

Putting patients first

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

Annual Report and Financial Accounts 2009/10



Acute Organisation of the Year - Health Service Journal

The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust
Presented to Parliament pursuant to Schedule 7, paragraph 25 (4)
of the National Health Service Act 2006.

Contents

Annual Report

7	1. Chairman's Statement
9	2. Chief Executive's Statement
11	3. Directors Report
11	3.1 About the Trust
13	3.2 How the Trust is run
17	3.3 Looking back on the year - better care, better value
25	3.4 Support from local charities
29	4. Business Review
29	4.1 Protecting our future through better care, better value
30	4.2 Risks and Trends
32	4.3 Strong performance
33	4.4 Regulatory Risk Ratings
34	4.5 Double excellent in Trust's own health check
35	4.6 Meeting local and national targets
35	4.7 Business continuity planning
36	4.8 Formal public consultation
37	4.9 Our strength is our staff
39	4.10 Staff Survey 2009
39	4.11 Equality and diversity
45	4.12 Sustainability and climate change
50	4.13 Making a surplus for a purpose
50	4.14 Putting Patients First
52	5. Quality Report
52	5.1. Statement by the Chief Executive
52	5.2 Priorities for Improvement and Statements of Assurance
59	5.3 Patient Safety
67	5.4 Staff Safety - What our staff say about us.
73	5.5 Ensuring clinical effectiveness and quality of care
77	5.6 Patient Experience
79	5.7 Managing complaints
81	5.8 Single sex accommodation
82	5.9 Priorities for quality improvement 2010/11
85	5.10 Consultation Process
88	6. Governance and Membership
88	6.1 Audit Committee
90	6.2 Public Interest Disclosures
91	6.3 Remuneration Report
94	6.4 Board of Directors
95	6.5 Council of Governors

Financial Accounts

1. Chairman's Statement

This is my first Annual Report as Chairman of the Foundation Trust since starting in April 2010. The Royal Bournemouth and Christchurch Hospitals have an excellent reputation and I am looking forward to contributing to the next stage in the Trust's development.



I have been very impressed by the staff, governors and volunteers I have met as well as the facilities I have visited. For example, the Sandbourne Suite aims to ensure that anyone coming into hospital for an operation has a highly professional and calm environment prior to surgery.

The prospect of working with a very skilled and dynamic team is exciting. I am ambitious for the Trust and keen that the outstanding results achieved should be a foundation for further development.

In January 2010 the NHS Constitution was published which sets out what we can all expect from the NHS. It also renews our commitment to making sure our services continue to be relevant to the needs of patients, the public and our staff. I want to ensure that we are responsive to local needs and one way I would like to achieve this is by encouraging more people, including staff, to become a member of the Trust.

I am looking forward to working with a range of professionals within other organisations in Dorset. I am sure that this is the way to improve health care for local people.

Our supporters

I would particularly like to thank those who support our hospitals throughout the year by giving up their time and who help us make the patient experience even better.

Our Governors work hard to provide a link between the public and the Trust's Board of Directors; ensuring feedback from our members and the views of the public are fed into our plans. You can read more about our Governors on page 95.

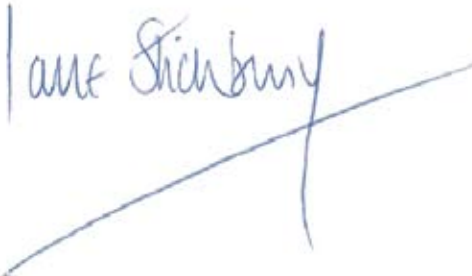
We are also extremely fortunate to receive the support of around 700 volunteers who work tirelessly across the Trust, in a range of roles, all contributing to the patient experience. Volunteers assist patients in numerous ways by providing directions, visiting patients on wards or giving up their time for Hospital Radio Bedside. We also have a Patients' Panel which meets regularly throughout the year. The work of the volunteers is very much appreciated and so important in providing reassurance to those coming into hospital.

Chairman's Statement

Over the last year the hospitals' charities have also made a significant contribution by raising money and helping to fund equipment. For example, the League of Friends purchased SkyCeiling tiles to help relax patients visiting our Interventional Radiology Department.

You can read more about the excellent work that our volunteers and charities do on page 25.

I am wholly committed to supporting the Trust's focus on quality and the very best patient safety and care. I look forward to celebrating successes and also to ensuring that we challenge ourselves - which is vital for an organisation to flourish.



Jane Stichbury
Chairman

2. Chief Executive's Statement

The focus for 2009/10 has been to continue to improve the quality of care we provide but also to plan ahead to ensure we protect the future of our services for staff, patients and the local population. I am delighted that we were recognised for our achievements in these areas by receiving the accolade of being named Acute Organisation of the Year by the Health Service Journal.



The Care Quality Commission also awarded us a double Excellent rating in its Annual Health Check. We were one of only two Trusts in the country to receive full marks within the assessment.

Throughout this Annual Report you will read excellent examples of where we have achieved both better care for patients and also better value for local taxpayers. One example is telemedicine which is speeding up the diagnosis for stroke patients who can then benefit from thrombolysis.

Over the next three years we need to continue to make efficiency savings. We believe strongly that we can do this by providing quality care that meets the needs of our local patients and by reducing waste and duplication.

Through an internal programme - Protecting our Future, through better care, better value - we have already identified savings of £20m. Over the next year we will be working with local health and social care organisations to help identify a further £10m of savings that are needed. You can read more about our internal work streams on page 30.

Our staff have been at the forefront of the drive for quality and efficiency. They have helped identify and lead areas for improvements and have been incredibly flexible in the way that they work. The goal is always to put our patients first. Some of this work was recognised at our annual Staff Excellence Awards. As in the previous year, dozens of entries demonstrated the commitment shown by our staff to our patients. You can read more about the awards on page 22.

In the 2009 Staff Survey I was delighted to see that 99% of staff felt that their role was making a difference to patients and 93% would recommend our hospitals as a place to work. Equally pleasing is that 93% of staff would be happy with the standard of care we provided if they or a relative needed treatment. These are among the highest rates in the UK but there is always room for improvement. You can read more on page 67.

Developing our staff is crucial to achieving our goals. We were named Large Employer of the Year at the 2009 South West Skills Awards - organised by the Learning Skills Council. The award

Chief Executive's Statement

was given for our commitment to provide training opportunities for staff.

Exceptional performance

Our overall performance in 2009/10 was officially 'excellent'. Monitor, our regulator, gave us a rating of four for our financial management (equivalent to an Excellent rating in the Annual Health Check) and green for both Governance and managing mandatory services (the highest score possible). We also performed exceptionally well in all of our key performance indicators:

- Consistently meeting the four hour wait target in the Emergency Department
- Exceeding the Department of Health 18 week referral to treat target (with some areas achieving 13 weeks)
- Meeting two week cancer wait targets

Ambitious capital plans continue

Despite the downturn in the economy our ambitious capital plans continue. We opened the newly refurbished Sandbourne Suite which allows us to admit patients on the day of surgery. This means that patients avoid an overnight stay in hospital prior to their procedure which is better for them and reduces costs. The multi-storey car park for staff was also completed ahead of schedule and within budget allowing extra parking for staff, patients and visitors. The cost of the car park is met by staff parking fees.

Our capital plans continue in 2010/11. For example, we will be following best clinical practice and moving the Stroke Rehabilitation Unit to Bournemouth so that we can provide a complete stroke pathway for patients on one site. Our

capital plan is only possible because of our excellent financial management and our ability to continue to make a surplus for investment.

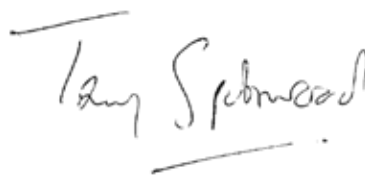
Robust business continuity plans are in place

As well as working with colleagues in primary care planning for winter pressures, considerable work was achieved in business continuity planning and in particular for the swine flu pandemic. We have robust plans in place to manage a major incident which ensures continuity of our services. You can read more about these plans and the work we have been doing on page 35.

Despite the challenge of the past 12 months, and those that lie ahead, the quality of patient care and services continue to improve and is our focus. I look forward to being able to report on our further improvements and achievements of the year ahead in my next Report.

Finally, I would like to pay tribute to our outgoing Chair, Sheila Collins, who stood down in early 2010 after many years of excellent service. She will prove a hard act to follow, although we are very fortunate to have Jane Stichbury, former Chief Constable of Dorset, to take over this role.

Best wishes



Tony Spotswood
Chief Executive

3. Directors' Report

3.1 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 Poole.

The 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 an acute hospital 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 60,000 patients a year, and a large Day of Surgery Admissions Unit (the Sandbourne Suite). A purpose built Ophthalmic Unit is located on site, as well as a state-of-the-art Cardiology Unit and the award winning Derwent Unit (an orthopaedic service providing hip and knee replacements).



Directors' Report

The Royal Bournemouth Hospital also provides district-wide services for cardiac interventions, vascular surgery and urology. Outpatient clinics are provided for oral surgery, paediatrics, plastic surgery, ENT (ear, nose and throat), cardiothoracic and neurology.

Christchurch Hospital

Christchurch Hospital provides a pleasant environment for rehabilitation and a range of outpatient services. An all-age rehabilitation service has been developed, particularly in the award winning, newly refurbished Day Hospital. Most patients are elderly reflecting the local population. There is an excellent infrastructure to support rehabilitation with superb physiotherapy and occupational therapy facilities.

Outpatient clinics have expanded over recent years and include gastroenterology, breast, oncology and Medicine for the Elderly. Dermatology and rheumatology outpatient services are

also provided at Christchurch Hospital together with phlebotomy (blood taking) diagnostics and the Macmillan Unit (palliative care).

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.

The Trust's goals were developed, as part of a 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.



Directors' Report

- 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

Examples of how the Trust is working to achieve these goals can be found throughout the Report.

3.2 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 meets once a month, except in August. Its role is to determine the overall corporate goals for the Trust and be responsible for ensuring they are delivered.

The Foundation Trust is accountable to Monitor, the regulator who ensures the governance and performance of the organisation is sufficient and in line with their terms of authorisation.

There are a large range of inspection and regulatory bodies, including the Care Quality Commission (CQC) to whom the Trust is accountable.

The Trust is also accountable to local people through its members.

The Board of Directors works closely with the Council of Governors which represents the Trust's membership. Governors ensure members' views are heard and that they are kept up to date with developments within the hospitals.

You can read more about the work of Governors and details of the Trust's membership from page 95.

There are a number of key health partners that work closely with the Trust in developing and delivering services, such as local Primary Care Trusts and social services.

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 provision of the Code in all but the following areas where we have alternative arrangements in place:

- Meetings between the Chairman and Non-Executive Directors individually.
- Policy for engagement between the Council of Governors and the Board of Directors, Chief Executive, Executive and Non-Executive Director terms of appointment.

Full details can be found in the compliance statement which is available on the Trust's website at www.rbch.nhs.uk.

Directors' Report



**Sheila Collins,
Chairman**
(until 31 March 2010)

Sheila has 18 years of experience on the Board firstly as a Non-Executive and, for the last 13 years, as Chairman. The Chairman 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.



**Jane Stichbury,
Chairman**

Jane has a long career in the public sector with 27 years spent in the police force. She held a number of high profile positions including Deputy Assistant Commissioner of the Metropolitan Police and Chief Constable of Dorset. Jane then spent five years as Her Majesty's Inspector of Constabulary for the South of England before her appointment of Chairman of the Foundation Trust from 1st April, 2010.



**Alex Pike,
Non-Executive
Director**

Alex is international Group Marketing Director of Simple Healthcare and former Marketing Director of Fitness First. Alex joined the Trust in 2006 and has a wide range of experience in marketing and communication. She was appointed Senior Independent Director in 2009 and Chairs the Marketing and Communications Committee.



**Ken Tullett,
Non-Executive
Director**

Ken has 11 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 experience at a senior level within industry in the UK and overseas and is familiar with commercial practices and marketing. Ken is Chairman of the Charity Committee and Honours Committee.



**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 not for profit sector since 1998. Ian is Chair of the Audit Committee, Remuneration Committee and the Healthcare Assurance Committee.



**Brian Ford,
Non-Executive
Director**

Brian was appointed as a Non-Executive Director in December 2001. He practiced as a Chartered Accountant from 1973 to 1992 and since has worked as a Non-Executive Director, consultant and expert witness. Brian is Chair of the Finance Committee and the Workforce Development Committee.

Directors' Report



David Bennett, Non-Executive Director

David has extensive experience in strategy and operational consulting and has held senior commercial roles in the logistics, telecoms and technology sectors. David joined the Board in October 2009.



Steven Peacock, Non-Executive Director

Steven was appointed as a Non-Executive Director in October 2009. He is a Chartered Accountant and has worked in Retail and FMCG for the last 15 years - most recently as Trading Director for Homebase. Steven has a wide range of financial and commercial experience.



Tony Spotswood, Chief Executive

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



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 the 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 his appointment 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, She 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.

Directors' Report



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 Surgical Directorate and Associate Medical Director. Simon finished his term as Medical Director in November 2009.



Mary Armitage, Medical Director

Mary was appointed Medical Director in November 2009. She is a Consultant Physician and Endocrinologist and was previously Clinical Director for Medicine. Mary served as Clinical Vice President of the Royal College of Physicians between 2004 and 2007 and currently works one day a week on secondment to the Department of Health as Deputy Director of Medical Education.



Helen Lingham, Director of Operations

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

So far as the directors are aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware. Directors have taken all the steps they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the NHS Foundation Trust's auditor is aware of that information.

Directors' Report

3.3 Looking back on the year - better care, better value

Throughout 2009/10 the focus has been to continue to improve the quality of service and care for patients, and provide better value for money for taxpayers and becoming more efficient.

There are a number of examples of where the Trust has achieved this, such as the building of a brand new admissions unit, reducing infection control and the time patients spend in hospital. You can read more details of these and other initiatives throughout this report.

New scanner is the first for the UK

The Royal Bournemouth Hospital was the first NHS hospital in the UK to launch a new scanner capable of scanning internal organs in one rotation, vastly improving the patient experience.

The Toshiba Aquilion ONE can, for example, scan a whole heart within one heart beat - as opposed to being scanned in five or six heart beats with other scanners. This keeps radiation levels low, image quality high and scanning times short.

Other CT scanners are unable to cover the whole heart in one rotation and have to scan organs in sections. This means patients have to hold their breath for longer, they are exposed to substantially higher doses of radiation and the quality of images is poorer.

