.

% feeling there are good opportunities to develop their potential at work	Highest (best) 20%
% receiving job-relevant training, learning or development in last 12 months	Highest (best) 20%
% appraised in the last 12 months	Below (worse) than average
% having well structured appraisals in last 12 months	Above (better) than average
% appraised with personal development plans in last 12 months	Below (worse) than average
Support from immediate managers	Highest (best) 20%

Review of 2008/09

Staff Pledge 3

To provide support and opportunities for staff to maintain their health, well being and safety.

Health and Safety	
% receiving health and safety training in last 12 months	Above (better) than average
% suffering work-related injury in last 12 months	Lowest (best) 20%
% suffering work-related stress in last 12 months	Lowest (best) 20%
Availability of hand washing materials	Highest (best) 20%
Errors and incidents	
% witnessing potentially harmful errors, near misses or incidents in last month	Lowest (best) 20%
% reporting errors, near misses or incidents witnessed in the last month	Average
Fairness and effectiveness of procedures for reporting errors, near misses or incidents	Highest (best) 20%
Violence and harassment	
% experiencing physical violence from patients/relatives in last 12 months	Below (better than) average
% experiencing physical violence from staff in last 12 months	Average
% experiencing harassment, bullying or abuse from staff in last 12 months	Lowest (best) 20%
Perceptions of effective action from employer towards violence and harassment	Highest (best) 20%

Review of 2008/09

Staff Pledge 4

To engage staff in decisions that affect them and the services they provide, individually, through representative organisations and through local partnership working arrangements. All staff will be empowered to put forward ways to deliver better and safer services for patients and their families.

% reporting good communication between senior management and staff	Highest (best) 20%
% agreeing that they understand their role and where it fits in	Above (better than) average
% able to contribute towards improvements at work	Highest (best) 20%
Job satisfaction	
Staff job satisfaction	Highest (best) 20%
Staff intention to leave jobs	Lowest (best) 20%
% that would recommend the trust as a place to work	Highest (best) 20%
Equality and diversity	
% having equality and diversity training in last 12 months	Above (better than) average
% believing the Trust provides equal opportunities for career progression or promotion	Highest (best) 20%
% experiencing harassment, bullying or abuse from staff in last 12 months	

A corporate action plan is being developed to address areas requiring improvement. This will be monitored by the Human Resources Department and executive team.

Review of 2008/09

2.2.3 Infection Prevention and Control

The Trust's Board is committed to infection prevention and control as a key priority at all levels of the organisation and takes a very active interest in the monitoring of infection control performance. The Director of Infection Prevention and Control briefs the Board on a regular basis.

As a result of this energy and enthusiasm there was effective control of *C. difficile* associated disease, MRSA bacteraemia, and an impressive reduction in all hospital-acquired bacteraemias. There has been improved working from "Board to Ward" with enhanced reporting of Directorate performance.

The Trust faced continued scrutiny and accountability in relation to the prevention and control of infection this year and met the challenges well. The Trust has much of which to be proud in relation to its success while, at the same time, rejecting any sense of complacency.

Clean Environment

The Patient Environment Action Team (PEAT) programme was established to assess NHS hospitals in 2000, and has been managed by the National Patient Safety Agency since 2006. Under the programme Acute Trusts are assessed annually and are rated in terms of the quality of the patient environment, including cleanliness.

The following table shows the PEAT scores for this Trust for the past five years (including cleanliness and environment)

Year	Royal Bournemouth	Christchurch
2004	Good	Acceptable
2005	Good	Excellent
2006	Acceptable	Excellent
2007	Good	Good
2008	Good	Good

Nationally in 2008, 19.1% of trusts scored "excellent", 55.5% "good", 23.9% "acceptable" 1.4% "poor" and 0.1% "unacceptable."

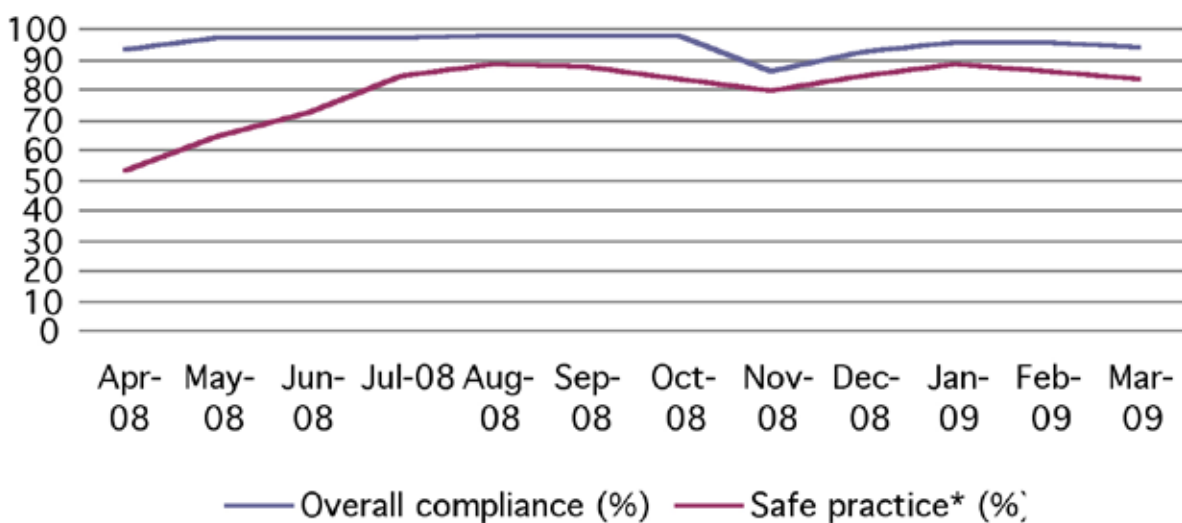
Cleanliness and Hand Hygiene

Compliance with hygiene standards is measured at ward level each month. Results are collated and fed back to directorates and wards. The data is also reported each month to the Trust Management Board. Poor compliance results in increased supervision by the Infection Control Team and increased frequency of audit. Overall compliance has been good and improved during the year.

An overall figure for safe compliance is also reported and represents the proportion on areas where hand hygiene is reported to exceed the minimum 95%.

Review of 2008/09

Hand Hygiene Compliance 2008/9



Staff Awareness

One of the Director of Infection Prevention and Control's priorities during the year has been to increase staff

awareness of all aspects of infection control management. A variety of sources of information are provided and an enthusiastic group of infection control lead staff and resource staff disseminate information throughout wards and departments, guided by the Infection Control Team.

The results of the regular hand hygiene audits are reported on the home page of the Trust intranet - available to all staff. The front page (shown left) also reports the number of days since the last MRSA bacteraemia on a "ticker tape" (updated daily) and performance against the *C. difficile* target.



Trust Intranet front page, showing Infection Control information for staff.

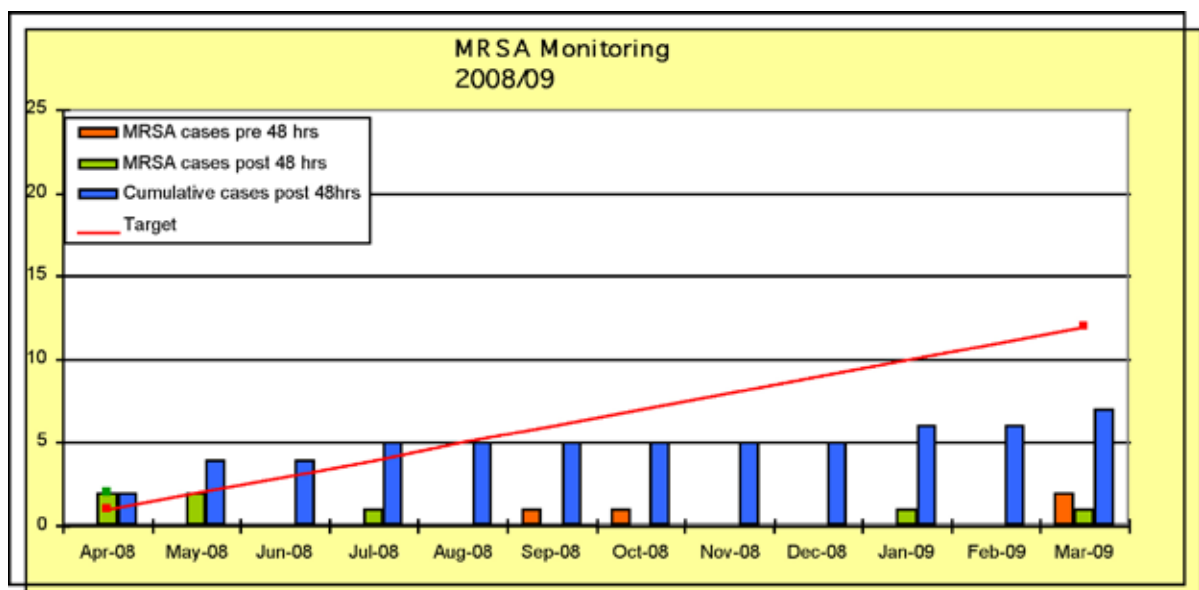
Review of 2008/09

MRSA bacteraemia

MRSA

We have been successful in reducing our rate of MRSA bacteraemia this year and achieved an end of year score under the Department of Health target of 12.

Clinical teams are required to complete a root cause analysis investigation on each hospital-acquired case to ensure adequate risk reduction action plans are put in place and key quality lessons learnt. These are accompanied by an action plan as appropriate and are followed up by the Infection Control Team and Clinical Directorate Leads.