The Aquilion ONE can also scan in 4D because it can produce a sequence of images of a whole organ. This means that the blood flow in organs such as the brain can be studied.

Dr Russell Bull, Consultant Radiologist at the Royal Bournemouth Hospital, said:



The Aquilion ONE scanner.

Directors' Report

“This is an entirely new type of scanning technology.

“For example, Cardiologists, for the first time, have access to a safe, non-invasive test that can confirm or exclude coronary artery disease in a single heartbeat using very low doses of radiation.”

Olympic sailor opens CT/MR and Interventional Radiology suites

Staff at the Royal Bournemouth Hospital gave a warm welcome to Nick Rogers, Double Olympic silver medallist in sailing, when he officially opened the CT/MR and Interventional Radiology Suites.

Nick enjoyed a tour of the Department which included the new Aquilion ONE CT scanner, the Siemens Interventional Radiology Suite and the MR Scanning Suite. Staff were also able to meet Nick

and take a closer look at his two Silver Olympic medals.

Nik Hennessy, Clinical Director, said: “The Radiology Department is known to provide some of the best diagnostic services and the lowest waiting times in the UK. Patients can be assured that we are using the most advanced and safest technology for their investigations.

“We were delighted that Nick, who is such an outstanding Olympic competitor, was there to open the new facilities.”

New day admissions suite for patients

Patients coming into the Royal Bournemouth Hospital for an operation are benefiting from a fully refurbished unit. The Sandbourne Admissions Suite opened in January 2010 for patients needing day surgery.



Nick Rogers with staff at the official opening of the CT/MRI and Interventional Radiology Suites.

Directors' Report



Opening of the Sandbourne Admissions Suite

Instead of patients coming into hospital the night before and waiting for their operation, they arrive on the day of surgery. This improves the patient experience by avoiding unnecessary time spent in hospital. Patients spend more time at home where they feel most comfortable. It also reduces costs for the Trust as less beds are needed caring for patients who are purely waiting for their operation or procedure.

The Sandbourne Admissions Suite has nine individual consultation/examination rooms where surgeons and anaesthetists are able to speak to patients before their operation in complete privacy. Patients remain dressed in their own clothes until just before they are taken to theatre, maintaining their dignity and individuality.

There are two single-sex waiting lounges within the Suite which preserve patients' dignity. Patients who are able, walk to theatre escorted by a nurse, thus ensuring a safe and timely transfer from the admission suite to the operating theatre. Facilities are also provided within

the Suite for patients who are unable to walk to theatre.

A quiet room is available for relatives to sit with patients before their operation, helping to support and reassure them before surgery.

University accreditations received

Two very different areas within the Trust were awarded a Practice Development Unit (PDU) accreditation from Bournemouth University during 2009/10.

Both the Macmillan Unit at Christchurch Hospital and the Outpatients Department at Bournemouth received the accreditation from the University's Institute of Health and Community Studies.

An assessment took place over a year, during which staff had to demonstrate that they met a number of standards to achieve the award. This included communication structure, staff development programmes and the provision of patient information.

Sharon Cudlip, Clinical Leader at the Macmillan Unit, said: "It is fantastic recognition of how hard the team works to improve the patient experience and maintain the highest standard for palliative care."

Sue Rendell, Senior Clinical Leader of Outpatients, commented: "The Outpatients staff and I are thrilled to receive the accreditation without condition. It really recognises the excellent standards that are present within the department."

Directors' Report



The Macmillan Unit receives PDU accreditation.

Skin cancer patients to benefit from new service at Christchurch Hospital

A new service to benefit skin cancer patients in Dorset was launched at Christchurch Hospital in August 2009.

The new Moh's service involves surgery which is (usually) carried out on the face. It enables individual layers of cancerous tissue to be removed and examined under a microscope, one at a time until all the cancerous tissue has been removed.

Currently, tumours are removed with a margin of apparently normal skin to guard against the possibility of the tumour extending beyond the visible margin.

Dr Helen Robertshaw, Consultant Dermatologist at Christchurch Hospital, said: "When a wide margin of skin is taken, there is a risk that healthy skin is unnecessarily removed and it also does not rule out the possibility that a small amount of tumour extends beyond the margin.

"Moh's surgery provides a more rational and potentially tissue-sparing approach. This can make a big difference to the patient," she added.

It is widely accepted as the treatment of choice for certain tumours and sites, with five year cure rates of 98% for primary tumours and 96% for recurrent tumours.

Prior to this service at Christchurch, patients from Dorset would have had to travel to Portsmouth.

Stroke and IT teams awarded for innovation

The Stroke and IT teams were awarded for implementing a telemedicine system to speed up assessment and treatment for stroke patients. The teams received the award for Innovative Health and Social Care Technology at the South West Health and Social Care Awards.

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 viewing accurate imagery to assist in deciding the most appropriate treatment as quickly as possible.

Extended Day Hospital benefits older people

Older people living with a range of long-term conditions are benefiting after the extension and complete refurbishment of the Day Hospital at Christchurch Hospital.

Directors' Report

The overall focus of the Day Hospital is to provide older people with care closer to home, therefore reducing the need to stay in hospital for medical investigations and rehabilitation.

The new Day Hospital boasts:

- Additional consulting and clinic rooms.
- Further space for the development of community teams including a new Community Stroke Team.
- Treatment rooms.
- A treatment area for patients who have had a stroke and need special equipment and space for rehabilitation.
- A gym for the groups that are run for people with Parkinson's Disease and for those who are recovering from a fall.

- Areas which have soundproofing providing greater levels of privacy for assessment and treatment.

The extended facilities enabled the Trust to open a daily Rapid Assessment Clinic. The clinic aims to see patients who have initially attended the Emergency Department at the Royal Bournemouth Hospital and who were assessed by the OPAL Team (Older People's Assessment and Liaison Team).

OPAL forms part of the Trust led intermediate care services aiming to avoid unnecessary admissions to hospital for older people.

Cherry McCubbin, Day Hospital Clinical Manager, said: "We're very excited about the Day Hospital extension. It is bright and welcoming which is very important in creating a therapeutic environment."



Opening the refurbished Day Hospital.

Directors' Report

Staff Excellence Awards

Each year the Trust holds the Staff Excellence Awards to acknowledge and reward the outstanding achievements of staff who go the extra mile in their day to day work. In 2009 the following people were awarded:

Award for Putting Patients First Heather Betreen, Lead Nurse Early Pregnancy Unit

Heather has developed a patient centred approach to manage both the emotional and physical needs of those unfortunate to lose their pregnancy. Patients now have rapid access to the clinic (via GP). A follow up telephone service has been set up so patients can discuss results, issues or concerns without having to visit the Unit.



Directors' Report

Award for Innovation in Clinical Practice - Stroke and IT Teams



The Stroke and IT Teams were awarded for implementing the stroke telemedicine system which allows consultants to assess patients and subsequently treat them from a remote location. This speeds up diagnosis and treatment which is essential for patients suitable for thrombolysis.

Award for Patient Safety Trudi Ellis, Mental Health Nurse



Trudi was one of the Trust's first mental health nurses and provides education and support for staff. The aim is to develop their knowledge, skills and confidence, enabling them to recognise and respond to the needs of older people with mental health problems. With her help the care patients receive is now safer than ever before.

Award for Infection Prevention and Control - Barry Weston, Microbiology Laboratory Manager

Barry's leadership was key to the successful introduction and roll out of MRSA screening for elective patients. He supported management in clarifying the business case, recruiting to a new staff structure that included extended evening and weekend work. He successfully managed a 60% increase in workload for a single type of laboratory test.

Award for Services to the Community - Leila Haydon

Leila experienced the stroke services as a patient. On discharge from the Stroke Rehabilitation Unit, and overcoming her own challenges and difficulties, she decided to use her own experience of stroke to help others. She began volunteering three years ago for three half days a week. She visits patients for chats whose ages range from 20 to 102 years and always manages to bring a smile to their faces.

Award for Leadership - Carol Groves

Carol is an exceptional leader. Having worked for the Trust for over 20 years she is well known and respected among her colleagues. She is every inch a professional in all aspects of her role demonstrating exceptional standards of care and is an inspirational teacher to all grades of staff. Her door is always open, even when busy she will take time to assist anyone.

Directors' Report

Team of the Year Award - Productive Ward Pilot Team (Clinical leaders and their deputies of Wards 9, 26, 4/5, 7, J)

The team has demonstrated that through collaborative working they could pioneer strategic change in their ward teams. In addition to their day job they committed enthusiastically to generate ideas that formed the foundation for innovations within the Productive Ward programme that will be adopted across the Trust.

Ward or Department of the Year Award Stroke Services



The Stroke Service received this award in acknowledgement of the outstanding results achieved by the team in the past year. All grades of staff from a range of professions have worked together, sharing ideas and practice in order to deliver the best possible care for stroke patients.

Customer Service Award - Linda Witchell, PALS

Linda constantly puts patients and people first. She has a particular interest in the care of people with disabilities and challenging circumstances and is a great advocate for ensuring such groups have equitable access to services. Her work has received national recognition by the Picker Institute and published as an example of excellent practice.

Award for Working in Partnership - Respiratory Early Discharge (REDs) Team



REDs is a team of five nurses and a secretary funded by the Foundation Trust and NHS Bournemouth and Poole. This means the team has a responsibility to both parties to ensure high standards of care, as well as saving bed days used by patients with COPD (Chronic Obstructive Pulmonary Disorder). On average COPD patients use 7-11 bed days per admission. By discharging patients after 24-47 hours vast sums of money can be saved and patients can receive care in their own homes when appropriate.

Daily Echo Unsung Hero Award - Jan Boot

Jan Boot, Colorectal Nurse Specialist received four nominations for the Unsung Hero award. One of the comments made was: "Her warm hearted nature works wonders and makes you feel that you are in very safe hands and she does create a 'safe zone' for patients. As long as Jan is within your reach your problems are dealt with in a very efficient manner. She makes you feel that life is worth living."

Directors' Report

The Chairman's Award is given in special recognition of the overall achiever. The recipient is selected by the Board of Directors from the winners of each of the award categories. In 2009 the Board awarded the Chairman's Award to Barry Weston, Microbiology Laboratory Manager.

3.4 Support from local charities

Jigsaw Cancer and Blood Disorder Appeal smashes £2m target

The Royal Bournemouth and Christchurch Hospital's Jigsaw Cancer and Blood Disorders Appeal reached its £2 million target at the beginning of 2010. Work is now underway on plans for improving the environment for cancer patients.

The original Jigsaw Appeal, which began in 2006, was for a million pounds. Its purpose was - and is - to transform the environment for haematology and oncology patients on Wards 10 and 11 at the Royal Bournemouth Hospital. All funds raised are totally committed for use solely on this purpose.

At least 300 individuals and organisations played a part in the Appeal's success. Richard Renaut, Director of Service Development, said: "Fundraisers have amazed us. You name it, they've done it and the Trust would like to say a big thank you to everyone who supported the Appeal.

Appeal highlights included a Mini Cooper which was won in a £5 draw, but only



after nearly £34,000 was raised by ticket sales! Intrepid trekkers traversed the globe to Everest Base Camp, The Great Wall of China and to Machu Picchu. Escaping became something of a habit as a charity 'Jail Break' got a team to Milan.

The Women's Health Unit is now the focus for the Jigsaw Appeal for Women which was launched in March 2010. £1.5 million is needed to redesign the Unit.

League of Friends purchase SkyCeilings to benefit patients

During 2009/10 the League of Friends donated a total of £138,855 to the Trust to improve the experience of patients. One example is the new SkyCeiling which is having a relaxing effect on patients visiting the Interventional Radiology Department at the Royal Bournemouth Hospital.

Directors' Report



SkyCeilings in Radiology.

SkyCeilings are a visual display of images installed within the ceiling, designed to engage the eye and relax patients. They are very bright and give the effect of a more airy and calming environment. The Trust is one of the first within the UK to install the feature to help improve the patient experience.

Patients often remain awake throughout procedures so the SkyCeiling provides a welcome distraction for patients.

Chairman of the League of Friends, William Hardy, said: "We are so pleased to have been able to purchase the SkyCeilings which is making a real positive difference to the patient experience."

British Red Cross - 20 years of volunteering

In November 1989 Bournemouth Hospital opened to its first patients and the volunteers of the Red Cross were there to greet them at the enquiry desk. Over 20 years later and the volunteers are still at the hospital providing a 'meet and greet' service.

To mark the occasion Dr Isobel Smart, MBE, recently retired President of the Dorset Red Cross, made a special visit to meet the team and thank them for their continued service as volunteers.

Marjorie Bean, Team Leader, said: "During the years it has been interesting to grow with the hospital, see new buildings and extensions take place and witness the many new departments and excellent facilities now available to the people of Bournemouth."

Support from the Friends of the Eye Unit

The Friends of the Eye Unit continued their support by funding a number of projects worth nearly £12,000.

The projects included two machines for measuring the thickness of the cornea in the Glaucoma clinics, and a mobile unit that tests for strokes in the eye.

General Manager for Ophthalmology, Claire Mills, said: "Staff and patients in the Unit are grateful for the continued support of the Friends. Their contributions to providing equipment continue to make a difference to the patient experience."

Directors' Report

Christchurch Hospital League of Friends

The League of Friends at Christchurch Hospital continue to support a number of projects for both staff and patients, including:

- Two blood pressure monitors for the Outpatient Department
- IT equipment for the Speech and Language Therapy service, including cameras, camcorder and a laptop
- A number of ward refurbishment projects which included furniture such as dining tables and arm chairs
- Day Hospital - funding for a new therapeutic garden for patients' physical and psychological well being and the redevelopment of the office for the Parkinson's Disease team.

Macmillan Caring Locally

Formerly the Macmillan Cancer Trust, Macmillan Caring Locally continues to support cancer services throughout the hospital. During 2009/10 the following investments have been made:

- Funding staff in the Macmillan Unit: £135,200
- Funding cancer related posts at RBH: £217,700
- An endoscopic ultrasound machine for RBH: £246,000.

The Appeal Shop

The Appeal Shop at the Royal Bournemouth Hospital raised £11,447 during the year through the goods that are donated and sold.

A team of around six volunteers work in the shop which is open Monday to Friday from 10am to 2.30pm, close to the atrium.



Celia Fern

Bluecoats awarded

During the year, two bluecoat volunteers were recognised for the support they provide to patients. They represent the good work all the volunteers undertake.

Celia Fern, ultrasound volunteer and Public Governor for the New Forest, was Highly Commended for her Services to the Community at the Trust's annual Staff Excellence Awards.