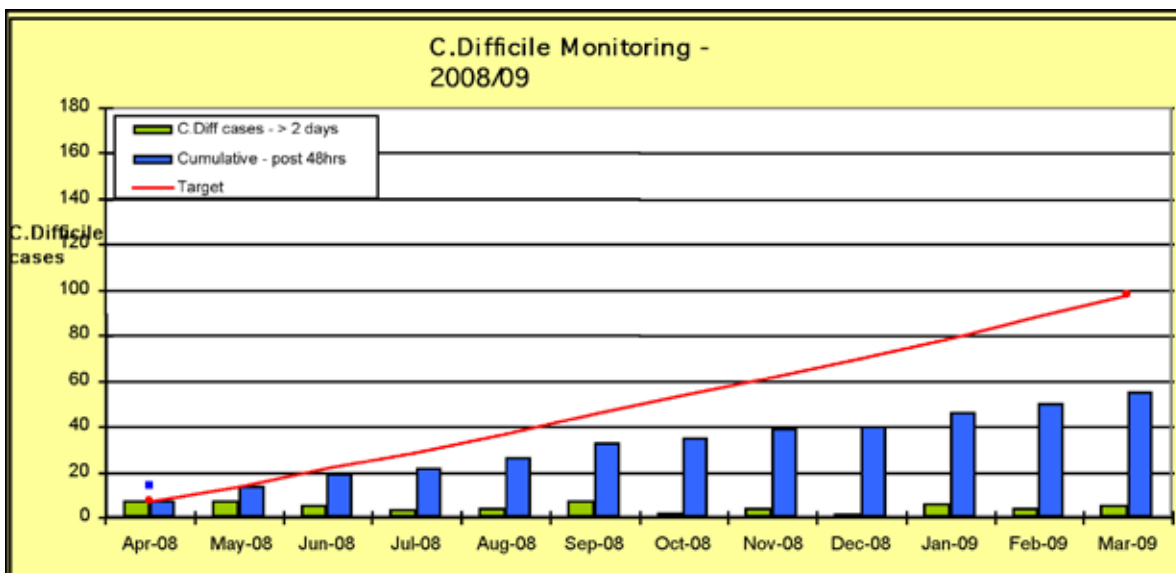
Review of 2008/09

Clostridium Difficile

The Trust had the lowest rate in the southwest for each of the past four years. For 2004 and 2005 the Trust had the third lowest rate for such patients (excluding highly specialised hospitals) nationally, and for 2006 and 2007 the rates were the lowest. During 2008/2009 the number of cases of C. difficile infection were well under the target set for the Trust.

Single Rooms

The provision of adequate isolation facilities remains an important factor in the control of the spread of infection. Having started with a low base number by contemporary building standards, the Trust continues to try to maximise opportunities for providing additional single room accommodation whenever possible. This year we were able to create three additional side rooms on two surgical wards. Further work will continue in 2008/9.



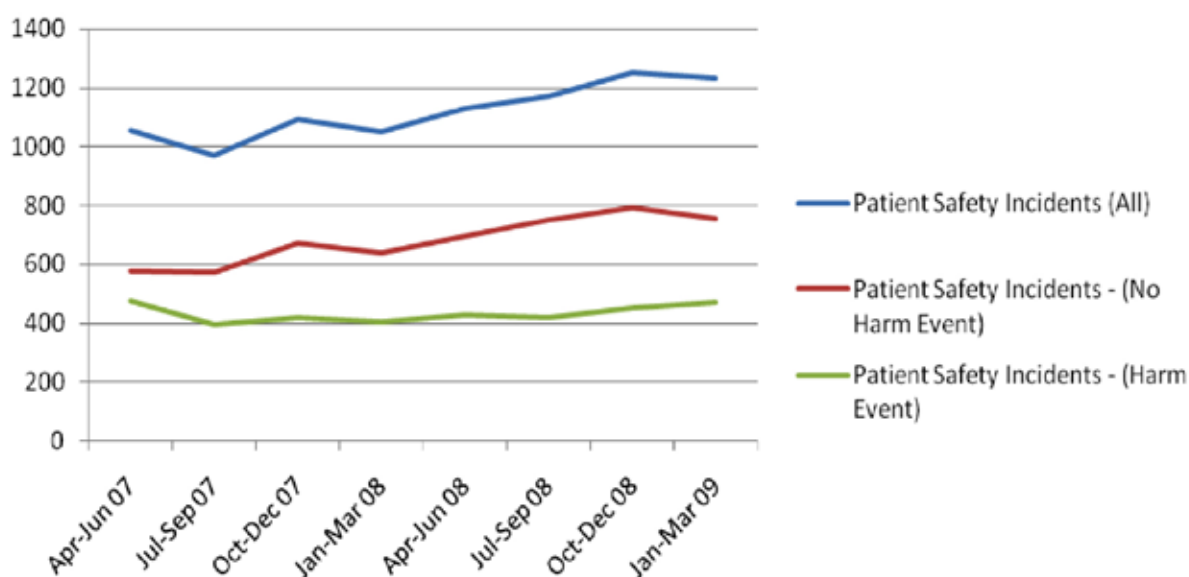
Review of 2008/09

2.2.4 Reporting & Management of Adverse Events

The Trust promotes a culture of reporting and learning from potential and actual adverse events. Staff are encouraged to report near misses and patient safety incidents. All reports are formally investigated and action plans are developed to reduce the risk of reoccurrence. Lessons learnt are widely shared across the organisation and, where relevant, with the local health community.

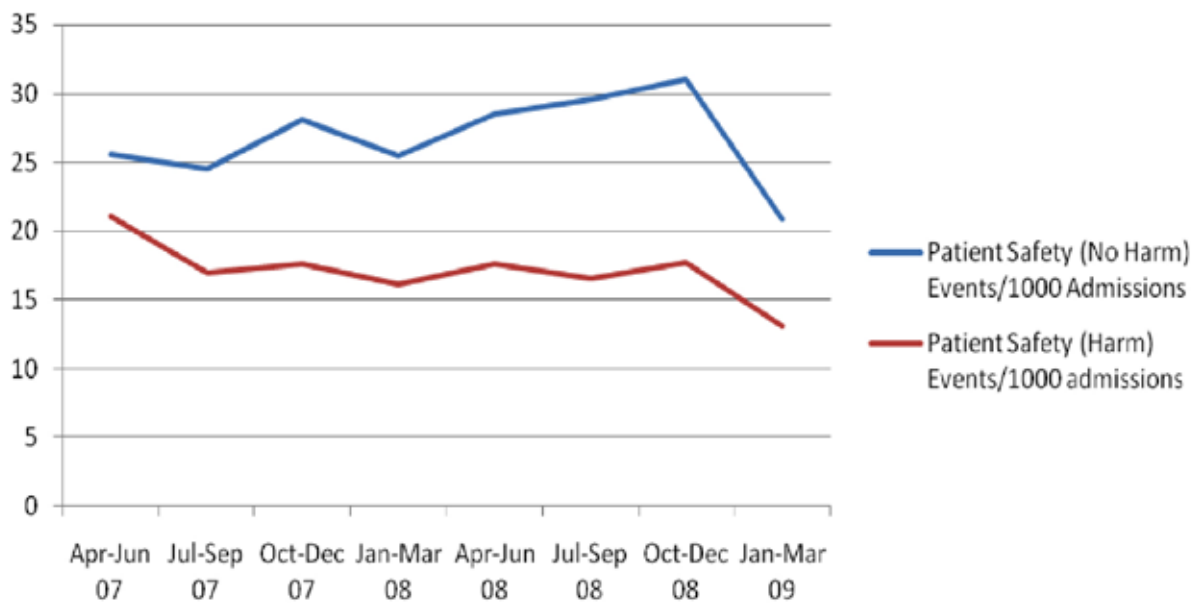
While the numbers of reported incidents can be seen to have increased over the last few years this is viewed as a positive indicator demonstrating a culture where staff feel able to report incidents and have confidence that appropriate actions will be taken. As more no harm events are reported the potential to reduce or prevent actual harm events from occurring increases as a result of investigation and learning and this can be seen below:

Number of reported Patient Safety Incidents



Review of 2008/09

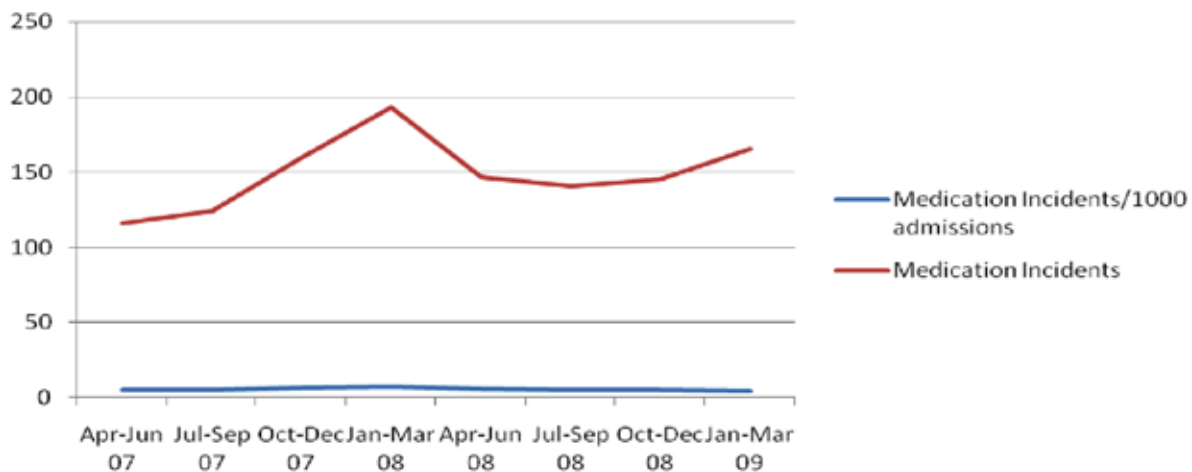
Number of actual Patient Safety Incidents



Further work will be undertaken in 2009/10 to develop specific quality metrics using adverse incident reporting data e.g. concerning patient falls and medication incidents. This is particularly

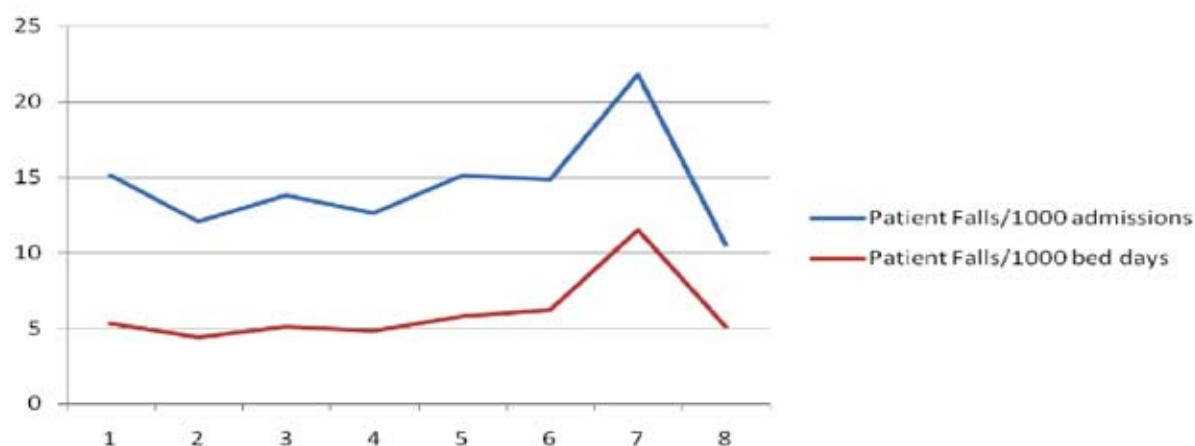
relevant to our patient group which contains a relatively high percentage of elderly patients, many of whom have a history of falling and / or are on complicated medication regimes.