Celia has been a volunteer for 11 years and is regarded very highly by the staff in Ultrasound, who nominated her for the award.

Beryl Andrews, a bluecoat volunteer in the Stoma Department was nominated by her manager for an Ostomy Lifestyle Award. Beryl has been a volunteer since 1996 and has helped to set-up a 'pop-in' centre for ex-patients.



Beryl Andrews

Directors' Report

The Chaplains' service

The Chaplains are always looking for ways to give to patients, their families and friends, and staff members, the care that each deserves.

Chaplains see, within the organisation, areas where better care can be given. They will also provide feedback to the clinical area to hopefully bring about a change for the better.

To care for others is a great privilege, not only in the faith, spiritual and religious way, but also in a practical dimension. The Royal Bournemouth Hospital has a wonderful chapel dedicated to St. Luke.

The chapel is a place of prayer, quiet

contemplation, and sanctuary from the busy world outside. Each week a Roman Mass is held on Wednesday evening, and a Church of England Eucharist (Communion) is said on Thursday lunch time, with a service of praise on Sunday afternoon. This is broadcast to the hospital via Radio Bedside and Patientline. Having said that, the chapel, which is open twenty four hours a day, is not for the Christian alone but for everyone and space is shared with colleagues and patients from other faiths.

Over the period of a year, the chaplains are asked to see many hundreds of patients and they are seen many times thereafter until discharge. They also operate a 24-hour on call rota for emergencies.



4. Business Review

4.1 Protecting our future through better care, better value

In 2009/2010 a key driver for staff across the organisation was supporting and delivering a programme of quality and efficiency - known as Protecting our Future, through Better Care, Better Value.

The focus of this piece of work was, and still is, about being proactive and acting responsibly to protect the future of the organisation in terms of services for patients, value for taxpayers, and security of employment. A number of work streams were developed aimed at sustaining or improving quality which also delivered efficiencies. The programme allowed the Trust time to develop and manage an internal three-year efficiency savings programme of £20m.

At a practical level this meant continuing to find ways of improving care and outcomes for patients. At the same time the organisation gained a greater understanding about where it could reduce waste or duplication.

By delivering the quality and efficiency programme the Trust can continue to commit to a seven year, £65m capital programme for improving patient services.

Work streams for cost and quality improvement included:

- E-rostering - 15 wards and departments started to use e-rostering in 2009/10 to plan staffing requirements, including the Emergency Department, Derwent

(orthopaedic unit), Ward 16 and Ophthalmology.

- Length of Stay - looked at ways to improve quality and timeliness of care by identifying and addressing unnecessary delays which extend patients' stay in hospital. A discharge project group piloted new ways of working including implementation of seven day discharge, increasing the frequency of ward rounds, involving patients and carers in the discharge process and improving the use of the discharge lounge.
- Admin and Clerical (A&C) - examined ways of working through a series of workshops attended by staff from across all directorates. Lots of very good ideas were suggested and a number of these were taken forward. This included the expanded use of digital dictation, better ways to provide communication to staff without access to e-mail, and ways of providing a Trust wide A&C service.
- Theatres - looked at more efficient ways of using theatres sessions.



Business Review

A three year efficiency savings was identified per directorate as:

		Trust Three Year Savings Target by Work Stream 2009/2012										
		Directorate										Total
		Reha	Orthopaedics	Ophthalmology	Surgery	Medicine	Anaesthetics	Radiology	Pathology/Oncology	Maternity	Corporate	
£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000		
Workstream	Length of stay	2,344	159	31	441	605				40		3,620
	Admin and Clerical	52	16	1		29	2			6		106
	Nurse and e-Rostering	49	39	94	39	166	118	144	109	109		867
	Theatre Utilisation		85	370			279					734
	Medical Staffing	271	130	81	55	200	220					957
	Drugs	7	1	3	2	81	44		34	4		175
	Procurement	76	178		46	934	78	206	51	1		1,570
	Own Schemes	216	735	187	1,298	1,987	736	554	1,617	54	4,323	11,707
	Total Savings Target	3,015	1,343	766	1,881	4,002	1,477	904	1,811	214	4,323	19,736

4.2 Risks and Trends

In assessing our plans for the future the Trust is mindful of significant changes in our operating environment and anticipates further changes. These include:

1. The tightening economic climate and limited public finances.

The limitations in future funding for the NHS and a steady increase in demand, including costs of new technology and NICE commitments, will in effect lead to current services needing to be delivered for less. Likely consequences include:

- Funding for acute hospitals falling in real terms.
- Restrictions on staff pay that may affect recruitment as the wider economy recovers.

- Rationalisation of services and estates to ensure maximum value for taxpayers.
- Restrictions on lower priority treatments.

2. Increasing public accountability for quality of services.

The public expectation of safe and clean NHS services offering privacy, dignity and respect as well as effective treatment will continue to rise. As a result there will need to be a continued focus on quality reporting and improvement, as well as explaining to patients, staff and partners how we are performing. Infection control, mortality rates and single sex wards are all areas where RBCH performs well, but will need to continue to improve. The Trust's award winning Communications Team will need to continue to work with clinicians across the organisation to achieve public understanding and assurance.

Business Review

3. The implications for health policy following a general election.

Following change of government in 2010, a potential change in policy direction may result in a need for the Trust to review its plans.

Particular areas of difference may include:

- A change in GP led commissioning and the role of PCTs.
- Greater reductions in tariff income for hospitals.
- Choice of consultant and potentially differential wait times.
- A move from targets to longer term health outcomes.

4. A continuing increase in demand for services from an ageing population and greater disease burden.

The year-on-year rise in both elective and emergency workload is expected to continue. However, given the limited funding, greater productivity and prevention will be required. The Transforming Community Services initiative (TCS) is a national drive to improve the quality, productivity and effectiveness of community services (particularly for long term conditions) and to shift care into the community away from acute and specialist services. The evidence of both whether this programme will deliver and whether it is in fact more expensive needs to be considered.

Alongside TCS are moves to consider vertical integration (all provided by one organisation) potentially including GPs, community and hospital services, either as an “in-reach” into hospital or outreach

from a specialist service. A move away from Payment by Results (cost per case) to an annual capitation (i.e. payment based on population size) for managing both monitoring, prevention and hospital care is also a possible scenario.

Personalised budgets for some long term conditions (LTC) and greater market testing of services are also expected, to drive competition and hopefully cost and quality improvement. Avoiding very significant transaction costs and fragmentation of services will be crucial as both of these can remove the cost and quality gains. The Department of Health is particularly keen to promote integration of services and will look at how to enable and incentivise Foundation Trusts to develop in this agenda.

5. Trends in healthcare for greater specialisation and governance

Trends in healthcare provision remain predominantly towards higher quality and better value from finding the right critical mass level (the point at which services are delivered most efficiently and with best quality outcomes). For example, a surgeon undertaking a particular operation once a week, rather than once every few months, has better clinical outcomes, is usually more productive, and can purchase supplies at volume discounts. Given the trend to concentrate expertise, there are likely to be moves to have only one specialist centre in Dorset, rather than two or three that currently exist, or alternative models of care, such as Dorset wide services. In some circumstances, it may mean services moving out of the county, while still being accessible to the local community.

Business Review

In some instances the critical mass can mean moving the other way, where technology, training, volumes of work and other factors mean it is more efficient and effective to disaggregate work. Some procedures and diagnostic tests may fall into this category and some work undertaken in hospitals in the past may now occur at a GP or community setting. The key is to understand at what level critical mass occurs, rather than to assume automatically that bigger is better, and whether care closer to home is or is not effective.

4.3 Strong performance

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.

The Foundation Trust's accounts have been prepared under a direction issued by Monitor.

Financial performance

The Trust continues to maintain strong financial control during the year culminating in a surplus of income over expenditure of £3.1m, exceeding its financial targets agreed with Monitor, the Trust's regulator. This surplus will be retained and used to support the 2010/11 investment programme approved by the Board of Directors. The programme sets out plans to invest a further £7.2m in facilities to provide high quality healthcare.

The surplus achieved in the year is a reduction over the previous year's outturn and reflects the changing dynamic of the available resources to fund public services. This trend will continue over the foreseeable future placing even greater importance on delivering the organisation's Cost Improvement Programmes.

The Trust set out plans to deliver efficiency gains over a three year period, beginning in 2009/10 and through the dedication and commitment of the staff in the organisation, an efficiency gain of £5.8m was achieved through the year, meeting the target set by the Trust. This is an excellent achievement and will result in a significant full year effect during 2010/11.

The overall efficiency plans approved by the Board of Directors for 2010/11 total £9m. Delivery of the plan will be monitored through the Programme Management Office with regular reports to the various Boards.

Business Review

	Actual	Rating (out of 5 with 5 being the highest)
Underlying performance - earnings before interest, tax, Depreciation and amortisation margin %	7.0%	3
Achievement of plan - earnings before interest, tax, Depreciation and amortisation % achieved	100.9%	5
Financial efficiency - return on assets %	5.0%	4
Financial efficiency - income and expenditure surplus margin %	1.5%	3
Liquidity - liquid ratio days	29.7	4
Overall Financial Risk Rating		4

4.4 Regulatory Risk Ratings

Monitor assigns each NHS Foundation Trust a risk rating for governance, finance and the provision of mandatory goods and services as defined in their terms of authorisation. The ratings shown above indicate the relative performance for the Trust against each element of the financial risk rating. The financial risk ratings are allocated using a scorecard which compares key financial metrics consistently across all Foundation Trusts. The ratings reflect the likelihood of a financial breach of an NHS Foundation Trust's terms of authorisation. A rating of five reflects the lowest level of financial risk and a rating of one the highest.

As explained above, the overall ratings take into account finance, governance and mandatory services. The actual results for 2008/09 together with the latest figures are set out on page 34. The method of self declaration changed in 2009/10 from a declaration scoring of one for full assurance to two for partial assurance to a system in 2009/10 of 'traffic light' being red, amber and green.

In terms of both governance and mandatory services, the Trust successfully achieved full assurance with the exception of quarter four in 2008/9. This was due to a partial failure in terms of the requirement to treat all heart attack patients with thrombolysis within 60 minutes of the call. Actions were undertaken to resolve this issue.

The financial targets broadly mirror the annual plans submitted to Monitor over the past two years, however this would show a deterioration when comparing one year with the other. The Trust continues to plan investment in quality developments and recognised this would reduce the five rating in 2008/09 to a planned four rating in 2009/10. It should be noted that both four and five ratings qualify for the excellent rating under the Care Quality Commission scoring. The risk rating of three delivered in quarter one of 2009/10 was lower than plan by one rating, due to costs rising in greater proportion than income. A significant contribution to this related to the use of high cost agency staff and premium payments being made to staff to achieve

Business Review

Annual Plan 2008/9	Q1 2008/09	Q2 2008/09	Q3 2008/09	Q4 2008/09
Financial Risk rating	5	5	5	4
Governance risk rating/ mandatory services	1	1	1	2
Annual Plan 2009/10	Q1 2009/10	Q2 2009/10	Q3 2009/10	Q4 2009/10
Financial Risk rating	3	4	4	4
Governance risk rating	Green	Green	Green	Green
Mandatory services	Green	Green	Green	Green

the 13 week referral to treatment time target. Actions were put in place during the second quarter to remedy this shortcoming. This resulted in the risk rating of four being achieved for the remainder of the year, in line with the plan.

4.5 Double excellent in Trust's own health check

The Trust received a double 'Excellent' rating in this year's Annual Healthcheck with maximum scores in all areas assessed, making it one of the best performing Trusts in the country.

The Care Quality Commission (CQC) awarded the Trust Excellent ratings for both the quality of services (an aggregated score of performance against national standards, existing commitments and national priorities) and financial management (which looks at how effectively a Trust manages its financial resources).

The Trust achieved the highest possible score in:

- Safety and cleanliness - 14/14

- Standard of care - 8/8
- Keeping the public healthy - 5/5
- Waiting to be seen 13/13
- Dignity and respect - 9/9
- Good management - 18/18

The above assessments are made using, for example, feedback from patients, Governors and local partners, key performance indicators and evidence of plans that are in place across the hospitals.

The Trust was one of only 41 in the country to receive special congratulations from the CQC and the Department of Health (including three other local Trusts).

The Trust declared itself compliant in all of the core standards - which were validated and verified by the CQC. These included a range of measures in the areas of safety, clinical and cost effectiveness, governance, patient focus, accessible and responsive care, care environment and amenities and public health. All national targets were met and all national priorities were achieved.

Business Review

The Trust has shown continuous and steady improvement in the Annual Healthcheck over the last three years and staff have worked hard to achieve this. A number of work streams continue to ensure ongoing improvement.

4.6 Meeting local and national targets

The Trust performed exceptionally well in all of its key performance indicators. Exceptional performance in the prevention and control of infection resulted in a significant reduction in the number of beds closed due to outbreaks of Norovirus (winter vomiting bug). The Trust also met and exceeded its MRSA and Clostridium difficile targets, with one of the lowest rates in the country.

Performance in the Emergency Department remained strong throughout the year and the Trust outperformed all other hospitals in the region by treating more people within the four hour target. The Trust's average performance was 99.6%, against a target of 98%.

The Trust also exceeded expectations by achieving the 18 week referral to treatment target by speciality ahead of schedule. Trusts have to achieve speciality 18 week targets by April 2010. The Trust met the target throughout the majority of 2009 and turned in strong speciality performance in March 2010.

New revised cancer targets were introduced in April 2009 and January 2010. All targets, new and existing were met.

You can read more about how we met local and national targets in the Quality Report from page 52.

4.7 Business continuity planning

During the past year the Trust has invested resources in improving its resilience in the event of either an internal or external major incident. The appointment of a Business Continuity Project Manager enabled the Trust to develop a robust Business Continuity Plan.

The plan adds clarity and continuity in the processes that need adopting at the time of an incident, helping to ensure patient safety and that the Trust responds in a timely and organised manner.

The whole business continuity process has involved many key stakeholders from different directorates and external agencies, to ensure plans offer maximum resilience.

Alongside the work carried out on business continuity, considerable time has been spent developing the Trust's Pandemic Flu Plan. The Trust has worked closely with its partners in health and social services to ensure a community wide response to pandemic flu.

A Swine Flu Vaccination programme for health care workers and ancillary staff was put in place. This involved a lot of collaborative working across all directorates within the hospital, including liaising and consulting with staff at all levels.

The uptake of the Swine flu vaccine by staff was one of the best in the South West region. 1,907 members of staff had the vaccine.

Business Review

A review of the Major Incident Plan has also taken place. Training for staff on both the Pandemic Flu and Major Incident Plans has been crucial in promoting these plans.

The Trust has also taken part in a number of cross county exercises to test our emergency plans and how they link with other agencies such as the police, local authorities and ambulance service.

Managing 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 emergency pressures was eight. All but five operations, cancelled by the hospital for any reason were rebooked within 28 days. The real success of this winter was the revised infection control measures which helped to substantially reduce the number of beds affected by Norovirus.

This year there has been a further increase in the number of patients seen and treated in the Trust. Significant changes this year include a decrease in the number of elective operations performed and the increase in emergency activity. A reduction in elective activity was expected. Treating patients to achieve the 18 week target had been carried out within the previous year (hence the substantial increase in 2008/09). The significant rise in emergency activity was unexpected

and is a testament to the Trust's winter planning that this unplanned activity was able to be undertaken.

4.8 Formal public consultation

Service transformation

The Foundation Trust held a 13-week formal public consultation exercise with staff and stakeholders on the service transformation programme at the Royal Bournemouth and Christchurch Hospital for 2009/10. The consultation ran from 27th September until 20th December.

The proposal focused on protecting the future of services for patients, staff and local people through increasing the quality of care, which as a result will reduce time spent in hospital, improve efficiencies and provide better value.

Overall, those that responded to the consultation supported the clinical reasons behind the proposal. There were some common concerns around PCT commitments to "shift care closer to home" which would indeed increase the availability of services in the community, especially in support of discharged patients.

The consultation process itself was criticised by some, in particular the level of engagement of Christchurch's local organisations and residents. Several actions and improved contacts have been put in place to improve future processes.

The final concern, raised in several responses, was ensuring the stroke rehabilitation service move to an integrated unit at Bournemouth retained access to good facilities and maintained the excellent service provided at Christchurch.

Business Review

Annual Plan consultation

Formal public consultation on the Annual Plan took place from 1st February to 23rd April, 2010.

310 copies of the Annual Plan consultation document were distributed to, for example, Health Scrutiny Panels, the Trust's consultation contact list (over 150 individuals and local organisations), Governors, staff at 'Ask the Exec' events and members of the public on request.

Three public meetings were also held during the consultation period in Christchurch and Bournemouth.

In response to the Annual Plan the main concern for both staff and the public is the future of Christchurch Hospital. The Trust has made it clear that it has continued to invest in Christchurch over the past year with additional clinics and expanding the Day Hospital, for example. The Trust is committed to ensuring the site is used appropriately for the current needs of patients.

The plan was supported by all the local health review and scrutiny panels, and the clinical case also received widespread support.

4.9 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 successes mentioned within 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, 2010. 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 2009/10 was 4.59%. The national average for England was 4.6%. The Trust's target is 4%.

Informing and consulting our staff

During 2009/10 the Trust consulted its staff and staff side representatives on a number of issues, including:

- Flexible Working Allowance and Unsocial Hours Payments
- Proposed changes at Christchurch- H1/H2 amalgamation, J and K ward moves and Forest Dene closure
- Car park charging for staff
- Transformation and Trust efficiency programme including all the different work streams
- Medical Secretary review
- Reviewed HR policies including disciplinary, grievance, capability and sickness absence

Consultation with staff happens directly with staff through face to face briefing opportunities, written briefings for line managers across the organisation and details in Trust publications (see below for further details).

As well as formal consultation, the Trust makes available information on, for example, the Trust's performance, good news, events and developments, as well as ensuring good internal communications. This is carried out through:

Business Review

- Regular meetings with staff side representatives
- Monthly 'Ask the Exec' sessions where staff can hear from a different Director of the Trust and ask questions. Extra sessions are held as needed, for example during a formal public and staff consultation
- Bi-monthly staff newsletter - Buzzword
- Monthly Core Brief
- Global emails
- A well used intranet site
- An induction for new staff - held monthly
- Monthly 'Medicine for Managers' sessions
- Open day for staff and members of the public
- Briefings at directorate and ward level

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

4.10 Staff Survey 2009

The National Staff Survey was introduced in its present form in 2003 by the Commission for Health Improvement. The purpose of the survey is to establish the effectiveness of agreed national human resources policies and staff management practices. The survey enables the comparison of data over a time and allows benchmarking with the wider NHS.

In 2009 the Staff Survey was undertaken on behalf of the Trust by the Picker Institute and carried out between October 2009 and December 2009.



Business Review

In accordance with the nationally agreed protocol, a random selection of 850 employees, from those employed on 1st September 2009, were asked to complete and return the questionnaire.

The content of the staff survey is agreed nationally. The Trust used the core questions for acute trusts. The questionnaire included questions grouped in the following topics:

- Work-life balance
- Training, learning and development
- Your job and organisation
- Errors, near misses and incidents
- Violence, bullying and harassment
- Infection control and hygiene
- Health and well-being
- Background details

Response rate

The response rate for 2009 Staff Survey was 53%, which was lower than in previous years but still slightly higher than the national average for acute trusts.

Where the Trust performed well

The top four ranking results compared to other acute trusts (in brackets) were:

- 8% of staff intended to leave Trust (14%)
- 22% of staff suffering work-related stress in last 12 months (28%)
- 94% of staff believe the Trust provides equal opportunities for career progression or promotion (90%)
- 98% of staff reporting errors, near misses or incidents witnessed in the last month (95%)

Where the Trust needs to improve

The bottom four ranking results compared to other Acute Trusts (in brackets) were:

- 14% of staff experiencing physical violence from patients/relatives in last 12 months (11%)
- 59% of staff appraised in last 12 months (70%)
- 50% of staff appraised with personal development plan in last 12 months (59%)
- 26% of staff having well structured appraisal in last 12 months (30%)

You can read more about the Trust's performance, against each of the staff pledges in the Quality Report on page 67.

4.11 Equality and diversity

The Board of Directors is fully committed to the elimination of unlawful discrimination and the promotion of race, disability and gender (including transgender) equality within the Trust. This has also been extended to equality on the grounds of age, sexual orientation and religion. This will be achieved by ensuring this philosophy runs through all aspects of service provision and employment.

Race, disability and gender equality is a legal and moral imperative and the Trust is committed to developing, supporting and sustaining a diverse workforce that is representative of the community it serves. Equally, the Trust is committed to providing a health service that respects and responds to the diversity of the local population and to ensure that equality is delivered in service provision and policy making.

Business Review

The Trust has published a Single Equality Scheme. The Scheme is not set in stone but is a living document, which recognises the particular challenges Dorset faces with regard to achieving true equality.

The Trust continues to be part of the Charter for Employers who are Positive about Mental Health, part of the Mindful Employer initiative. This aligns with the Disability Two Ticks scheme which means that where an applicant has indicated they have a disability, and would like to take part in the Guaranteed Interview Scheme, they will be shortlisted for interview if they meet the essential criteria of the person specification. Trust employees are also undertaking a dyslexia course in order to understand, assess and make recommendations for reasonable adjustments for those with this specific learning difficulty.

The Trust will work to provide equality and fairness for everyone in its employment and care, and not to discriminate on grounds of gender, race, ethnic origin, colour, nationality, national origin, disability, sexual orientation, religion or age. The Trust opposes all forms of unlawful and unfair discrimination.

How is employee performance monitored?

Performance is monitored on an annual basis. All formal disciplinary, grievances, harassment and capability cases are recorded by the Trust. In addition, formal sickness absence is also recorded. Monitoring is analysed in terms of ethnicity, age and race of staff. Any trends or adverse impacts on particular groups are identified and

appropriate action taken. Results are published annually on the Trust's website at www.rbch.nhs.uk. The Trust has recently implemented new policies and procedures on disciplinary, grievance, capability and sickness absence to further improve the management of cases. The Bullying and Harassment Policy has also been reviewed and complies with the NHSLA (NHS Litigation Authority) Standards. It is due to be published shortly.

The results of the annual Staff Survey are incorporated into the monitoring process. Directorates are made aware of positive progress as well as areas where there may be cause for concern. Appropriate measures to resolve matters on an individual or directorate basis are actioned accordingly.

There is a statutory requirement for the Trust to provide training to all staff on race, and best practice dictates that the other five strands of discrimination legislation are also covered. Equality and diversity issues are promoted within the Trust's diversity training. A new diversity training programme was launched in 2009, which includes a one-hour mandatory session called 'An Introduction to Diversity'. This gives all staff a basic understanding of diversity issues.

By the end of September 2009, over 1,400 employees had attended the course. This is a significant improvement on 2008 figures of 456. The course is also now delivered to all new starters as part of the Core Induction Programme and is also included on the Non-Clinical Mandatory Training day.

Business Review

The programme also includes three additional half-day modules, which have been designed for people that require more detailed knowledge and specific skills in relation to diversity at work. These modules are: Diversity for Managers and Leaders, Diversity for the Frontline and Conducting Equality Impact Assessments (EIA). These courses are designed to build on the very basic information given at the Introduction session and are very relevant for managers or those in roles that are patient, customer or employee facing.

Modules are delivered by trained Trust employees. Initial attendance on these modules was sporadic but current feedback demonstrates that attendance is positive and courses are fully booked. Board members are also asked to attend one of the Introduction to Diversity sessions.

The Recruitment and Selection Policy and Equality and Diversity Policy were applied during the financial year to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

The Capability Policy was applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period.

If a staff member becomes disabled during employment and needs particular equipment to support their role, training is provided to use it in line with the Disability Discrimination Act.

Under the Trust's Equal Opportunities Policy, disabled employees have equal access to all training. Training areas on site are accessible and at the beginning of training sessions staff are asked if they have any particular needs.

Statement of compliance with publication duties

The Trust is legally obliged to have in place Equality Schemes for race, disability and gender and to adhere to all discrimination legislation, including legislation against religious, sexual orientation and age discrimination. The Trust is also legally required to conduct equality impact assessments on all new and existing policies, functions and services, and to publish the results of these. The Trust must also publish monitoring statistics for staff, specifically by ethnic origin, and best practice dictates that the other five discrimination streams are also reported on.

The Care Quality Commission and South West Strategic Health Authority routinely review whether Trusts are compliant with the equality duties.

Compliance across the Trust for Equality Impact Assessments (EIA) is overseen by the EIA Action Group which is reviewing the process and supporting and encouraging directorates to complete assessments and revise as required. Further EIA training has been sanctioned and the Trust now has over 50 trained assessors in place with future sessions planned. Directorates are aware of their duties to comply with this part of the equalities legislation and are making a concerted effort to embed it into the organisation. Progress has been slow but is improving.

Business Review

The Trust's website was recently audited by the South West Strategic Health Authority, in line with the Care Quality Commission guidelines. The Trust failed the audit on one element, because there are no full Equality Impact Assessments published on the site.

A full Equality Impact Assessment has now been completed on the Derwent Suite (orthopaedic centre). The results of this have been published on the website. However, there is a legal requirement for the Trust to conduct full assessments on other high profile documents and services. In line with this a full impact assessment is due to be completed shortly on the new Sandbourne Suite and the car park where a multi storey parking facility was opened to staff in January 2010. Full assessments of other high profile services will be carried out in 2010. The Trust's website also publishes EIAs that have been through the

screening process. The EIA action group is reviewing published assessments and informing directorates who have not made relevant submissions.

The Trust has published a Single Equality Scheme that is currently being updated and reviewed. Looking forward, Parliament has passed the Equalities Bill which will place further duties onto public sector organisations. This comes into force in October 2010.

Employee equality profile

As a requirement of the race, disability and gender equality duties, the Trust is required to publish a profile of its staff. This helps the organisation to understand who it employs and highlights any actions that need to be taken to provide a more representative environment for employees.

Summary of Performance - workforce statistics

Age	Staff 2008/09	%	Staff 2009/10	%
16-20	79	1.88%	96	2.07%
21-25	399	10.04%	496	10.7%
26-30	549	11.29%	552	11.91%
31-35	580	12.89%	584	12.6%
36-40	560	12.08%	358	7.72%
41-45	571	12.71%	629	13.57%
46-50	618	13.46%	664	14.32%
51-55	501	11.63%	572	12.34%
56-60	467	9.19%	452	9.75%
61-65	201	4.76%	231	4.98%

Business Review

Ethnicity	Staff 2008/09	%	Staff 2009/10	%
White British	3808	83.08%	4,096	82.10%
White Irish	32	0.69%	34	0.68%
White - any other white background	209	4.56%	244	4.89%
Black or Black British - Caribbean	2	0.04%	7	0.14%
Black or Black British - African	2	0.04%	37	0.74%
Black or Black British - Any other black background	4	0.08%	4	0.08%
Mixed - White & Black Caribbean	2	0.04%	4	0.08%
Mixed - White & Black African	5	0.11%	6	0.12%
Mixed - White & Asian	5	0.11%	11	0.22%
Mixed - Any other mixed background	11	0.24%	19	0.38%
Asian or Asian British - Indian	103	2.25%	113	2.26%
Asian or Asian British - Pakistani	4	0.09%	7	0.14%
Asian or Asian British - Bangladeshi	6	0.14%	10	0.20%
Asian or Asian British - any other Asian background	51	1.11%	67	1.34%
Other	216	4.47%	226	4.53%
Not Stated	112	2.45%	104	2.08%
Gender				
Male	991	21%	1,066	21%
Female	3,592	78%	3,922	79%
Trans-gender	Not recorded			
Recorded Disability				
Yes	-	-	30	0.60%
No	-	-	409	8.22%
Undefined	-	-	4534	91.17%

Business Review

Foundation Trust membership statistics

Age	Membership 2008/09	%	Membership 2009/10	%
0-16	0	0	0	0
17-21	27	0.22	29	0.24
22+	10,413	83.64	10,280	84.08
Not Stated	2010	16.14	1,918	15.69
Ethnicity				
White	11,789	94.69	11,748	96.08
Mixed	33	0.27	32	0.26
Asian or Asian British	20	0.16	37	0.30
Black or Black British	21	0.17	25	0.20
Other	211	1.69	29	0.24
Not Stated	376	3.02	356	2.91
Gender				
Male	5,477	43.99	5,332	43.61
Female	6,921	55.59	6,770	55.37
Trans-gender	0	0	0	0
Not Stated	52	0.42	125	1.02

This report contains information for the 2009 calendar year on:

- Applicants for Employment.
- Employees.
- Leavers.
- Disciplinary, Grievance, Harassment cases.

This information is accessible on the Equality and Diversity pages of the Trust's website at www.rbch.nhs.uk

As best practice the Trust also reports on:

- Applicants for employment by gender; sexual orientation; age and religion.
- For those who apply; are shortlisted and appointed.