Medication Incident Reporting



Review of 2008/09

Patient Falls Reporting



2.2.5 Ensuring Clinical Effectiveness and Quality of Care

Reducing Hospital Mortality

Following the Healthcare Commission's Review of the Mid-Staffordshire NHS Foundation Trust, the Trust will be carrying out its own review of policies and procedures in line with the recommendations that all trusts undertake this work. This will include a review of how standardised mortality ratios are reported to the Board of Directors and to the public. The Medical Director will lead this work.

Meeting local and national Clinical Audit Standards

The Trust maintains a comprehensive clinical audit programme and participates in all National clinical audit programmes. For example, in 2008/9 the Trust participated in National Audits for COPD, Patient Falls and Bone Health and Care

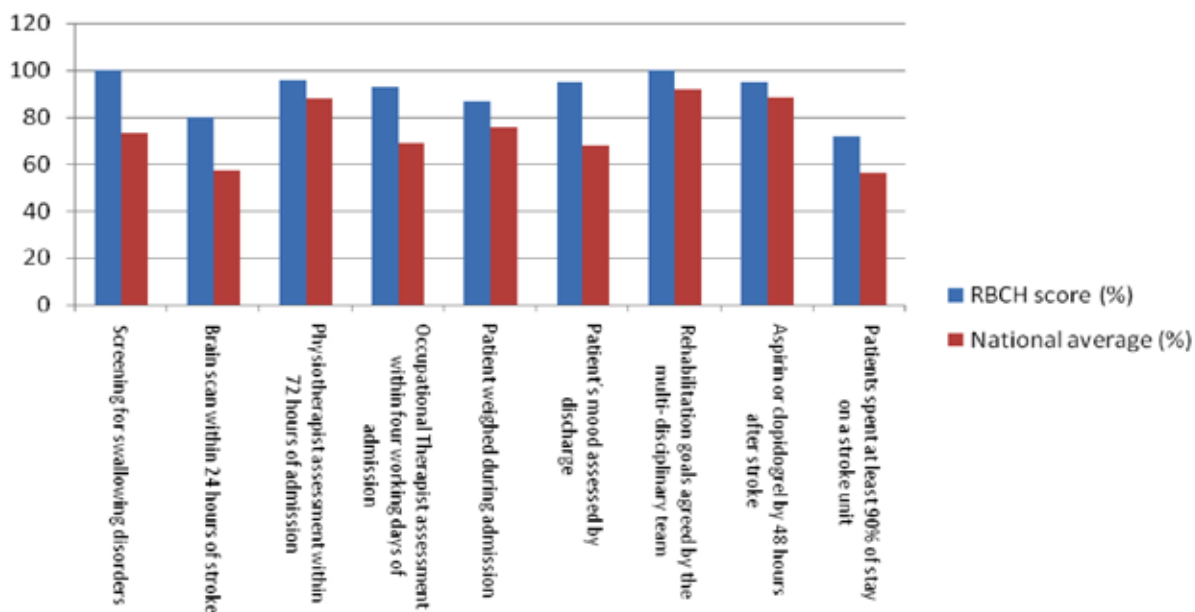
of the Dying (Liverpool Care Pathway compliance).

All audits are reported quarterly to the Trust Clinical Governance and Risk Management Committee and to the Board of Directors. All audit reports include actions plans for dissemination of audit results and potential areas for improvement.



Review of 2008/09

National Stroke Sentinel Audit 2008/09



Meeting National Stroke Standards

Stroke services at the Royal Bournemouth and Christchurch Hospitals were ranked the best in the south west and among the top ten in England, Wales and Northern Ireland as part of the National Stroke Sentinel Audit in 2008/09.

This audit measured nine aspects of stroke care across the whole of the patient journey including swallow screening, provision of CT brain scan with 24 hours, and timely physiotherapy and occupational therapy assessments.

The Trust scored considerably above the national average in each of the areas and is ranked in the top quartile (that is within the top 25% of all trusts).



3. External Scrutiny of Our Services

3.1 In May 2008 the Healthcare Commission carried out an unannounced inspection of the Trust as part of the national programme of inspections in respect of the Hygiene Code. Three recommendations were made which the Trust was asked to address. These related to:

- Prioritisation of the Infection Control Plan for 2008/09 (Duty 2c)
- Provision of infection control information to contractors (Duty 2d)
- The provision of wash hand basins in all clinical areas which comply with current guidance (Duty 4e)

The Trust acted upon all three recommendations within the required timescales.

3.2 In September 2008 the Department of Health MRSA Support Team visited the Trust at our invitation. Whilst our performance in respect of MRSA has remained excellent and achieved the challenging target for this year we were keen to ensure that all possible actions to reduce MRSA were being taken. The view of the Infection Control Committee was that external scrutiny represented best practice in this respect. The team made constructive suggestions which have been actioned.

3.3 During 2007/08 the Trust engaged the services of an external consultant to review our Information Governance Policies and Procedures in view of the high profile of this area nationally. As a result of this a considerable number of recommendations were made and the Trust invested substantially in this area. The Information Governance Toolkit return for 2008/09 demonstrates that the organisation meets the required level (Level 2) of the Connecting for Health Information Governance Standards

3.4 The Trust received a communication from the Healthcare Commission following a Dr Foster alert issued in April 2008 concerning our mortality rate for peritonitis and intestinal abscess. The alert was fully investigated and the outcome was discussed at the Governance and Risk Management Committee.

A full response was sent to the Healthcare Commission in January 2009. The Healthcare Commission was satisfied with the detailed response provided by the Medical Director and no further actions were required. There are no outstanding issues for the Trust as a consequence of this enquiry, except for that of coding accuracy and the inclusion of co-morbidities in coding.

4. Performance against key national priorities - Operating Framework and against Core Standards

The Trust declared full compliance against the 24 Core Standards for Better Health in the Healthcare Commissions Annual Health Check for 2008/9, following a systematic and thorough review of its services, policies and procedures and the evidence available to assure the Board of Directors of the integrity of these.

In addition the Trust has achieved unconditional registration with the

Care Quality Commission in respect of Healthcare Acquired Infection with effect from April 2009.

The Trust achieved Level 2 compliance with the NHSLA Risk Management Standards for Acute Trusts in 2008/9. The Trust received an excellent compliance score of 48/50 and was able to demonstrate that risk management policies were implemented to a high standard across the organisation.

4.1 Performance against national priorities 2008/09

National Priority

Clostridium difficile year on year reduction	Exceeded
MRSA – target of 12 cases	Exceeded
Maximum waiting time of 31 days from decision to treat to start of treatment extended to cover all cancer treatments	Achieved
Maximum waiting time of 62 days from all referrals to treatment for all cancers	Achieved
Maximum waiting time of 31 days from diagnosis to treatment for all cancers	Achieved
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Achieved
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	Achieved
18-week maximum wait Admitted patients: maximum time of 18 weeks from point of referral to treatment	Exceeded
18-week maximum wait Non-admitted patients: maximum time of 18 weeks from point of referral to treatment	Exceeded
Maximum waiting time of four hours in the Emergency Department from arrival to admission, transfer or discharge	Achieved
People suffering heart attack to receive thrombolysis within 60 minutes of call (where this is the preferred local treatment for heart attack)	Achieved

5. Quality Improvement Plans for 2009/10

During 2008/09 the Trust has made considerable progress with the development of a number of quality initiatives. These will be carried forward into 2009/10 as part of an ambitious overall quality improvement programme which has the full commitment of the Board.

The programme takes account of a number of requirements and initiatives, which are both internally and externally driven. These are:

- The Trust's Strategy for 2008 – 2012 "A Healthy Future".
- Feedback from patient engagement, our Patient Panel and local stakeholder groups.
- The extensive quality improvement programme agreed with our commissioners including Commissioning for Quality and Innovation Scheme initiatives (CQUINs).
- National initiatives such as the Patient Safety First Campaign.
- The requirements of regulators and assessors i.e. Monitor, the Care Quality Commission, the NHS Litigation Authority.

The Trust's Annual Plan, which is a publicly available document, provides more detail about some of the above areas

The Trust has also embarked upon a wide reaching efficiency and effectiveness

programme – Better Care, Better Value - which has a substantial quality work stream, launched at a workshop for senior managers and clinicians in March 2009.

This project will strengthen Ward to Board reporting in respect of quality and patient safety and also the organisation of quality initiatives and metrics in the organisation. This will also involve attributing quality indicators to a range of other work streams such as reducing length of hospital stay, nurse staffing in wards and departments, use of the operating theatres and improved patient care pathways.

The Trust's aspirations for quality improvement in 2009/10 and beyond are:

- Continue to improve the patient experience.
- Maximise patient safety
- Improve clinical effectiveness and outcomes.
- Aim to further reduce hospital acquired infection.
- Achieve zero tolerance for "never events".
- Improve health and wellbeing.
- Further develop Ward to Board reporting.

Section 5.1. overleaf provides more detail of these.

Quality Improvement Plans for 2009/10

5.1 Quality Objectives for 2009/10

Patient Experience

The Trust is improving “real time” patient experience monitoring to include five key questions derived from patient consultation and focus groups:

- Were you treated as an individual at all times?
- Did you feel safe?
- At the end of your hospital experience / treatment was it clear what would happen next?
- How would you rate your overall experience between 1-10?
- Would you recommend the service to your family and friends?

The use of real time information helps to ensure that any necessary remedial action can be taken promptly. The identification of relevant questions by patients and their cares adds value to the information gained, since these were questions that patients felt were meaningful and that they would wish to be asked about their healthcare experience.

Patient Safety

The national Patient Safety First Campaign is being implemented across the organisation:

- Develop the leadership intervention to demonstrate visible commitment from the Board to patient safety to include regular patient safety walkabouts.
- Aim to improve early recognition of patient deterioration by effective use

of the Medical Early Warning Scoring System (MEWS)

Improve Clinical Effectiveness and Outcomes

Development of Patient Related Outcome Measures (PROMS) for patients who have undergone varicose vein and hernia surgery.

- Improved management and patient centred treatment through the introduction of procedure specific PROMs.
- Aim for a 65% return rate of PROM surveys for patients treated in year.
- Regular reviews of PROMs scores by clinical speciality.

Aim to further reduce hospital acquired infection

The Trust already has some of the best rates of hospital acquired infection in the country in respect of MRSA and Clostridium difficile. It is a priority for the Trust to sustain this performance, ensure zero tolerance of avoidable cases and ensure compliance with all relevant requirements of registration with the Care Quality Commission.