- Leavers by gender; age and ethnicity.
- For those employed we additional report on age by band; gender by band and ethnic origin by band.
- Furthermore the number of disciplinary, grievance, harassment and capability cases are recorded and monitored in regard to ethnicity, gender and age - this is compared.

Action plans and time frames

The Equality and Diversity Committee was re-launched in September 2009. It represents the Trust at a more strategic level, rather than by directorate, and reports directly to the Workforce Committee. This change should allow the group to be more focused on ensuring the Trust is compliant with Diversity

Business Review

legislation and improving the experience of the Trust for diverse groups, whether as patients or employees.

There have also been four new action groups established which will report in to the Workforce Committee on a regular basis. These groups focus on the four areas identified as requiring improvement, making recommendations and providing practical support to ensure they are delivered. They are:

- Equality Impact Assessments.
- Improving Diversity Awareness across the Trust.
- Compliance.
- Understanding Patient Diversity.

The action groups in their initial stages have focused on membership, duties and objectives. Staff from across the organisation have been invited to join the groups and patients will be invited to the later group in the future. The groups are advancing by setting transparent objectives and targets.

In 2010 the Equality and Diversity Committee and the four action groups will:

- Work directly with the Workforce Committee to ensure further compliance with legislation currently in place and future obligations.
- Assess and review action groups to encourage further membership, ensure commitment of members and evidence improvements and achievements made.
- Identify, implement and monitor a reporting procedure on promotion of staff.

- Ensure that succession planning, as identified by the Workforce Committee, incorporates the Trust's value of sustaining a diverse workforce that is representative of the community it serves.
- Complete and publish a minimum of four full impact assessments on high impact services or provisions.
- Make full analysis of workforce statistics and implement any necessary recommendations.
- Continue to train new employees on diversity.
- Promote additional courses to managers, frontline staff and those who write or review policies.

In 2010 the Trust aims to significantly improve all aspects of equality and diversity. It aims to embed into the organisation an underpinning knowledge of diverse issues with the objective of employees having an appreciation of those that it serves by recognising, understanding, respecting and considering individual needs.

4.12 Sustainability and climate change

The international requirement to act on reducing global warming is taken very seriously by the Trust.

The NHS has a carbon footprint of 18 million tonnes CO₂ per year. This is composed of energy (22%), travel (18%) and procurement (60%). In recognition of the urgency of climate change, the Climate Change Act has been introduced. There are carbon reduction targets for all NHS Trusts and other public bodies to reduce their 2007 footprints by 10% by

Business Review

2015, 20% by 2020, and a massive 80% by 2050.

This will mean that the current level of growth of emissions will not only be curbed, but the trend to be reversed and absolute emissions reduced. The Trust is guided by the NHS targets.

The Carbon Reduction Commitment (CRC) is a new mandatory emissions trading scheme which began in April 2010. It targets large public and private sector organisations and is intended to have a significant impact on reducing UK carbon dioxide emissions.

For those organisations participating in the scheme, energy use will be monitored and reported. Allowances will be purchased, sold by the Government, to cover these emissions each year. Fines will be levied if the legal obligations are not met.

The goal of sustainable development is to meet the needs of today, without compromising the ability of future generations. Sustainable development is the framework within which carbon emissions will be reduced.

The Trust closely monitors its production of greenhouse gases, and there has been a 1% reduction of CO₂ from 2007/2008 to 2008/09. This is despite the fact that our activity and building sizes have increased. There is an ongoing programme of activity to reduce the hospitals' carbon footprint and new figures for 2009/10 will be available in July 2010.

All major building projects now consider the implications for the Trust's carbon footprint. The Trust complies with the BRE Environmental Assessment Methods regulations and, in addition, is planning and implementing a number of technical solutions to save energy, including;

- Intelligent hospital street (corridor) lighting has been completed and has proven successful. This is expected to save up to 50% over the previous manually operated system. The next phase will be to roll the technology out to wards and departments.
- 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 to reduce energy consumption.
- The upgrade of the boiler house water treatment plant is now complete. This involved a complete re-design of the process to make this less chemically intensive.
- Remote meter reading capability that will allow the Trust to proactively monitor consumption trends, identify problem areas and more quickly implement remedial actions.
- Revised maintenance contracts are in place to ensure gas and oil fired burners are operating optimally on a regular basis via ongoing monthly/quarterly checks.

Business Review

- General upgrades of facilities evaluated for energy and operational efficiencies. This includes 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 on both the Alderney and Christchurch sites.
- Automatic doors have been installed to minimise door open times, reduce draughts 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 rendering real reductions in energy consumption year on year, even though the hospitals floor area has expanded. 25% of the electricity used within the Royal Bournemouth and Christchurch Hospitals last year came from green sources.

Energy savings are an important aspect of the Trust's Cost Improvement Programme with a forecast reduced consumption of 5%. Guidelines for energy consumption are 55-65 GJ/100m³ with our present usage being 53.49 GJ/100m³ for the Royal Bournemouth Hospital and 49.92 GJ/100m³ for Christchurch Hospital. All new builds need to be at 35-55 GJ/100m³ and these are the guidelines that the Trust uses.

The Trust has been working towards 100% electricity generated backup, which can then be used to control consumption and high costs during peak periods from the grid and this will be completed by April 2010.

Energy comparisons for 2007/08 to 2008/09 show a reduction of 1.7% for electricity and 18.11% for gas, although there had been a 5% increase in water and sewerage.

Waste heat generated from the on site incinerator is used to supplement the heating on the Royal Bournemouth Hospital 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. The incinerator plant has been upgraded giving increased energy efficiency and reducing gas consumption.

Data table for utility usage

The table on page 48 shows the usage figures for all three of the Trust's sites; the Royal Bournemouth Hospital (RBH), Christchurch Hospital (XCH) and the Sterile Supply Department (SSD).

When consumption figures have been collated for 2009/10 the Trust hopes to see some reductions in consumptions on 2008/09. However, the activity for 2009/10 is in excess of that for 2008/09 and the Estate has also increased.

Business Review

	2008/09		2009/10	***
	GJ/Cubic metres	Cost	GJ/Cubic metres	Cost
Electricity				
RBH	50134	£1,533,179	50136	£1,166,656
XCH	4286	£137,180	4183	£99,463
SSD	1543	£50,392	1517	£38,990
Total	60963	£1,720,751	55836	£1,305,109
Gas Main				
RBH	72405	£651,961	64053	£459,474
XCH	16899	£158,388	15516	£113,527
SSD	8774	£79,347	7945	£54,197
Total	98078	£1,720,751	87514	£627,198
Water				
RBH	102756	£82,232	101211	£82,171
XCH	25863	£23,982	24708	£23,453
SSD	25054	£40,329	22120	£37,923
Total	153673	£146,543	148039	£143,547
Sewage				
RBH	83087	£99,679	81745	£106,100
XCH	24570	£38,576	23472	£39,491
SSD	3006	£4,967	2654	£4,743
Total	110663	£143,222	107871	£150,334
LPHW				
RBH	31282	£172,283	36344	£208,852
Total	31282	£172,283	36344	£208,852
Trade Effluent				
RBH	21790	£21,189	20237	£20,828
Total	21790	£21,189	20237	£20,828
Waste	565	High Temp		£237,599
(Tonnes)	707	Landfill		£76,934
	13.62	WEEE		£10,664
Total	1285.62			£325,197

RBH = The Royal Bournemouth Hospital
XCH = Christchurch Hospital
SSD = Sterile Supply Department

Business Review

Waste and recycling

The Trust has a Waste Management Group. Its objective is to promote awareness of the cost, both in financial and environmental terms, of not treating energy and waste management seriously.

Since the Waste Management Group was established in October 2008 it has been working hard to identify ways to implement plans to minimise the Trust's impact on the environment. The group also looks at ways to reduce the current costs for waste disposal.

The Trust's aim is to reduce household waste by expanding 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 the Trust's carbon footprint. In 2008/09, the Trust recycled:

Cardboard/Paper	49.32 Tonne
Lamps/Tubes	1736kg
Electrical (under WEEE regulations)	14 Tonne
Plastics	900kg

An increase in recycling of at least 5% is expected for 2009/2010.

Recently there have been a number of changes taking place throughout the hospital with regards to waste management, which will continue over the coming year. For example, alternative containers have been provided for batteries, aerosols and broken glass to allow them to be disposed of correctly.

One of the main aims of the group is to increase the level of recycling throughout the hospital. The Waste Management

Group is currently in the process of putting clear plastic bags in each ward and department. These bags will be for mixed recyclables including newspapers, magazines, plastic bottles, bags, cups and cans. Once these bags are full they will be collected by an external contractor who will sort through the bags and recycle each component - eliminating the need and costs of onsite storage and sorting.

The volume of waste sent to landfill has increased. This is due to the reduction of clinical waste giving high cost savings to the Trust. We are now also segregating waste electric and electronic equipment, lamps, batteries, wood and metal.

To comply with the Directive the Trust now separates all hazardous waste which is then dealt with by a specialist contract.

To 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.

The Catering Department has been working very hard to set up recycling outlets in the restaurants, main kitchen and on hospitality trolleys to make the department greener. Bio-degradable cups and other environmentally friendly products have also been introduced. As a result, catering has reduced landfill refuse bins from four to two a day.

Green Transport Plan

In line with Government directives, the Trust has developed a Transport Policy to help reduce the demand on car parking and vehicle dependence. This is regularly updated and encourages staff, patients

Business Review

and visitors to consider alternatives to using their car when coming into hospital. This includes subsidised bus fares, car sharing schemes and incentives for staff to use bicycles or walk to work where possible. The Trust has increased the provision of cycle and changing facilities.

The plan is produced in partnership with the local council, which sets targets and monitors the process, and with local bus companies with whom the Trust actively works in partnership with to improve public transport links. Staff charges for car parking were introduced from December 2009 to fund the new multi-storey car park and parking improvements at Christchurch Hospital.

In 2009 the Trust was successful in receiving a grant from Cycling England for £200k. This has allowed the Trust to:

- Purchase a number of bicycles, including six electrical bicycles for staff to use travelling to and from sites.
- Put up additional bike sheds at Bournemouth and Alderney.
- Provide improved shower and change facilities.
- Improve road markings and cycle routes around the site.
- Provide incentives to staff who opt to travel by bike.
- Encourage staff to take part in organised social cycling events.
- Establish links with partner organisations to promote cycling as part of a healthy lifestyle.

4.13 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.

During 2009/10 the Trust made a number of investments:

- Opened a brand new purpose built day admissions unit.
- Invested in the Day Hospital at Christchurch.
- Completed the multi-storey car park for staff, making extra parking available for patients and visitors.

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**.

4.14 Putting Patients First New film launched to help fight infection

NHS organisations in Bournemouth and Poole launched a new DVD to encourage people to think about how they can prevent infection at home, in the community and when coming into hospital.

The DVD - 'Fighting infection together' - was launched as part of the Clean Your Hands Campaign and involved the Royal Bournemouth and Christchurch Hospitals, Poole Hospital and NHS

Business Review

Bournemouth and Poole. It aims to educate people on how they can prevent the spread of infection at home, especially when preparing food, and when coming into hospital.

Trish Turton, Infection Control Nurse, at the Royal Bournemouth Hospital said: "We wanted to produce a film that was relevant in people's day to day lives. We hope the scenarios in the film clip will get people thinking about their own hygiene behaviour."

You can watch the film on line at www.rbch.nhs.uk

Single sex wards and increasing side rooms improve patients' experience

Patients coming to the Royal Bournemouth Hospital are seeing an improvement in their hospital experience thanks to an increase in the number of completely single sex wards and side rooms.

Within the last year the Trust piloted three completely single sex wards, as opposed to single sex bays.

Wards 4, 5 and 26 are now only for female patients and Wards 24 and 25 for male patients. Within the wards the number of side rooms all with their own en-suite facilities has also increased.

Not only does this improve patients' dignity and privacy but the increased single rooms will help continue in the control and prevention of infection."

£210,000 was allocated to the Royal Bournemouth and Christchurch Hospitals to develop single sex wards, which was added to money contributed by the Trust to increase the improvements that could be made.

Belinda Atkinson, Director of Nursing, said: "Providing single sex accommodation is high on the Trust's agenda. We remain committed to limiting mixed sex areas to the essential high care areas only, such as critical care. Even in these areas there are strict guidelines to ensure that privacy and dignity are always maintained for patients."

Short films aim to improve patient experience

Endoscopy patients at the Royal Bournemouth Hospital can now find out what will happen when they come in to hospital before they arrive. Three short films introduce patients to the department and provide information about what a gastroscopy or colonoscopy procedure involves.

Dr Ray McCrudden, Consultant Gastroenterologist said: "The films aim to show patients coming in for the procedures what their experience will be like. We introduce them to the environment, our staff and explain what will happen to them when they come in to hospital.

"I don't think there is any film currently available to patients that has been produced to this standard. I hope it makes a real difference in reducing patients' anxiety and fears that patients may have when coming in to hospital."

You can watch the Endoscopy films online at www.rbch.nhs.uk

5. Quality Report

5.1. Statement by the Chief Executive

This is the second 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 quality and accessibility of the services we provide, which remains a centre piece of our Strategy and the “Putting Patients First” initiative.

In this report we have outlined some of the quality activities which have taken place in the Trust over 2009/10. There are particular success stories to tell in respect of some improvements in patient safety, service transformation and our Staff Survey results. 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 Maternity standards in November 2009, and in December 2009 we were delighted to win the Health Service Journal Award for Acute Organisation of the Year.

Our quality program has also been enhanced by wide ranging patient safety initiatives which covers a large range of specialties and topics. We are actively participating in the NHS South West Patient Safety & Quality Improvement Program which enables us to share

our experiences, ideas and learning on patient safety initiatives with colleagues across the region.

The report outlines our priorities for 2010/11 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 fulfill the purpose it sets out to - provide an accurate account of quality activity in the Trust and to demonstrate the clear commitment of the Board to “Putting Patients First”.

5.2 Priorities for Improvement and Statements of Assurance

5.2.1 2009/10 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 2009/10. The key goals for quality were:

- To offer patient centered 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.

Quality Report

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

External Review of Our Services

The Trust received a score of excellent for both parts of the Care Quality Commission (CQC) Annual Health Check - Quality of Services and Quality of Financial Management. Of the 16 specific areas assessed as part of the Quality of Services review the Trust achieved maximum scores in all areas. The Annual Health Check for the Trust included contributions from the Foundation Trust Council of Governors, Dorset Health Scrutiny Panel, Bournemouth Health Scrutiny Panel, Poole Health Scrutiny Panel, the Local Safeguarding Children's Board, Health Action Group (re Learning Disabilities) and NHS South West.

During the year the Trust received an unannounced visit by the Care Quality Commission of our compliance with the code of practice for the prevention and control of infections. As a result of this inspection one requirement and two recommendations were made. A detailed plan for remedial action was implemented, and follow up visit by the CQC in early 2010 showed the Trust to be compliant with the Code, with no breaches identified.

The Trust holds Level 2 accreditation with the NHS Litigation Authority (gained in 2008). A detailed action plan is in place to achieve Level 3 accreditation with assessment planned for early 2011. During this year accreditation at Level 2 has been obtained for the Trust's

Maternity Service, which became the first midwife-led service to attain this level. The Maternity Service also gained accreditation at Level 2 of the Baby Friendly initiative to promote breast feeding.

In 2009 the Trust received a number of alerts from the Care Quality Commission (CQC) triggered by data produced by the Dr Foster organisation relating to Hospital Standardised Mortality Rates (HSMR). These were fully investigated and reported to the CQC, who were satisfied with the outcomes and required no further action in all cases.

To strengthen our review of HSMR the Medical Director has instigated a Mortality Review Group which meets monthly and proactively reviews the HSMR data for the organisation. All potential alerts are fully investigated and the results reported to the Clinical Governance and Risk Committee.

The Trust submitted the required Information Governance Toolkit Assessment to the NHS Information Authority and was accredited at Level 2 for all core standards. Further detail of this is provided in the appropriate section of this report.

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 Care Quality Commissions Annual Health Check for 2009/10, following a systematic and thorough review of its services, policies and

Quality Report

procedures and the evidence available to assure the Board of Directors of the integrity of these. The self assessment was supported by the Trust's Quality & Risk Profile report supplied by the Care Quality Commission.

In addition the Trust has achieved unconditional registration with the Care Quality Commission. The Trust is registered for:

- Treatment of disease, disorder or injury
- Surgical procedures
- Diagnostic and screening procedures

- Maternity and midwifery services
- Termination of pregnancies
- Family Planning

Following further guidance from the CQC application was subsequently made to add the following two regulated activities to the Trust's registration:

- Assessment or medical treatment for people detained under the Mental Health Act
- Management and supply of blood and blood derived products

Performance against national priorities 2009/10

National Priority	2008/9	2009/10
Clostridium difficile year on year reduction	Exceeded	Exceeded
MRSA - target of 12 cases	Exceeded	Exceeded
Maximum waiting time of 31 days from decision to treat to start of treatment extended to cover all cancer treatments	Achieved	Achieved
Maximum waiting time of 62 days from all referrals to treatment for all cancers	Achieved	Achieved
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	Achieved	Achieved
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	Achieved	Achieved
18-week maximum wait. Admitted patients: maximum time of 18 weeks from point of referral to treatment	Exceeded	Achieved
18-week maximum wait. Non-admitted patients: maximum time of 18 weeks from point of referral to treatment	Exceeded	Achieved
Maximum waiting time of four hours in the Emergency Department from arrival to admission, transfer or discharge	Achieved	Achieved
People suffering heart attack to receive thrombolysis within 60 minutes of call (where this is the preferred local treatment for heart attack)	Achieved	Achieved

Quality Report

Progress against Quality Improvement Plans for 2009/10

During 2008/09 the Trust made considerable progress with the development of a number of quality initiatives. These plans were identified in the Trust's Quality Account for 2008/9 and carried forward into 2009/10 as part of an ambitious overall quality improvement program which has the full commitment of the Board.

The program took account of a number of internally and externally driven requirements and initiatives:

- 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 program 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 aspirations for quality improvement in 2009/10 were:

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

Progress made against the quality objectives set for 2009/10 and plans for further development in 2011/12 are set out below:

Performance against quality objectives 2009/10

	09/10 objective setout in 08/09 Quality Account.	Progress against objective.	Action Plan for 2010/11.
Patient Experience	Implement real time monitoring against five key questions derived from patient consultation and focus groups.	Patient Survey group established with representation from governors, volunteers, PALS, service development, nursing and clinical governance. High priorities areas and strategy presented to Board of Directors.	Implement program of real time monitoring focusing on the five priority questions from the National survey methodology and internal Trust consultation exercise.

Quality Report

	09/10 objective setout in 08/09 Quality Account.	Progress against objective.	Action Plan for 2010/11.
Patient Safety	Implement the National Patient Safety First Campaign across the organisation.	Active participation in the South West SHA Patient Safety & Quality Improvement Program. The program workstreams superseded the NPSA campaign. Clinical engagement in each workstream. Over 50% of the identified quality indicators are currently being recorded with action plans in place to address gaps in collection, analysis and/or assurance.	Continue to participate in program and present monthly data to Board of Directors. Program aims are to reduce hospital mortality by 15% and adverse events by 30% by 2014.
	Develop the leadership intervention to demonstrate visible commitment from the Board to patient safety to include regular patient safety walkabouts.	Program of Executive walkabouts in place.	To formalise walkabouts to include NPSA methodology and ensure structured discussion and action for patient safety.
	Aim to improve early recognition of patient deterioration by effective use of the Medical Early Warning Scoring System (MEWS).	MEWS chart revised and routine monthly audit implemented.	Further revision to MEWS policy and procedures to ensure effective and timely response to trigger events.
	Highlight procedures required to prevent NPSA "Never Events" and ensure compliance.	Implemented. No "Never events" reported in 2009/10.	Ongoing reporting and investigation of adverse events. Implementation of the updated Never Events framework
Clinical Effectiveness	Improved management and patient centered treatment through the introduction of procedure specific PROMs.	PROMS implemented in all four national PROMS areas (Hips, Knees, Varicose Veins and Hernia).	Ongoing implementation.
	Aim for a 65% return rate of PROM surveys for patients treated in year.	Return rate of over 80% achieved in all 4 areas.	Ongoing implementation.
	Undertake regular reviews of PROMs scores by clinical specialty.	Awaiting publication of clinical data by National team.	Review clinical data following publication by PROMS team.
Hospital acquired infection	Achieve a target of no more than eight hospital acquired MRSA case in 2009/10.	Only three cases reported.	Sustain achievement.
	Achieve a target of no more than 83 hospital acquired Clostridium difficile cases in 2009/10.	Only 44 cases reported.	Sustain achievement.
	Maintain compliance with Care Quality Commission registration.	Achieved.	Sustain achievement.

Quality Report

	09/10 objective set out in 08/09 Quality Account.	Progress against objective.	Action Plan for 2010/11.
Improve health and wellbeing	Increase breast feeding initiation rates to achieve a minimum rate of 85%.	Rate achieved.	Sustain achievement.
	Achieve UNICEF "Baby Friendly" status in Maternity Services.	Level 2 achieved.	Action plan in place to achieve Level 3.
	Aim to achieve increased referrals of smokers to local smoking cessation services. Refer a minimum of 500 patients in year.	Action taken to increase number of referrals. Audit of referrals undertaken in the Medical Directorate.	Further work to increase the number of referrals. Audit the availability of local smoking cessation services to identify any unmet need or resource requirement.
Governance	Develop a comprehensive Ward to Board reporting matrix which will include a range of metrics reflecting patient experience, patient safety and clinical effectiveness.	Reporting matrix developed following consultation.	Development of an electronic format for Ward to Board reporting to enhance real time quality data collection, analysis and reporting across all levels of the Trust.

Service transformation objectives for 2009/10

The Trust has also embarked upon a wide reaching efficiency and effectiveness program - Better Care, Better Value - which has a substantial quality work stream, launched at a workshop for senior managers and clinicians in March 2009.

Elements of this program which relate to specific quality initiatives include:

- Reducing length of stay
- Theatre utilisation
- Re-configuration of wards to follow patient pathways e.g. stroke care

You can read more details on page 29.

Commissioning for Quality and Innovation (CQUIN) objectives and achievements for 2009/10

During 2009/10 the Trust agreed several Commissioning for Quality and Innovation (CQUIN) schemes with NHS Bournemouth and Poole. These included:

- Increasing the number of referrals to local Smoking Cessation Services to reduce smoking prevalence.
- Promoting healthy eating by advising patients of levels of fat, sugar and salt in hospital food to enable healthy choices of food, auditing the completion of menu cards and carrying out food satisfaction surveys.
- Improving health outcomes for children and young people by implementing the Unicef Baby Friendly Programme which aims to increase the initiation rate for breast feeding. The Maternity Unit was successful in gaining accreditation at Level 2 of the Baby Friendly

Quality Report

programme during the year and is now working towards Level 3.

- Improving access to and the effectiveness of planned care - utilising Patient Related Outcome Measures (PROMs). The Trust participated in four PROMs audits with an excellent participation rate by patients. At the time of writing this report the first outcomes of the PROMs audits are awaited from the national coordinating centre.
- Improving the mental health of the local community with specific reference to the development of a dementia care pathway. This has recently been completed, led by one of the Trust's Medicine for the Elderly consultants and a Dementia Strategy Steering Group is overseeing its implementation.
- Improving patient experience especially in respect of being treated with dignity and respect. In particular the Trust has continued to work on eliminating mixed sex accommodation in line with Department of Health requirements. Of note the reconfiguration of some of our wards has enabled the provision of five completely single sex wards and further work will be ongoing to monitor this area and make other adaptations and provision as necessary.
- Improving end-of-life care in line with the National End-of-Life Care Strategy. This work is being led by our palliative care clinicians and a new steering group has been formed to oversee implementation of the strategy in the Trust.

Data quality and information Governance

All NHS Trusts are required to complete an annual information governance assessment, via the Information Governance Toolkit (IGT). The self assessment must be submitted to Connection for Health by the 31st March and the results are shared with the Care Quality Commission, Audit Commission, Monitor and the National Information Governance Board.

In 2008/09 the overall score for the Trust was 67% (amber) which has increased to 71% (green) in 2009/10. In addition, the Trust was able to demonstrate the required level 2 scores for the 25 core standards in the Information Governance Toolkit.

Examples of actions taken to improve arrangements for information governance in 09/10 have included:

- Introduction of mandatory training programme covering information governance for both clinical and non-clinical staff
- Improved publicity for patients on how the Trust handles confidential information
- Encrypted removable media including memory sticks and laptops and the establishment of encrypted e-mail system with third parties
- Adoption of the Dorset protocol on information sharing

Whilst improvements were made, the Trust recognises that actions are still required to further embed information governance policies and procedures

Quality Report

within the Trust. A key objective for 2011/12 will be in relation to Corporate Information Assurance. This will include reviewing procedures and policies for corporate information and implementation of standard corporate record filing and retrieval systems.

During 2009/10 the Trust submitted records to the Secondary User Service (SUS) and reviewed data quality to ensure that the published data included the patients valid NHS number. For admitted patient care and outpatient patient care the Trusts compliance score was 100%.

In addition to the use of NHS number, data quality requires that published data includes the patients GP registration code. For admitted patient care and outpatient care the Trust's compliance score was 100%.

The Trust was subject to a Payment by Results clinical coding audit by the Audit Commission in the year 09/10. The error rates reported in the latest published audit for that period for diagnosis and treatment coding was 24%. This was an increase from 08/09 (16%) but reflects changes in HRG coding. The Trust has set up an action group to improve diagnosis and treatment coding in 2010/11, particularly in relation to consultant allocation and transfers. An additional data quality post has been appointed for a 12 month period to provide education and training to clinical staff.

5.3 Patient Safety

5.3.1 Reporting and 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 recurrence. 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. This is because they can lead to investigation and learning.

Number of reported patient safety incidents

The Trust routinely reports all patient safety incidents to the National Patient Safety Agency (NPSA) National Reporting and Learning Centre.

The Trust has a very positive reporting culture, as evidence by our staff survey results (see later) and all staff are encouraged to report and learn from actual and potential adverse events.

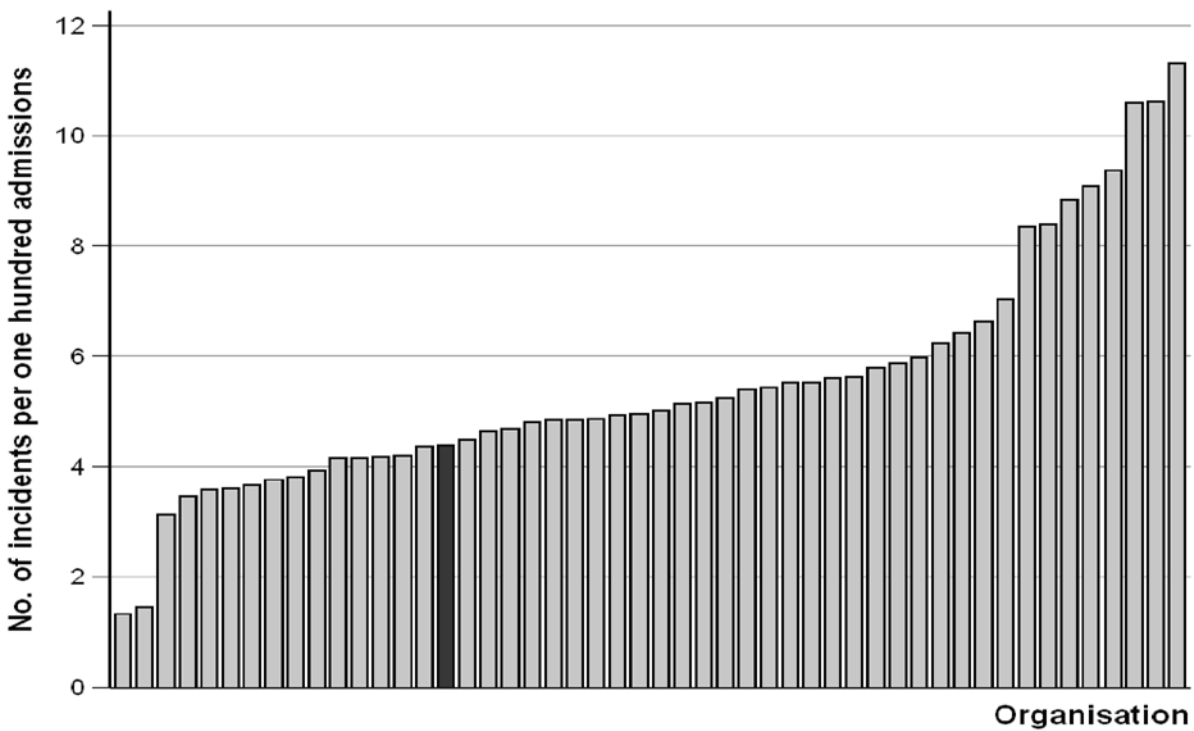
The Figure below shows the rates of NPSA reported patient safety incidents per 100 admissions in the Trust compared to similar Acute Trusts during

Quality Report

the period 1 April 2009 to 30 September 2009. The black bar represents the data from RBCH.