- Target of no more than eight hospital acquired MRSA case in 2009/10
- Target of no more than 83 hospital acquired Clostridium Difficile cases in 2009/10
- Maintain compliance with Care Quality Commission registration

Quality Improvement Plans for 2009/10

Aim for zero tolerance for NPSA “Never Events”

“High Quality Care For All” proposed that a policy on Never Events should be introduced in the NHS in England from April 2009. PCTs will monitor the occurrence of Never Events within the services that they commission, and publicly report them on an annual basis.

Never Events are serious, largely preventable patient safety incidents that should not occur if the available prevention measures have been implemented by healthcare providers. The National Patient Safety Agency (NPSA) has produced a core list of Never Events for adoption during 2009/10, using strict definitions. Of this list, five would be applicable to acute trusts. These are:

- Wrong site surgery
- Retained instrument post-operation
- Wrong route administration of chemotherapy
- Misplaced naso- or oro-gastric tube not detected prior to use
- Intravenous administration of mis-selected concentrated potassium chloride

Measurement of Never Events

- AIRS reporting rates for never events and serious untoward incidents
- No “Never Events”.

Improve health and wellbeing

The Trust will continue to work in partnership with NHS Bournemouth and Poole to develop a range of quality indicators related to improving health and well being. For 2009/10 these will include:

Improving health outcomes for children and young people

Increased breast feeding initiation rates:

- Breast feeding initiation rate to be a minimum of 85%
- Achievement of UNICEF “Baby Friendly” status

Promoting healthy lifestyles

Aim to achieve increased referrals of smokers to local smoking cessation services

- Refer a minimum of 500 patients in year to local smoking cessation services

Further develop Ward to Board reporting

The Trust has recently revised its committee structure in support of the Assurance Framework to ensure that there is a comprehensive assurance base available to the Board. Further work will be carried out during 2009/10 to develop a comprehensive reporting matrix which will include a range of metrics reflecting patient experience, patient safety and clinical effectiveness.

Quality Improvement Plans for 2009/10

5.2 Commissioning for Quality and Innovation Scheme initiatives (CQUINs)

The Trust has recently revised its committee structure in support of the Assurance Framework to ensure that there is a comprehensive assurance base available to the Board. Further work will be carried out during 2009/10 to develop a comprehensive reporting matrix which will include a range of metrics reflecting patient experience, patient safety and clinical effectiveness.

Policy Driver / Strategic Goal	Outcome	CQUIN measure / Key improvement
Effectiveness / Clinical Outcomes		
Promoting healthy lifestyles	Reduce smoking prevalence by 734 quitters per 100000 Population. To enable patients to make healthy choices with hospital food.	To refer 500 patients who smoke to local smoking cessation services. Introduction throughout the hospital of "traffic light" menu cards relating to levels of fat, sugar and salt.
Improving health outcomes for children and young people.	Increased breast feeding initiation rates in hospital through implementation of UNICEF "Baby Friendly" status.	Breast feeding initiation rate to increase to 85% per year.
Improving access to, and effectiveness of, planned care.	Improved management and patient centred treatment through the introduction of a disease specific PROM for eye conditions.	Aim for a 65% return rate of PROM for patients treated in year. Development of an action plan following patient feedback.

Policy Driver / Strategic Goal	Outcome	CQUIN measure / Key improvement
Innovation		
Improving the mental health of the local community.	Improved care of people with dementia whilst inpatients in acute hospitals.	<p>Acute trusts to develop dementia care pathway and training programme for ward based staff to include designated senior lead clinician, meeting communication needs, nutrition, pain management, achieving a stress free environment.</p> <p>Engage with Mental health Liaison Teams specialist assessment and advice.</p>
Improving the Patient Experience		
Ensuring all service users are treated with kindness, dignity and respect and are free from harm.	Improved patient reporting of being treated with dignity and respect.	From 1/7/2009, to incorporate within Putting Patients First initiative the six SHA questions re improving the patient experience.
Improving the Patient Experience		
Improving end of life care.	Patients choosing to die at home or in a hospice have their preference met.	Acute trusts to produce and audit a protocol for identifying patients entering the palliative stage and effectively liaise with primary care, palliative care and other services to facilitate preferred place of death.
Safety		
To develop a quality reporting system, learning the lessons from the Mid. Staffordshire Healthcare Commission Report, to provide team, the Board and commissioners with information reports on quality of care, including mortality.	Clinician, Trust and commissioner use of the balances scorecard and clinical dashboard concepts to maximise clinical use of quality metrics. This in turn leading to quality improvement actions.	<p>To scope the existing quality metrics in use and identify potential gaps.</p> <p>To then put in place a plan to develop, over the next two years, an electronic reporting tool of quality measures.</p>

6. Comments

This is our first published Quality Account and we would be very pleased to receive comments regarding the format and / or content to help us develop the process for future years and ensure that the report is a useful and informative source of quality information.

Comments should be addressed to:

Belinda Atkinson
Director of Nursing and Midwifery
Royal Bournemouth & Christchurch Hospitals
Castle Lane East
Bournemouth
BH7 7DW

Financial Statements

For the Year ended 31st March 2009



Contents

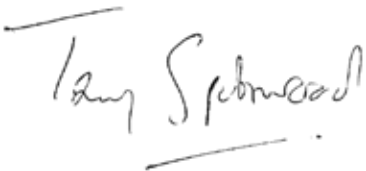
- 3** Foundation Trust
- 4** Foreword
- 5** Accounting Officer's Statement
- 6** Statement on Internal Control
- 11** Report of the Auditor
- 14** Income and Expenditure Account
- 15** Balance Sheet
- 16** Statement of Total Recognised Gains and Losses
- 17** Cashflow
- 18** Accounting Policies
- 27** Notes to the financial statements
 - 27** Income
 - 29** Expenses
 - 30** Staff/Disposals
 - 31** Fixed Assets
 - 32** Current Assets
 - 34** Current Liabilities
 - 35** Provisions
 - 36** Movement on Reserves
 - 37** Cash
 - 38** Related Party Transactions
 - 39** Capital Commitments
 - 40** Financial Instruments
 - 41** Financial Assets/Liabilities
 - 43** Government/Losses

Foundation Trust

NHS Foundation Code	RDZ
Registered Office	The Royal Bournemouth Hospital Castle Lane East Bournemouth BH7 7DW
Directors	
Executive	Mr A Spotswood Chief Executive Mr S Hunter Director of Finance and IT Miss B Atkinson Director of Nursing Mrs H Lingham Director of Operations Mrs K Allman Director of Human Resources Mr R Renaut Director of Service Development Mr S Parvin Medical Director
Non-Executive	Mrs S Collins Chairman Mr B Ford Mrs L Dedden Mr K Tullett Mrs F Outram Mr I Metcalfe Mrs A Pike
Secretary	Mrs N Caley
Bankers	NatWest (The Royal Bank of Scotland) Chandlers Ford
Solicitors	Beachcroft Wansborough Winchester
Auditors	Audit Commission Eastleigh

Foreword

These accounts for year ended 31st March 2009 of the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (“the Foundation Trust”) have been prepared in accordance with paragraph 24 and 25 of Schedule 7 of the National Health Service Act 2006, and comply with the annual reporting guidance for NHS Foundation Trusts within the NHS Foundation Trust Financial Reporting Manual (FT FReM) for the financial year.

A handwritten signature in black ink that reads "Tony Spotswood". The signature is written in a cursive style with a horizontal line above and below the name.

Tony Spotswood
Chief Executive
Date: 05/06/09

Accounting Officer's Statement

Statement of the Chief Executive's responsibilities as the Accounting Officer of the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust



The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the Foundation Trust. The relevant responsibilities of

the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the Accounting Officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service 2006 Act, Monitor has directed the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust to prepare each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable

accounting policies on a consistent basis;

- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him to ensure that the accounts comply with the requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor's NHS Foundation Trust Accounting Officer Memorandum.

Tony Spotswood
Chief Executive
Date: 05/06/09

Statement on Internal Control

Statement on Internal Control of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust



Scope of Responsibility

As Accounting Officer and Chief Executive of this Board, 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 the 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 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 the risks to the achievement of the policies, aims and objectives of the Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the Foundation Trust for the year ended 31st March 2009 and up to the date of approval of the annual report and accounts.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure compliance with all employer obligations contained within the scheme regulations.

Capacity to handle risk

As Accounting Officer I have ultimate responsibility for ensuring that there is an effective risk management system in place within the Foundation Trust and for meeting all statutory responsibilities and adhering to guidance issued by the independent regulator in respect of governance. However, the requirement to manage risk more effectively is a responsibility affecting all staff in every part of the Foundation Trust. From the control of finance, through all the disciplines supporting and delivering the environment of care, to the direct delivery of clinical care itself, risk management is everyone's responsibility. The Foundation Trust's Risk Management Strategy clearly defines these responsibilities and provides guidance for the fulfilment of these roles. The Trust currently holds Level 2 accreditation of the NHS LA Risk Management Standards and is working towards Level 3.

The Trust has an accredited risk management training course in place and it is mandatory for all managers, and staff in a managerial role, to attend.

Statement on Internal Control

The training provides staff with the skills required to recognise, manage and monitor risk within their areas of responsibility. Formal training is then supported by a variety of other resources that seek to promote and facilitate individual, departmental, directorate and organisational learning. As an example, the Governance & Risk Management Committee produce a quarterly Clinical Governance & Risk Management report which highlights examples of, and recommendations for, good safe practice. The recent NHS Staff Survey showed that there is a positive attitude towards the reporting of incidents and occurrences with staff feeling able to raise their concerns and that these would be acted upon by management.

The risk and control framework

In compliance with statutory controls, the Foundation Trust has developed a standard matrix for measuring risk and determining the level of risk that can be accepted at the key management levels within the Foundation Trust. Detailed guidance and advice on assessing, quantifying and managing risk is contained within the Foundation Trust's Risk Management Strategy (and associated Risk Assessment Policy). Under the Strategy, General Managers and Directors are responsible for maintaining Directorate Risk Registers and for bringing significant risks to the attention of the Foundation Trust's Governance and Risk Management Committee. In turn the Governance & Risk Management Committee will bring

important matters to the attention of the Board of Directors. The Foundation Trust continuously monitors risk control systems in place and utilises the risk register process to develop, implement, demonstrate and promote continuous improvement and learning. The effectiveness of the risk matrix and its application has been reviewed by the Governance and Risk Management Committee and verified by Internal Audit and the Audit Committee.

In line with statutory requirements, the Board of Directors has reviewed the Foundation Trust's principal corporate and strategic objectives and identified mitigating strategies for any risks to the delivery of those objectives. The development of the 'Assurance Framework' has involved consideration of all objectives (strategic, financial, corporate, business, clinical, Human Resources etc) and all risks. The Framework also explicitly refers to the achievement of the domains and objectives within the Healthcare Commission "Standards for Better Health". Within the Assurance Framework, principal risks, key risk controls in place, assurances on identified gaps in control systems and action plans to further reduce risk are mapped out against identified objectives. The Assurance Framework forms part of the Foundation Trust Risk Register with risk reduction being achieved through a continuous cycle of the identification, assessment, control, and review of risk.