A direct comparison of the number of reports from various organisations can be misleading, as Trusts within the same group can vary considerably in activity levels and patient population.

Figure: Patient Safety Incidents reported to the NPSA National Reporting and Learning System April-Sep09.

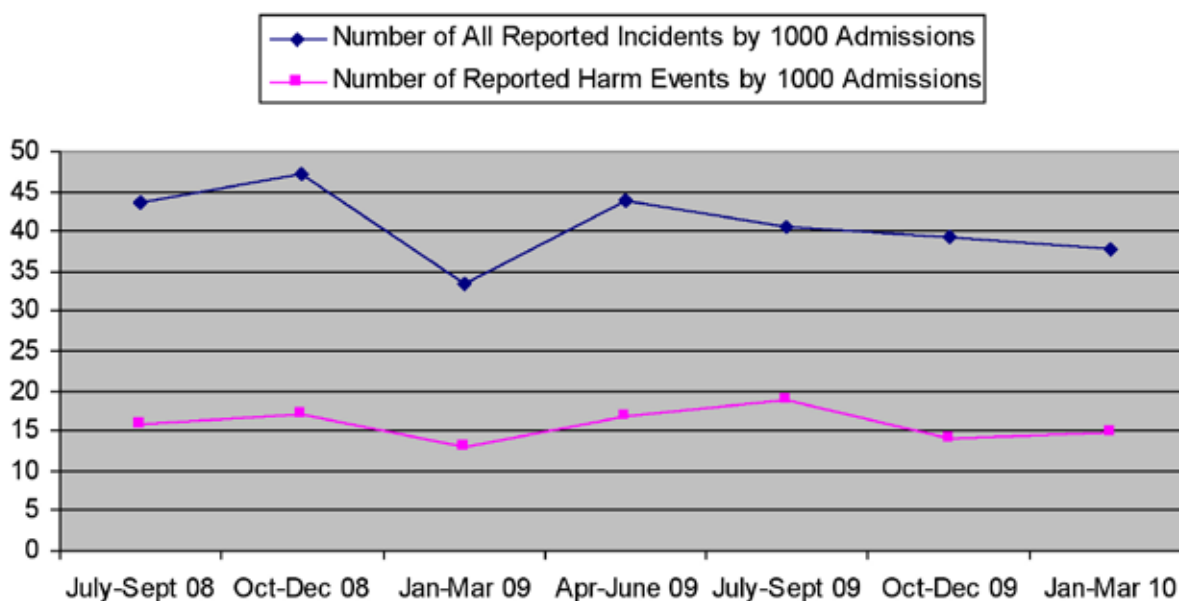


The NPSA suggest that Trusts with a high level of reporting have a strong reporting culture. A middle position in the chart demonstrates that the Trust has a solid reporting platform and a positive quality improvement program that ensures that any risks identified from adverse incidents are resolved quickly and reoccurrences prevented.

Quality Report

Patient Safety Incidents by Severity (Harm, No Harm)

Figure: Patient Safety Incidents reported by 1000 Admissions



Work was 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

In relation to Medication Safety a new Medicines Governance Committee, chaired by the Medical Director, has been established to further enhance monitoring of the Trusts strategy to reduce medication errors, comply with national standards for medicines management and implement safe practice.

Patient Safety and Quality Improvement Initiatives to support medication safety and medication incident reduction during 2009/10 have included:

- Implementation of new anticoagulation guidelines and training programme for medical and nursing staff.
- Introduction of purple oral syringes and update of the Trust policy for the safe measurement and administration of liquid medicines. Posters have been displayed throughout clinical areas to highlight good practice and further audits are planned for 2010/11.
- New Medicines on Admission documentation has been introduced and now forms part of the admission process in the Clinical Decision Unit. A Medicines Reconciliation policy has been introduced and e-learning

Quality Report

tools placed on the hospital intranet for staff education and training. Pharmacists are now verifying a patients medical history within 24 hours for approximately 80% of patients. Further work to increase compliance is planned for 2010/11.

- A 50% reduction in insulin related incidents has been achieved through the implementation of a new diabetes chart to aid prescribing and provide clear guidance on correct dose scales.
- Venous Thromboembolism (VTE) prevention. A new VTE risk assessment tool and prescription chart was implemented from 1st March 2010. A Trust wide education programme to support roll out was also introduced.
- Refurbishment of the Pharmacy department started in January 2010 with the installation of an automated dispensing system later in the year.

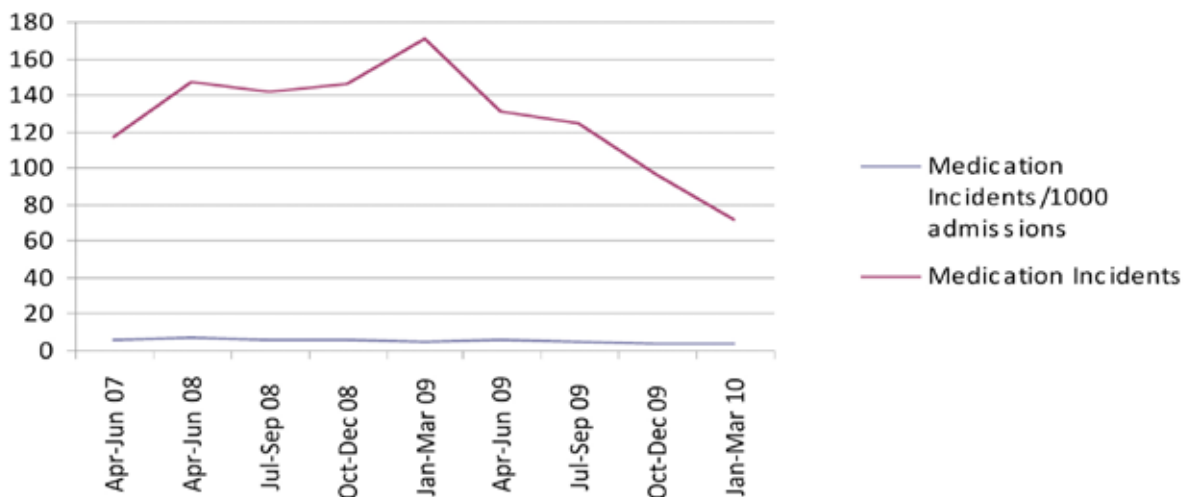
Patient falls reporting

Nationally patient accidents form the largest group of all patient safety incidents reported to the NPSA via the National Reporting and Learning System (NRLS). It is also recognised nationally that a higher incidence of falls occurs in the Elderly.

The NPSA category 'patient accidents' includes any slips, trips or falls by patients. These may be 'no harm' events e.g. a patient has fallen walking along a ward corridor but not sustained an injury, or they may be a 'harm event' when a similar incident has occurred and the patient sustained a bruise, cut or more serious injury.

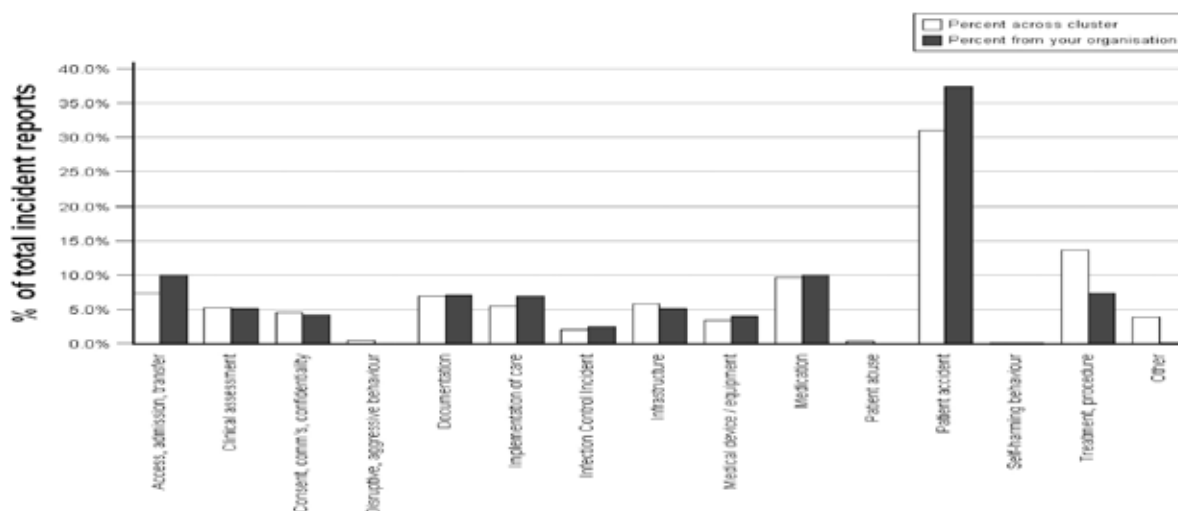
Figures from the NPSA NRLS for April-Sept 09 show the Trust reporting profile in relation to other Acute Trusts. The Trust is shown to report a slightly higher number of patient accidents than the average, however, this is reasonable given the Trusts elderly patient population. In addition, the Trust has robust data validation processes in place and avoids miscoding incidents as "other".

Medication Incidents reported 2007-2010

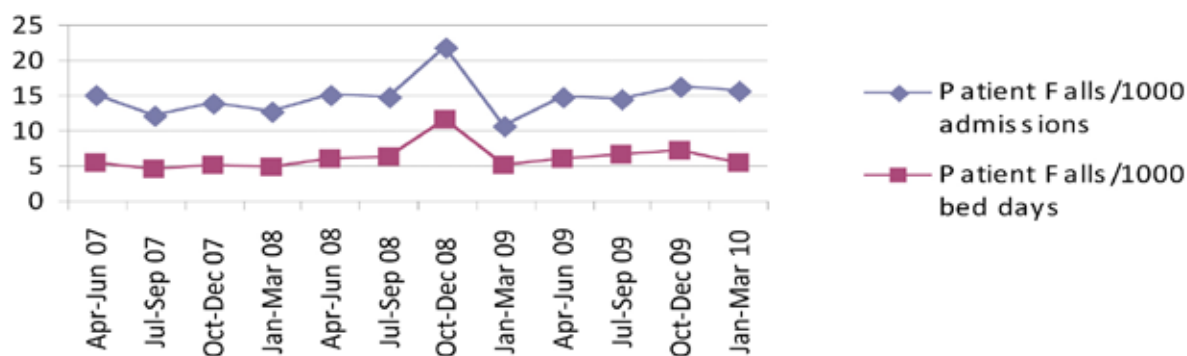


Quality Report

Figure: NPSA NRLS Patient Safety Incidents reported April - September 2009

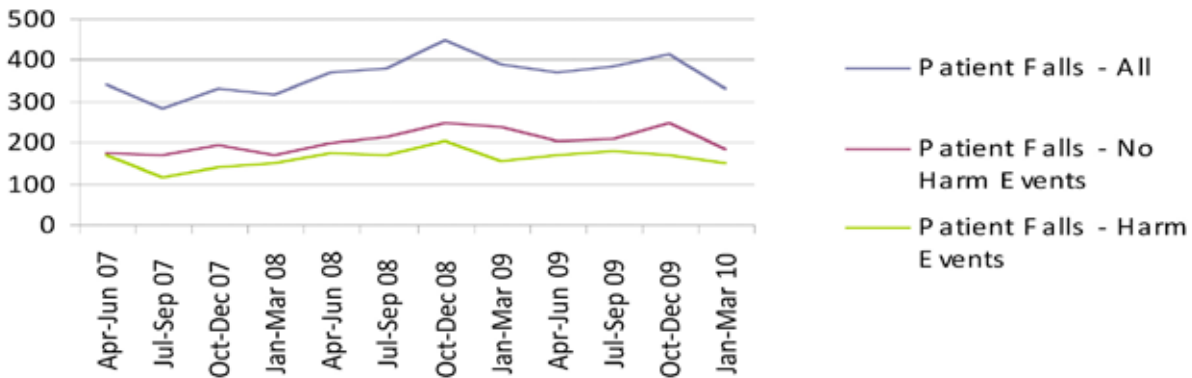


The Trust Falls Prevention Group has undertaken a number of initiatives in 2009/10 to aim to reduce the risk of patients falling whilst in hospital. Falls prevention forms part of mandatory training for all clinical staff and all falls are routinely reported and investigated.



The Trust has continued to invest in equipment and resources to support patient care and reduce the risk of falls. This has included a program to replace all hydraulic beds with new electronic profiling beds and high specification mattresses. Equipment to support safe moving and handling (hoists, specialist slings, and trolleys) have also been provided.

Quality Report



A comprehensive action plan for 2010/11 to look at further reducing the risk of patient falls includes:

- Implementation of the Home Fast Environmental Risk Assessment Tool in inpatient therapy services.
- Implement the Fragility Fracture Risk Assessment Tool for inpatient services on the “Medicine for the Elderly Wards”
- Audit the effectiveness of running a 12 week exercise program in comparison with the previous six week program for patients
- Pilot the use of a generic risk assessment proforma for falls and bone health on the “Medicine for the Elderly” wards at the Royal Bournemouth Hospital
- Undertake routine (at least quarterly) audit of compliance with documentation of osteoporosis risk assessment and appropriate referral of patients to falls clinic etc.
- Implement and audit the effectiveness of an escalation policy for management of patient who is a repeat faller in hospital.

The Trust will also participate in the Royal College of Physicians National Falls & Bone Health Audit in 2010/11.

5.3.2 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.

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.

Quality Report

Clean environment

The Patient Environment Action Team (PEAT) program was established to assess NHS hospitals in 2000, and has been managed by the National Patient Safety Agency since 2006. Under the program 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
2009	Good	Good

In 2009 Privacy and Dignity assessment was added to the PEAT survey.

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.

At the start of the year the Trust Infection Control Team reviewed the audit process and raised concerns that the audit tool

was open to a large degree of variation of interpretation by clinical staff. A revised audit tool was introduced in June 2009 in order to focus attention and audit on the most clinical relevant areas and to provide immediate feedback on performance over a four week rolling program. A program of peer review in addition to self assessment was also introduced.

The alteration in the audit methodology is felt to provide more relevant data of compliance, although the overall compliance figure appears worse in comparison with that resulting from the previous audit tool. However there has been steady improvement over the year which the Trust hopes to continue to sustain.