Statement on Internal Control

Risks may be entered onto the Foundation Trust Risk Register as a result of risk issues being raised or identified by: employees, directorates, external or internal reviews, Internal or External Audits, incident investigations, complaints reviews, comments from public stakeholders and/or service developments. Risks may also be raised by specialist sub committees of the Governance & Risk Management Committee. These include the Patient & Public Involvement Group, Health & Safety Committee, Research Audit & Clinical Effectiveness Committee and the Clinical Ethics Committee. They may also be raised by the Infection Control Committee which is a sub-committee of the Board of Directors.

Significant risks on the Foundation Trust Risk Register which feeds the Assurance Framework are reviewed monthly by the Governance & Risk Management Committee and quarterly by the Board of Directors. Membership of the Governance & Risk Management Committee includes representation from the Board of Directors and the Council of Governors. The Governance & Risk Management Committee also reviews all new risks monthly providing feedback to directorates as appropriate. The entire Risk Register and Assurance Framework is reviewed quarterly by the Governance & Risk Management Committee and annually by the Board of Directors and is incorporated within the Internal Audit programme and approved by the Audit Committee.

Review of economy, efficiency and effectiveness of the use of resources

The Foundation Trust employs a number of internal mechanisms and external agencies to ensure the best use of resources.

Executive and senior managers in the organisation have responsibility for the effective management and deployment of their staff and other resources to maximise the efficiency of their directorates or departments.

The Foundation Trust was awarded an excellent score by the Healthcare Commission for use of resources. This demonstrated a strong level of financial performance and management of the organisation and also showed that we represent value for money and make good use of public money in the planning and delivery of our services.

The Head of Internal Audit provides an opinion on the overall arrangements in place to manage resources economically, efficiently and effectively. This opinion is based upon the controls reviewed throughout the year as part of the audit programme. The Head of Internal Audit has stated, "based on the work undertaken in 2008/09, significant assurance can be given that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are being applied consistently."

Statement on Internal Control

The External Auditor reviews the work of the Internal Auditor in order to determine what reliance can be placed on the Internal Audits carried out during the year. The External Auditor will report to the Board of Directors in his annual report.

A non-executive director chairs the Audit Committee which met five times during the year and representatives of External Audit and Internal Audit attended. The committee reviewed and accepted the audit plans of both Internal and External Audit. The plans specifically include economy, efficiency and effectiveness reviews. The committee received regular updates on counter fraud matters. The Committee held a special meeting on the 3rd September 2008 to appoint the current Internal Auditor with effect from 1st October 2008.

A non-executive director chairs the Finance Committee. The Committee met twelve times during the year and reviewed the Trust's business plans, budgets, cashflow, treasury management, reporting arrangements and efficiency savings programme.

A non-executive director chairs the Information Governance Committee and it met twice during the year. The Committee received and considered breaches of information confidentiality and security and recommended remedial action. The Committee also highlighted areas of risk relating to Information Governance and received the results of the Toolkit Internal Audit.

The Board of Directors received performance and financial reports during the year at its meetings and received the minutes of the following sub committees to which it has delegated powers and responsibilities:

- Audit Committee
- Trust Management Board
- Governance and Risk Management Committee
- Infection Control Committee
- Finance Committee
- Marketing Committee
- Information Governance Committee

Review of effectiveness of the system of internal control

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 Auditor and the Executive Managers within the Foundation Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the External Auditor in his reports.

I have been advised on the implications of the result of my review of the effectiveness of the systems of internal control by the Board, the Audit Committee, and the Governance and Risk Management Committee and a

Statement on Internal Control

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

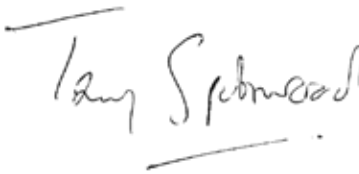
A review of the Assurance Framework and Trust Risk Register, and formal review of compliance with the Care Quality Commission Standards for Better Health has identified no significant gaps in assurance and the Trust has therefore been declared “fully compliant” against the Core Standards in the Annual Health Check for 2008/09. Previous work relating to Information Governance processes has been completed and the Trust now meets the required standards in the Information Governance Toolkit. A recent Internal Audit of the processes used to assess compliance with the Core Standards stated that “in our opinion the Board can take substantial assurance that the controls upon which the organisation relies to manage this area, as currently laid down and operated, are effective”.

As part of the Annual Health Check Declaration, comments in support of the Trust’s performance were also received from the Council of Governors, Local Childrens Safeguarding Board, Learning Disabilities Partnership Board, NHS South West, and the Dorset, Bournemouth and Poole Local Authority Health Scrutiny Committees and Panels.

The effectiveness of the system of internal control has been reviewed by the Governance and Risk Management Committee and verified by Internal Audit and the Audit Committee.

Conclusion

The Trust is able to confirm there have been no significant internal control issues.



Tony Spotswood

Chief Executive

Date: 05/06/09



We regularly receive patient feedback on the services we provide

Report of the Auditor

Independent Auditor's report to the Board of Governors of Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust

I have audited the financial statements of Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust for the year ended 31 March 2009 under the National Health Service Act 2006. The financial statements comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described as having been audited.

This report is made solely to the Board of Governors of Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust as a body in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006. My work was undertaken so that I might state to the Board of Governors those matters I am required to state to it in an auditor's report and for no other purpose. In those circumstances, to the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Foundation Trust as a body, for my audit work, for the audit report or for the opinions I form.

Respective responsibilities of the Accounting Officer and auditor

The Accounting Officer's responsibilities for preparing the financial statements in accordance with directions made by the Independent Regulator of NHS Foundation Trusts (Monitor) are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with statute, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I report whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts. I also report to you whether, in my opinion, the information which comprises the Directors' Report included in the Annual Report, is consistent with the financial statements.

I review whether the Accounting Officer's statement on internal control reflects compliance with the requirements

Report of the Auditor

of Monitor contained in the NHS Foundation Trust Financial Reporting Manual 2008/09. I report if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information I are aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accounting Officer's statement on internal control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Chairman and Chief Executive's Statements, Operating and Financial Review, , Governance Arrangements, the sections on the Council of Governors and Trust Membership, the Board of Directors, membership and public interest disclosures and the un-audited part of the Remuneration Report . I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor, which requires

compliance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error; and
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared.
- In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Report of the Auditor

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust as at 31 March 2009 and of its income and expenditure for the year then ended in accordance with the accounting policies adopted by the Trust;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by Monitor as being relevant to NHS Foundation Trusts; and
- information which comprises the Directors' Report included in the annual report, is consistent with the financial statements.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.



Patrick Jarvis

Officer of the Audit Commission
Collins House
Bishopstoke Road
Eastleigh
Hampshire
SO50 6AD
5 June 2009

Income and Expenditure Account

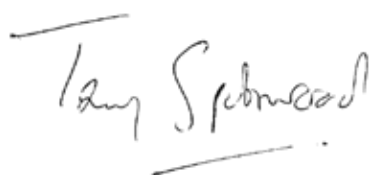
	Notes	Total Operations	
		2008/09	2007/08
		£'000	£'000
Income from patient related activities	2.1	199,100	184,729
Other operating income	2.3	19,486	17,091
TOTAL INCOME		218,586	201,820
TOTAL EXPENSES	3.1	(210,335)	(189,882)
OPERATING SURPLUS		8,251	11,938
Profit / (Loss) on disposal of fixed assets	5	(35)	(199)
SURPLUS BEFORE INTEREST		8,216	11,739
Interest receivable		1,947	1,932
Discount rate on provisions		(9)	(9)
SURPLUS BEFORE TAXATION		10,154	13,662
Taxation	1.16	0	0
SURPLUS AFTER TAXATION		10,154	13,662
Public Dividend Capital dividends payable		(4,388)	(4,296)
RETAINED SURPLUS FOR THE YEAR		5,766	9,366

The Notes on pages 18 to 43 form part of these accounts.

Balance Sheet

Amended *

	Notes	2008/09	2007/08
	Ref. Page	£'000	£'000
FIXED ASSETS			
Intangible assets		581	488
Tangible assets		139,856	146,733
Total Fixed Assets	6	140,437	147,221
CURRENT ASSETS			
Stocks	7.1	3,080	2,959
Debtors	7.2	17,089	8,520
Investments	7.3	2,615	23,318
Cash at bank and in hand	12.3	20,603	4,459
Total Current Assets		43,387	39,256
CREDITORS: Amounts falling due within one year	8	(18,719)	(16,813)
NET CURRENT ASSETS		24,668	22,443
TOTAL ASSETS LESS CURRENT LIABILITIES		165,105	169,664
CREDITORS: Amounts falling due after more than one year		(193)	(326)
PROVISIONS FOR LIABILITIES AND CHARGES	10	(626)	(876)
TOTAL ASSETS EMPLOYED		164,286	168,462
FINANCED BY:			
TAXPAYERS' EQUITY			
Public Dividend Capital		78,674	78,674
Revaluation reserve	11	66,938	76,973
Donated asset reserve	11	6,187	6,164
income and expenditure reserve	11	12,487	6,651
TOTAL TAXPAYERS EQUITY		164,286	168,462



Tony Spotswood
Chief Executive
Date: 05/06/09

* see creditors note 8 for amendment

Statement of Total Recognised Gains and Losses

	2008/09	2007/08
	£'000	£'000
Surplus for the financial year before dividend payments	10,154	13,662
Unrealised surplus / (deficit) on fixed assets and current asset investments revaluations	(10,111)	19,168
Increase in the donated asset reserve due to receipt of donated assets	818	439
Reductions in the donated asset reserve due to depreciation, impairment and/or disposal of donated assets	(649)	(567)
TOTAL RECOGNISED GAINS IN THE FINANCIAL YEAR	212	32,702

Cashflow

	Notes	2008 /09	2007/08
		£'000	£'000
OPERATING ACTIVITIES			
NET CASH INFLOW FROM OPERATING ACTIVITIES	12.1	7,815	10,496
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:			
Interest received		2,240	1,817
Release of provision discount		(9)	(9)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		2,231	1,808
TAXATION PAID		0	0
CAPITAL EXPENDITURE:			
Payments to acquire tangible fixed assets		(9,841)	(5,380)
Payments to acquire intangible assets		(376)	(192)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(10,217)	(5,572)
DIVIDENDS PAID		(4,388)	(4,296)
NET CASH INFLOW / (OUTFLOW) BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(4,559)	2,436
MANAGEMENT OF LIQUID RESOURCES:			
Purchase of current asset investments			(5)
Sale of current asset investments		20,703	0
NET CASH INFLOW / (OUTFLOW) FROM MANAGEMENT OF LIQUID RESOURCES		20,703	(5)
NET CASH INFLOW BEFORE FINANCING		16,144	2,431
FINANCING:			
NET CASH INFLOW FROM FINANCING		0	0
MOVEMENT IN CASH		16,144	2,431

Accounting Policies

1. Accounting Policies

Monitor has directed that the financial statements of the NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Financial Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2008/09 NHS Foundation Trust Financial Reporting Manual issued by Monitor. The accounting policies contained in that manual follow UK generally accepted accounting practice for companies (UK GAAP) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to the NHS Foundation Trust. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of certain tangible fixed assets at their value to the business by reference to their current costs. The Foundation Trust, is in compliance with HM Treasury's Financial Reporting Manual, is not required to comply with FRS 3 requirements to report 'earnings per share' or historical profits and losses.

1.2 Continuing operations

All operations during the financial year have been classified as continuing.

1.3 Income Recognition

Income is accounted for by applying the accruals convention. The main source of income for the Foundation Trust is under contracts from commissioners in respect of healthcare services. Income is recognised in the period in which services are provided. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Patient Related Income

The Foundation Trust changed the form of its contracts with NHS commissioners to follow the Department of Health's Payment by Results methodology in 2005/06. To manage the financial impact of this change on the Foundation Trust and its commissioners, the Foundation Trust was only able to retain a specified percentage of the gain under Payment by Results (PbR). During 2008/09, the Foundation Trust received all of the income and none was retained by the Department of Health as part of national clawback rules.

Income has been estimated and accrued in these accounts for patients that were in hospital on 31st March 2009 who had not completed their period of treatment (Incomplete Spells), therefore not invoiced to the payable body.

Accounting Policies

Education and Training

This is the income for the funding of education and training for specific staff groups. Income is recorded in the Income and Expenditure Account based on an accruals basis based on an agreed annual contract.

Non Patient Care Services

This is income where we are providing a health related service but not for the patients of the Foundation Trust.

Other Income

Other income is not related to the treatment of a patient directly. The majority is income generated from the operation of a hospital where charges are made for goods supplied by the Foundation Trust.

This includes the following income (with accounting treatment):

- Catering Sales (Actual Cash received)
- Inter-NHS Drug sales (Actual goods supplied)
- Car Park receipts (Actual income received)
- Residential income from NHS staff or other health related groups (Invoices raised on a tariff basis for each period - normally monthly)

1.4 Expenditure

Expenditure is accounted for by applying the accruals accounting concept.

1.5 Intangible Fixed Assets

Intangible assets are capitalised when :

- they are capable of being used in a Foundation Trust's activities for more than one year;
- they can be valued;
- they have a cost of at least £5000.

Intangible fixed assets held for operational use are valued at historical cost and are amortised over the estimated life of the asset on a straight line basis. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred. They are amortised over the shorter of the term of the licence and their useful economic lives.

1.6 Tangible Fixed Assets

Capitalisation

Tangible assets are capitalised if they are capable of being used for a period which exceeds one year and they:

- individually have a cost of at least £5,000; or
- collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had

Accounting Policies

broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

- form part of the initial equipping and setting-up cost of a new building, refurbishment of a ward or unit irrespective of their individual or collective cost

Valuation

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from the financing of the construction of fixed assets are not capitalised but are charged to the Income and Expenditure Account in the year to which they relate.

All land and buildings are revalued using professional valuations in accordance with FRS15 every five years. A three yearly interim valuation is also carried out.

Professional valuations are carried out by the District Valuer of the Valuation Office Agency. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The last interim asset valuations were undertaken as at

1st April 2008 and were included in the closing 2007/08 balance sheet.

The valuations are carried out primarily on the basis of Depreciated Replacement Cost for specialised operational property and Existing Use Value for non-specialised operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Modern Equivalent valuations will replace Depreciated Replacement Cost as at 31st March 2010 for specialised assets. However a modern equivalent valuation has been applied to the newly refurbished Medical Records Store / Offices as at the completion of the scheme.

The closing asset valuations for land and buildings have been adjusted to reflect the current market conditions after seeking advice from the District Valuer.

All adjustments arising from indexation or the three / five-yearly revaluations are taken to the Revaluation Reserve to the extent that there is a balance in respect of that particular asset. Any remaining amount is charged to the Income and Expenditure account. These are also shown on the Statement of Total Recognised Gains and Losses. Falls in value when newly constructed assets are brought into use are also charged there. These falls in value result from the adoption of ideal conditions as the basis for depreciated replacement cost valuations.

Accounting Policies

Assets in the course of construction are valued at current cost, larger schemes are valued by the district valuer on completion / brought into use and all schemes are valued as part of the three / five yearly revaluation.

Operational equipment is valued at net current replacement cost.

Depreciation, Amortisation and Impairments

Tangible fixed assets (excluding land) are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives.

Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the District Valuer.

Other assets are depreciated on current cost evenly over the estimated life of the asset. Details of useful economic lives are as follows:

Plant and Machinery	5 - 10 Years
IT Equipment / Software	3 - 5 Years
Furniture / Fittings	10 Years
Transport	7 Years

Impairment losses resulting from the revaluation of fixed assets from their cost to their value in existing use when they

became operational is charged to the Income and Expenditure Account.

Impairment resulting from losses of economic benefits are charged to the Income and Expenditure Account.

All other revaluations are charged to the Revaluation Reserve.

1.7 Donated Fixed Assets

Donated fixed assets are capitalised at their current value on receipt and this value is credited to the Donated Asset Reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the Donated Asset Reserve and, each year, an amount equal to the depreciation charge on the asset is released from the Donated Asset Reserve to the Income and Expenditure Account. Similarly, any impairment on donated assets charged to the Income and Expenditure Account is matched by a transfer from the Donated Asset Reserve. On sale of donated assets, the value of the net book value of the donated asset is transferred from the Donated Asset Reserve to the Income and Expenditure Reserve.

1.8 Investments

Investments in subsidiary undertakings, associates and joint ventures are treated as fixed asset investments and valued at market value. Fixed asset investments are reviewed annually for impairments.

Accounting Policies

Deposits and other investments that are readily convertible into known amounts of cash at or close to their carrying amounts are treated as liquid resources in the cashflow statement. These assets, and other current assets, are valued at cost less any amounts written off to represent any impairments in value, and are reviewed annually for impairments.

Fixed term investment loans are treated as investments, rather than cash / cash equivalent as an additional charge would be incurred to terminate the agreement early.

1.9 Government Grants

Capital grants from the Department of Health are accounted for as deferred income as are grants from the Big Lottery Fund (New Opportunity Fund).

The deferred income is released to the Income and Expenditure Account over the life of the asset on a basis consistent with the depreciation charge for that asset.

1.10 Stocks

Stock is valued at the lower of cost and realisable value. Due to the high turnover of stocks, current cost is used as a fair estimate of current value.

Stocks are rotated with reference to 'use by date' (if applicable)

Where the 'use by date' has passed, goods are removed from stock and destroyed, the stock systems adjusted

and the loss charged to the Income and Expenditure Account.

1.11 Cash , Bank, Overdraft and Third Parties Assets

Cash, bank and overdraft balances are recorded at the current values of these balances in the Foundation Trust's cash book. These balances exclude monies held in the Foundation Trust's bank account belonging to patients. Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts is recorded as, respectively, "interest receivable" and "interest payable" in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Foundation Trust has no beneficial interest in them.

1.12 Research and Development

Expenditure is treated as an operating cost in the year in which it is incurred. Foundation Trusts are unable to make a separate disclosure of the total amount of research and development expenditure charged in the Income and Expenditure Account because some research and development activity cannot be separated from patient care activity.

Accounting Policies

Fixed assets acquired for use in research and development are depreciated in line with other fixed assets.

1.13 Provisions

The Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury's discount rate of 2.2% in real terms.

Clinical Negligence Costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Foundation Trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Foundation Trust is disclosed at note 10.

Non-Clinical Risk Pooling

The Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Foundation Trust pays an annual contribution to the NHS Litigation Authority, in return, receives assistance with the costs of claims arising. The

annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.14 Pension Costs

Past and present employees are covered by the provisions of the NHS Pensions 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, in England and Wales. As a consequence it is not possible for the NHS Foundation Trust to identify its share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for as a defined contribution scheme under FRS 17. The cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

Employers pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the income and expenditure account at the time of the Foundation Trust commits itself to the retirement, regardless of the method of payment.

Additional information

The NHS pension scheme is subject to a full revaluation every four years by the Government Actuary. However, the last

Accounting Policies

published valuation relates to the period 1st April 1994 to 31st March 1999.

The valuation as at 31st March 2003 has not yet been published. Between valuations, the Government Actuary provides an update of the scheme liabilities which is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website at: www.nhspa.gov.uk

The notional surplus of the scheme was £ 1.1 billion as per the latest scheme valuation by the Government Actuary for the period 1st April 1994 to 31st March 1999. The conclusion of the valuation was that the scheme continues to operate on a sound financial basis.

Employer contribution rates are reviewed every four years following the scheme valuation, on the advice of the actuary. At the last valuation on which contribution rates were rebased (31st March 1999) employer rates from 2003/04 were set at 14% of pensionable pay. Employee pay contributions are either 5.0%, 6.5% , 7.5% or 8.5% of pensionable pay , the rate applicable is set by the banding of the employees prior year pensionable pay.

1.15 Value Added Tax

Most of the activities of the Foundation Trust are outside the scope of VAT and, in general, output tax does not

apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.16 Corporation Tax

Under current legislation, Foundation Trusts are not liable for corporation tax. HM Revenue and Customs are currently reviewing the classifications of income and drafting legislation which will have a possible effective date of 1st April 2010.

1.17 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Foundation Trust, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The asset and liability are recognised at the inception of the lease, and de-recognised when the liability is discharged, cancelled or expires.

The interest element of the finance lease payment is charged to the income and expenditure account over the period of the lease at a constant rate in relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the income and expenditure account on a straight-line basis over the term of the lease.

Accounting Policies

1.18 Public Dividend Capital (PDC) and PDC Dividend

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities for the predecessor NHS Trust.

A charge, reflecting the forecast cost of capital utilised by the Foundation Trust, is paid over a public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Foundation Trust. Relevant net assets are calculated as the value of assets less the value of all liabilities, except for donated assets and cash held with the Office of the Paymaster General. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets. The amount payable is set by the Capital Charges Estimate exercise.

1.19 Financial Instruments

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Foundation Trusts normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made / invoice received.

All other financial assets and financial liabilities are recognised when the Foundation Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Foundation Trust has transferred substantially all of the risks and rewards of ownership.

Classification and Measurement

Financial assets are categorised as 'Loans and Receivables'.

Financial liabilities are classified as 'Other Financial Liabilities'.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Foundation Trust's loans and receivables comprise : current investments, cash at bank and in hand, NHS debtors, accrued income and other debtors.

Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset or,

Accounting Policies

when appropriate, a shorter period, to the net carrying amount of the financial liability.

Interest on loans and receivables is calculated using the effective interest method and credited to the income and expenditure account.

Other Financial Liabilities

All financial liabilities are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

They are included in current liabilities except for amounts payable more than 12 months after the balance sheet date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to the income and expenditure account.

Impairment of financial assets

At the balance sheet date, the Foundation Trust assesses where any financial assets, other than those held at 'fair value through income and expenditure' is impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is

objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cashflows discounted at the asset's original effective interest rate. The loss is recognised in the income and expenditure account and the carrying amount of the asset is reduced directly.

1.20 Going Concern

After making enquiries, the directors have a reasonable expectation that the Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Notes - Income

2. Income

2.1 Income from Patient Related Activities

	2008/09	2007/08
	£'000	£'000
Foundation Trusts	694	117
Strategic Health Authorities	5	0
Primary Care Trusts	185,763	171,699
Department of Health - other	11,843	10,952
NHS Other	190	280
Non NHS:		
- Private Patients	141	1,101
- Overseas patients (non-reciprocal)	27	179
- NHS Injury scheme income *	359	319
- Other	78	82
	199,100	184,729

* NHS ISI - net of 7.8% doubtful debt provision

2.2 Private Patient Cap

	2008/09	2002/03
		Base Year
	£'000	£'000
Private Patient Income	141	835
Total Patient Related Income	199,100	113,709
Proportion:		
- Cap		0.7%
- Actual	0.07%	

Section 15 of the 2006 Act requires that the proportion of private patient income to the total patient related income of the Foundation Trust should not exceed its proportion whilst the body was an NHS Trust in the base year.

Notes - Income

2.3 Other Operating Income

Amended *

	2008/09	2007/08
	£'000	£'000
Research and development	663	233
Education and training	5,538	5,268
Donated assets	649	567
Non-patient care services to other bodies	5,902	4,226
Other *	6,734	6,797
	19,486	17,091

* Includes:

Includes Residence £ 500,000 (2007/08 £ 530,000)

Catering Services £ 645,000 (2007/08 £ 539,000)

Inter NHS drug sales £ 2,497,000 (2007/08 £ 2,285,000)

The 2007/08 have been amended between 'Non-patient care services to other bodies' and 'others' by £ 3,101 being Inter NHS drugs sales, car park income and rents.

2.4 Mandatory and Non-Mandatory Income from Activities

	2008/09	2007/08
	£'000	£'000
Mandatory	204,638	189,997
Non-Mandatory	13,948	11,823
	218,586	201,820

Notes - Expenses

3. Operating Expenses

3.1 Operating Expenses Comprise

	Continuing Operations	
	2008/09	2007/08
	£'000	£'000
Services from NHS Foundation Trusts	2,650	750
Services from NHS Trusts	769	1,815
Services from other NHS bodies	1,709	1,562
Purchase of healthcare from non NHS bodies	252	329
Executive directors costs	1,095	899
Non-executive directors costs	165	153
Staff costs	129,296	118,543
Drug Costs	18,251	16,213
Supplies and services - clinical (excluding drug costs)	28,689	27,394
Supplies and services - general	2,851	2,234
Establishment	3,085	2,644
Transport	562	637
Premises	8,993	7,754
Bad and doubtful debts	460	(523)
Depreciation and amortisation	7,571	6,732
Fixed Asset Impairment	20	250
Audit fees		
audit services - statutory audit	48	36
audit services - regulatory reporting	3	0
Other auditor's remuneration	72	72
Clinical negligence	766	849
Other	3,028	1,539
	210,335	189,882

3.2 Operating Leases

	2008/09	2007/08
	£'000	£'000
Operating leases include:		
Equipment	794	774
Vehicles	12	38
	806	812
Operating lease commitments:		
Annual Commitments on leases expiring:		
Within one year	51	213
Between one and five years	574	546
After five years	14	0
	639	759

Notes - Staff/Disposals

4. Staff Costs and Numbers

4.1 Staff Costs

	2008/09	2007/08
	£' 000	£' 000
Salaries and wages	108,525	98,942
Social Security Costs	8,100	7,457
Employer contributions to NHSPA	11,984	10,870
Agency / contract staff	1,782	2,173
	130,391	119,442

4.2 Average number of persons employed

Amended *

	2008/09	2007/08
	Number	Number
Medical and dental	350	334
Administration and estates	1,090	1,076
Healthcare assistants and other support staff	661	529
Nursing, midwifery and health visiting staff	1,133	1,058
Nursing, midwifery and health visiting learners	1	1
Scientific, therapeutic and technical staff	374	438
Bank and agency staff	174	179
	3,783	3,615

Note: the 2007/08 figures have been amended for estates staff where 369 were included in 'other' and are now under 'Administration and estates' and all figures are now an average of two financial years.

4.3 Retirements due to ill-health

There were 8 (2007/08, 9) early retirements from the Foundation Trust agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £315,364 (2007/08 £474,109). The cost of these ill-health retirements will be borne by the NHS Pensions Agency.

5. Disposal of Fixed Assets

	2008/09	2007/08
	£' 000	£' 000
Loss on disposal of land and buildings	0	(107)
Loss on disposal of other tangible fixed assets	(35)	(92)
Loss on disposal of equipment	(35)	(199)

Note: The disposals above relate to unprotected assets, therefore the Foundation Trust is able to dispose of these within its current authorisation.

Fixed Assets

6. Intangible and Tangible Fixed Assets

	Intangible		Tangible										Total		
	Software Licences	Land (Freehold)	Buildings excluding dwellings (Freehold)	Dwellings (Freehold)	Assets under construction and payments on account	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings						
	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000
Cost or Valuation at 1st April 2008	2,524	37,502	95,602	3,950	1,183	25,044	138	1,359	313	167,615					
Additions - purchased	376	0	5,515	0	1,084	2,806	24	251	80	10,136					
Additions - donated	0	0	252	0	0	554	0	0	11	817					
Impairment	0	0	(20)	0	0	0	0	0	0	(20)					
Reclassifications	24	0	607	0	(948)	290	0	14	13	0					
Other revaluations	0	(6,180)	(4,195)	(155)	5	633	4	0	8	(9,880)					
Disposals	0	0	0	0	0	(1,198)	0	0	0	(1,198)					
Cost or valuation 31st March 2009	2,924	31,322	97,761	3,795	1,324	28,129	166	1,624	425	167,470					
Depreciation at 1st April 2008	2,036	0	8	0	0	16,774	110	1,317	149	20,394					
Provided during the year	307	0	4,322	123	0	2,762	6	26	25	7,571					
Other revaluations	0	0	(200)	(5)	0	429	3	0	4	231					
Disposals	0	0	0	0	0	(1,163)	0	0	0	(1,163)					
Depreciation at 31st March 2009	2,343	0	4,130	118	0	18,802	119	1,343	178	27,033					
Net book value															
- Purchased at 1st April 2008	488	37,502	90,785	3,950	1,183	6,921	25	42	161	141,057					
- Donated at 1st April 2008	0	0	4,809	0	0	1,349	3	0	3	6,164					
Total at 1st April 2008	488	37,502	95,594	3,950	1,183	8,270	28	42	164	147,221					
- Purchased at 31st March 2009	581	31,322	88,947	3,677	1,324	7,839	45	281	234	134,250					
- Donated at 31st March 2009	0	0	4,684	0	0	1,488	2	0	13	6,187					
Total at 31st March 2009	581	31,322	93,631	3,677	1,324	9,327	47	281	247	140,437					
Asset Analysis															
- Net book value of Protected Assets	0	28,225	88,125	0	0	0	0	0	0	116,350					
- Net book value of Unprotected Assets	581	3,097	5,506	3,677	1,324	9,327	47	281	247	24,087					
Total at 31st March 2009	581	31,322	93,631	3,677	1,324	9,327	47	281	247	140,437					

Notes - Current Assets

7. Current Assets

7.1 Stocks

	2008/09	2007/08
	£' 000	£' 000
Raw materials and consumables	3,080	2,959
	3,080	2,959

7.2 Debtors

	2008/09	2007/08
	£' 000	£' 000
Amounts falling due within one year:		
NHS debtors	13,883	5,496
Provision for doubtful debts	(778)	(609)
Prepayments and accrued income	1,722	602
Other debtors	2,022	2,806
Sub Total	16,849	8,295
Amounts falling due after more than one year:		
Provision for irrecoverable debts	(20)	(19)
Accrued income	260	244
Sub Total	240	225
Total	17,089	8,520
Age analysis of NHS and Other Debtors		
Age impaired debtors		
Up to three months	2,249	219
between three to six months	34	65
Over six months	127	273
Sub Total	2,410	557
Age of non-impaired debtors		
Up to three months	12,722	7,377
between three to six months	709	100
Over six months	64	268
Sub Total	13,495	7,745
Total	15,905	8,302

Notes - Current Assets

7.3 Investment

	2008/09	2007/08
	£' 000	£' 000
The trust has invested surplus cash with major banks on a short-term basis		
Number of Investments	2	7
Total Value	2,615	23,318

Notes - Current Liabilities

8. Creditors

Amended *

	2008/09	2007/08
	£' 000	£' 000
Amounts falling due within one year:		
NHS creditors	2,097	1,080
Capital creditors	393	475
Other creditors *	10,764	8,689
Accruals and deferred income	5,465	6,569
Total	18,719	16,813
Amounts falling due within one year:		
Deferred income	193	326
Total	18,912	17,139

* This includes outstanding pensions contributions at 31st March 2009 of £1,475,879 (2007/08 £1,408,109).

Note: The 2007/08 values have been amended to analyse amounts over one year and employee 'Tax and social security costs' are now included in 'other creditors'

9. Prudential Borrowing Limit

	2008/09		2007/08	
	£' 000		£' 000	
	Limit	Utilised	Limit	Utilised
Total Long Term Borrowing limit	45,300	0	41,400	0
Working Capital Facility	9,000	0	9,000	0
Prudential borrowing limit set by Monitor	54,300	0	50,400	0
Ratios	Approved	Actual	Approved	Actual
Maximum debt / capital ratio	0	0	0	0
Minimum dividend cover	3.6x	4.1x	3.1x	5.0x
Minimum interest cover	0	0	0	0
Minimum debt service cover	0	0	0	0
Minimum debt service to revenue	0	0	0	0

The Foundation Trust is required to comply and remain within a prudential borrowing limit. This is made up of two elements:

- the maximum cumulative amount of long-term borrowing. This is set by reference to the five ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long-term borrowing limit.
- the amount of any working capital facility approved by Monitor.

Further information on the NHS Foundation Trusts Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

Notes - Provisions

10. Provisions for Liabilities and Charges

				2008/09
	£' 000	£' 000	£' 000	£' 000
		*		
	Early Retirement	Legal claims	Restructuring Costs	Total
At 1st April 2008	168	458	250	876
Provided during the year	12	128	0	140
Utilised during the year	(16)	(131)	0	(147)
Reversed unused	0	(2)	(250)	(252)
Unwinding of provision discount	4	5	0	9
At 31st March 2009	168	458	0	626
Expected timing of cashflows:				
Within one year	16	160	0	176
Between one and five years	80	44	0	124
After five years	72	254	0	326
	168	458	0	626

* Legal Claims

Liability to Third Party and Property Expense Schemes:

The Foundation Trust has liability for the excess of each claim.

The calculation is based on estimated claim values and probability of settlement.

Injury Benefit

The provision for permanent injury benefit has been created as at 31/03/04 and is calculated using the award value and life tables discounted over the period.

Note: £6,558,672 is included in the provisions of the NHS Litigation Authority at 31/03/2009 (£5,181,622 at 31/03/2008) in respect of clinical negligence liabilities of the Foundation Trust.

Notes - Movement on Reserves

11. Movements on reserves in the year comprised the following:

				2008/09
	£' 000	£' 000	£' 000	£' 000
	Reval. Reserve	Donated Asset Reserve	Income and Expenditure Reserve	Total
At 1st April 2008	76,973	6,164	6,651	89,788
Transfer from the income and expenditure account	0	0	5,766	5,766
Deficit on other revaluations/indexation of fixed assets	(9,965)	(146)	0	(10,111)
Receipt of donated assets	0	818	0	818
Transfers to the Income and Expenditure Account for depreciation, impairment, and disposal of donated assets	0	(649)	0	(649)
Other transfers between reserves	(70)	0	70	0
At 31st March 2009	66,938	6,187	12,487	85,612

Movements in Equity

	2008/09	2007/08
	£' 000	£' 000
Taxpayers Equity at 1st April	168,462	140,056
Surplus for the financial year	10,154	13,662
Public dividend capital dividends	(4,388)	(4,296)
Fixed asset impairments	20	250
Surplus / (deficit) from revaluations of fixed assets	(9,985)	18,918
Additions / (reductions) in donated asset reserve	23	(128)
Taxpayers equity at 31st March	164,286	168,462

Movement in Public Dividend Capital

There has been no movement in Public Dividend Capital during the financial year.

Notes - Cash

12. Cash

12.1 Reconciliation of operating surplus to net cash flow from operating activities:

	2008/09	2007/08
	£' 000	£' 000
Total operating surplus	8,251	11,938
Depreciation and amortisation charge	7,571	6,732
Fixed asset impairments	20	250
Transfer from donated asset reserve	(649)	(567)
(Increase) / decrease in stocks	(121)	(262)
(Increase) / decrease in debtors	(8,862)	(984)
Increase / (decrease) in creditors	1,855	(6,528)
Increase / (decrease) in provisions	(250)	(83)
Net cash inflow from operating activities	7,815	10,496

12.2 Reconciliation of net cash flow to movement in net funds

	2008/09	2007/08
	£' 000	£' 000
Movements in cash in the year	16,144	2,431
Net funds at 1st April	4,459	2,028
Net funds at 31st March	20,603	4,459

12.3 Analysis of changes in net funds

	£' 000	£' 000	2008/09	2007/08
	£' 000	£' 000	£' 000	£' 000
	At 1st April 2008	Cash changes in year	At 31st March 2009	At 31st March 2008
Commercial cash at bank and in hand	204	221	425	204
OPG cash at bank	4,255	15,923	20,178	4,255
	4,459	16,144	20,603	4,459

The patient monies amount held on trust was £ 2,153 (2007/08 £ 1,921) which is not included in the above figures.

Notes - Related Party Transactions

13. Related Party Transactions

The Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or parties related to them has undertaken any material transactions with the Foundation Trust.

The Department of Health is regarded as a related party. During the year the Foundation Trust has had a significant number of material transactions with the Department of Health, and with other entities for which the Department is regarded as the parent. Entities are listed below where the transaction total (excluding recharges) exceed £ 500,000:

	£' 000	
	Income	Expenditure
Bournemouth and Poole Teaching Primary Care Trust	103,745	225
Dorset Primary Care Trust	55,605	117
Hampshire Primary Care Trust	22,285	0
NHS Logistics Authority	0	3,464
Poole Hospital NHS Foundation Trust	3,457	3,399
NHS Blood and Transplant Agency	0	1,828
Wiltshire Primary Care Trust	1,935	0
The NHS Litigation Authority	0	860
Portsmouth Hospitals NHS Trust	1	523
	187,028	10,416

In addition, the Foundation Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. These have been with HM Revenue and Customs and the NHS Pensions Agency.

The Foundation Trust has also received revenue and capital payments from a number of charitable funds. The material related parties are:

- The Royal Bournemouth and Christchurch Hospitals Charitable Fund
 - The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust is the Trustee of the above fund.
- The Macmillan Cancer Trust
 - Mr B Ford who is Treasurer of The Macmillan Cancer Trust is also a member of the Board of Directors of the Foundation Trust.

Notes - Capital Commitments

14. Capital Commitments

Commitments under capital expenditure contracts at the balance sheet date were £6,070,038 (£1,358,908 2007/08).

15. Post Balance Sheet Events

There are no post balance sheet events to report in these accounts.

Notes - Financial Instruments

16. Financial Instruments - Risk

The Foundation Trust can borrow within the limits set by Monitor's Prudential Borrowing Code. The Foundation Trust's position against its prudential borrowing limit is disclosed in Note 9 - Current Liabilities.

All other financial instruments are held for the sole purpose of managing the cashflow of the Foundation Trust on a day to day basis or arise from the operating activities of the Foundation Trust. The management of risks around these financial instruments therefore relates primarily to the Foundation Trust's overall arrangements for managing risks in relation to its financial position.

Market Risk

Interest Rate Risk

The Trust has no loans to repay, therefore any interest rate fluctuations will affect our ability to earn additional interest on our short term investments.

The Trust earned interest of £1,946,000 during 2008/09, therefore if the interest rate should change by 0.5%, this would affect the amount earned by approximately £110,000.

Currency Risk

The Foundation Trust has minimal risk for currency fluctuations. Most transactions are in sterling, although we do purchase some goods from Ireland where the prices are based on the Euro.

Other Risk

The inflation rate on NHS service level agreements is based on the NHS funded inflation rate and therefore has a small risk of there being insufficient funds.

The majority of pay award inflation are based on the national agreed rate for Agenda for Change bands and although funding through the PbR tariff will not cover all the cost (assumed additional Cost Improvement), this represents a small risk.

Credit Risk

Debtor Control

The Foundation Trust has a treasury function which includes a credit controller. We actively progress debts and use an external company to support us on the selective older debts.

The majority of our debtors are short term and we participate in the national NHS debtor reconciliations at 31st December and 31st March each year. This helps to identify any major NHS debtor queries.

Provision for doubtful debts

The Foundation Trust reviews Non NHS debtors that are in excess of three months old as at 31st March and provides for doubtful debts.

We also review any significant NHS debtors and provide for doubtful debt if applicable.

Liquidity Risk

Loans

The Trust has no loans to repay.

Creditors

The Foundation Trust has a surplus in the current financial year and on the Income and Expenditure reserve.

We have a cash and investment balance of £ 23.2m and an authorised borrowing limit of £ 54.3m.

Therefore we are at minimal risk to our creditors.

Notes - Financial Assets/Liabilities

17. Financial Assets / Liabilities

17.1 Financial Assets

	2008/09	2007/08
	£' 000	£' 000
	Loans and receivables	Loans and receivables
Asset as per the balance sheet:		
- NHS Debtors (net of doubtful prov)	13,883	5,496
- Provision for irrecoverable debts	(798)	(628)
- Accrued Income	986	427
- Other Debtors	2,022	2,806
- Current Asset investments	2,615	23,318
- Cash at bank and in hand	20,603	4,459
Total	39,311	35,878
Assets held in £ sterling	39,311	35,878

17.2 Financial Liabilities

	2008/09	2007/08
	£' 000	£' 000
	Other financial liabilities	Other financial liabilities
Asset as per the balance sheet:		
- NHS creditors	2,097	1,080
- Other creditors	10,764	8,689
- Capital Creditors	393	475
- Accruals	4,991	4,848
- Provisions	626	876
Total	18,871	15,968
Assets held in £ sterling	18,871	15,968

Notes - Financial Assets/Liabilities

17.3 Financial Assets / Liabilities - Fair Values

	2008/09	
	Book Value	Fair Value
		£' 000
Financial Assets:		
Debtors over 1 year (NHS Injury Scheme)	240	225
Total	240	225
Financial Liabilities:		
Provisions under contract (Early Retirement)	168	168
Total	168	168

There are no financial liabilities with a maturity greater than one year.

Notes - Government/Losses

18. Intra-Government and Other Balances

	2008/09	
	Debtors: amounts falling due within one year	Creditors: amounts falling due within one year
	£' 000	£' 000
English NHS Foundation Trusts	2,272	786
English NHS Trusts	51	179
Department of Health	1	0
English Strategic Health Authorities	86	1
English Primary Care Trusts	11,492	164
RAB Special Health Authorities	1	187
NHS WGA bodies	24	643
Other WGA bodies	410	3,909
At 31st March 2009	14,337	5,869

	2007/08	
	£' 000	£' 000
English NHS Foundation Trusts	771	437
English NHS Trusts	270	261
Department of Health	4	14
English Strategic Health Authorities	55	10
English Primary Care Trusts	4,257	224
RAB Special Health Authorities	25	8
NHS WGA bodies	1	128
Other WGA bodies	484	3,690
At 31st March 2008	5,867	4,772

19. Losses and Special Payments

There were 127 cases of losses and special payments totalling £150,000 approved during 2008/09 (£52,814 2007/08 104 cases excl personal injury).

There were no cases where the net payment exceeded £ 100,000.

Note: The total costs included in this note are on a cash basis and will not reconcile to the amounts in the notes to the accounts which are prepared on an accruals basis.

**The Royal Bournemouth and Christchurch Hospitals
NHS Foundation Trust**

The Royal Bournemouth Hospital

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Christchurch Hospital

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