An overall figure for safe practice compliance is also reported and represents the proportion on areas where hand hygiene is reported to exceed the minimum 95%. Please see charts on page 66.

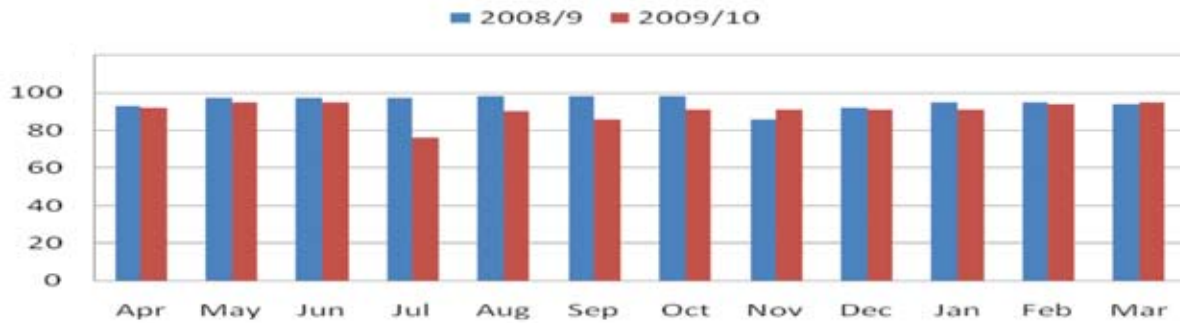
MRSA bacteraemia

We have been successful in reducing our rate of MRSA bacteraemia this year and reported only three cases in the year.

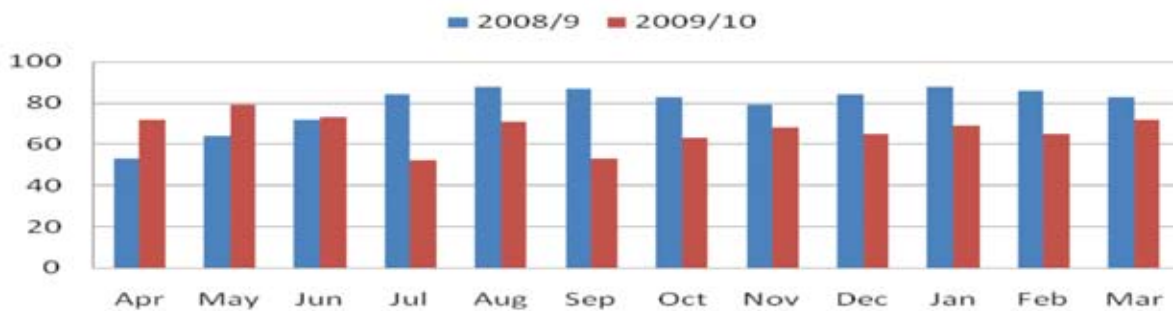
Clinical teams are required to complete a root cause analysis investigation on each hospital-acquired case to ensure adequate risk reduction action plans are put in place and key quality lessons learnt. These are accompanied by an action plan as appropriate and are followed up by the Infection Control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

Quality Report

Hand Hygiene Overall Compliance Scores



Hand Hygiene Safe Practice Compliance Scores



Clostridium difficile

The Trust has had one of the lowest rates in the southwest for each of the past five years. All cases of *C. difficile* infection at the Trust are reported and investigated. The numbers of cases have been well within the contract target for the entire year. It is probable that good control of the infection is the result of firm adherence to the known preventative factors:

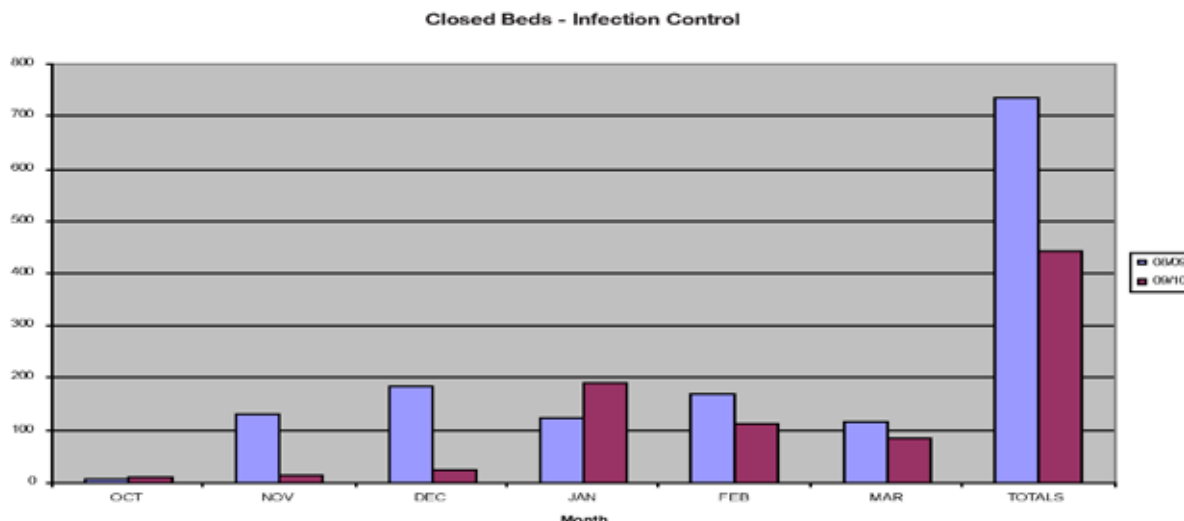
- Prompt isolation of possible cases with rapid laboratory diagnosis
- Rigorous adherence to a sound Antimicrobial prescribing policy
- Scrupulous attention to environmental hygiene

- Appropriate use of personal protective equipment
- Hand hygiene with soap and water rather than alcohol gel

In addition, all hospital cases are reviewed to monitor compliance with policy and to ensure there is appropriate and immediate referral to the gastro-enterology outreach team in severe cases. Reports are presented to the Infection Control Committee and Trust Board of Directors and action plans monitored.

Quality Report

The graphs below illustrate the significant decline of closed beds



Norovirus

In common with previous years the Trust has, like many other healthcare providers, experienced Norovirus outbreaks this year. However due to aggregate work and lessons learnt from previous experiences, the Trust was able to manage these incidents quickly and minimise the impact on the Trust, patients and the public. The number of beds closed for infection control reasons has substantially reduced when compared with last year.

The graph above illustrates the significant decline of closed beds.

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 6 additional side rooms - 3 in each of two Medicine for the Elderly wards.

5.4 Staff Safety - What our staff say about us

National Staff Survey 2009

Each year, random selections 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 440 eligible responses were received, giving a response rate of 53% (the average for all acute trusts was 52%).

The Trust scored well in a number of areas and achieved top ranking results compared to other Acute Trusts (in brackets). These areas included:

- 8% of staff have the intention to leave Trust as soon as they can find another job (14%)
- 22% of staff suffering work-related stress in last 12 months (28%)
- 94% of staff believe Trust provides equal opportunities for career progression or promotion (90%)
- 98% of staff reporting errors, near misses or incidents witnessed in the last month (95%)

Quality Report

In comparison with 2008 staff survey results, there has been a significant improvement in the percentage of staff receiving equality and diversity training in the last 12 months (31% in 2008, compared to 55% in 2009).

However the Trust compared less favorably with other acute trusts in relation to the following areas:

- 14% of staff experiencing physical violence from patients/relatives in last 12 months (11%) 59% of staff appraised in last 12 months (70%)
- 50% of staff appraised with personal development plan in last 12 months (59%)
- 26% of staff having well structured appraisal in last 12 months (30%)

The following tables show the Trust's results from the National Staff Survey 2008 and 2009 in relation to the four NHS staff pledges.

Quality Report

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.

	08 Results (against national average)	09 Results (against national average)
% feeling satisfied with the quality of work and patient care they are able to deliver	Best 20%	Above average
% agreeing that their role makes a difference to patients	Best 20%	Above average
% feeling valued by their work colleagues	Best 20%	Best 20%
% agreeing that they have an interesting job	Average	Above average
Quality of job design	Best 20%	Above average
Work pressure felt by staff	Best 20%	Best 20%
% working in a well structured team environment	Best 20%	Above average
Trust commitment to work-life balance	Best 20%	Above average
% working extra hours	Best 20%	Best 20%
% using flexible working options	Best 20%	Average

Quality Report

Staff Pledge 2:

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

	08 Results (against national average)	09 Results (against national average)
% feeling there are good opportunities to develop their potential at work	Best 20%	Best 20%
% receiving job-relevant training, learning or development in last 12 months	Best 20%	Best 20%
% appraised in the last 12 months	Below average	Below average
% having well structured appraisals in last 12 months	Above average	Below average
% appraised with personal development plans in last 12 months	Below average	Below average
Support from immediate managers	Best 20%	Above average

Quality Report

Staff Pledge 3:

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

Health and Safety	08 Results (against national average)	09 Results (against national average)
% receiving health and safety training in last 12 months	Above average	Above average
% suffering work-related injury in last 12 months	Best 20%	Above average
% suffering work-related stress in last 12 months	Best 20%	Best 20%
Availability of hand washing materials	Best 20%	Average

Errors and Incidents	08 Results (against national average)	09 Results (against national average)
% witnessing potentially harmful errors, near misses or incidents in last month	Best 20%	Above average
% reporting errors, near misses or incidents witnessed in the last month	Average	Best 20%
Fairness and effectiveness of procedures for reporting errors, near misses or incidents	Best 20%	Best 20%

Violence and Harassment	08 Results (against national average)	09 Results (against national average)
% experiencing physical violence from patients/relatives in last 12 months	Above average	Best 20%
% experiencing physical violence from staff in last 12 months	Average	Average
% experiencing harassment, bullying or abuse from staff in last 12 months	Best 20%	Average
Perceptions of effective action from employer towards violence and harassment	Best 20%	Best 20%

Quality Report

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.

	08 Results (against national average)	09 Results (against national average)
% reporting good communication between senior management and staff	Best 20%	Above average
% agreeing that they understand their role and where it fits in	Above average	Average
% able to contribute towards improvements at work	Best 20%	Average
Staff job satisfaction	Best 20%	Best 20%
Staff intention to leave jobs	Best 20%	Best 20%
% that would recommend the trust as a place to work or receive treatment	N/A	Best 20%
% staff motivation at work	N/A	Above average
% having equality and diversity training in last 12 months	Above average	Best 20%
% believing the Trust provides equal opportunities for career progression or promotion	Best 20%	Best 20%

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

Quality Report

5.5 Ensuring clinical effectiveness and quality of care

Reducing hospital mortality

In October 2009, Dr Foster released its Good Hospital Guide and, as part of this, data on Mortality rates.

The Dr Foster report used historical data from April 2008 to March 2009. The 2009/10 monthly figures demonstrate a sustained improvement. Since April 2009 the Trust has shown to be consistently below 100 (national average). This demonstrates better, and safer, care than expected.

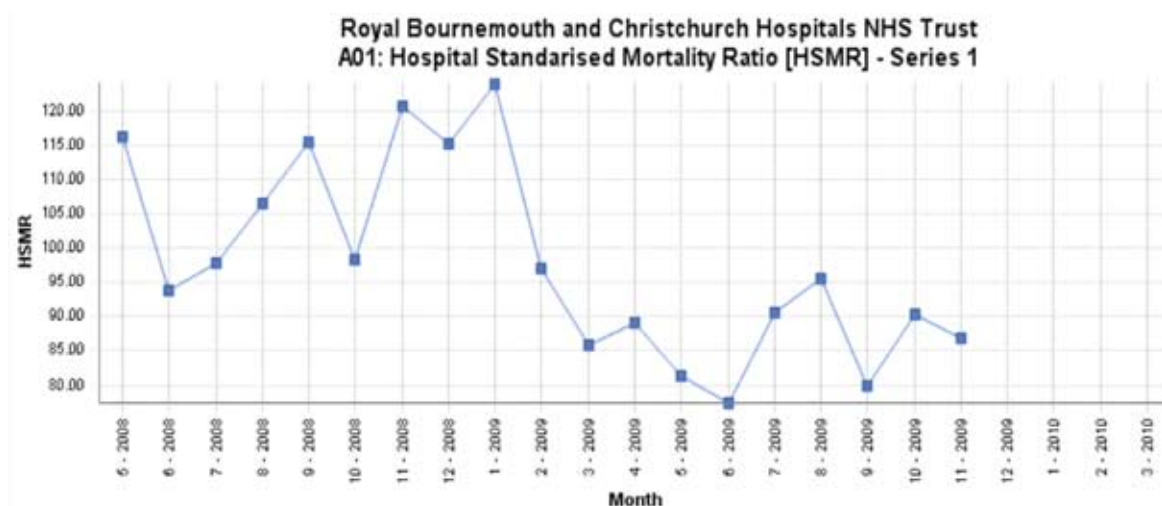
Dr Foster raised a concern that mortality related to low risk procedures carried out by the Trust were above the national average. As a result we investigated these ratings. We wanted to ensure that there was no underlying clinical issue relating to excess mortality. The medical records of all the patients which Dr Foster had raised concerns about in relation to mortality rates for low risk procedures

were reviewed and confirmed that the it was a coding issue and that clinical practice was appropriate. There was no evidence of patients having greater risk of dying from low risk procedures.

The Trust acknowledges that there is clearly no room for complacency. All Trusts are making efforts to improve their mortality rates and we wish to ensure that we remain one of the best performing Trusts in this respect.

From November 2009 the Trust set up a mortality group, under the leadership of the Medical Director, where Dr Foster and Care Quality Commission information is reviewed on a monthly basis. If there are any issues or concerns in the data against the national average then this is referred to the Clinical Governance and Risk Committee and raised with the clinical specialities concerned. The mortality group reports to the Healthcare Assurance Committee which oversees all risk management issues for the Trust and via this to the Board of Directors.

Figure: Hospital Standardised Mortality Rate 2009/10



Quality Report

Participation in National Clinical Audits

The Trust participated in all relevant National clinical audits in 2009/10. These included participation in the following new National audits:

National Audit of Continence Care

This audit required a structured clinical review of:

- 25 cases of urinary incontinence in patients over 65
- 25 cases of urinary incontinence in patients under 65
- 15 cases of faecal incontinence in patients over 65
- 15 cases of faecal incontinence in patients under 65

The Trust submitted all data required. The results of the National audit will be published in 2010/11.

National Diabetes Audit

The audit required a structured clinical review of selected cases. Information was submitted in September 2009 and results have been received. The lead clinicians are currently reviewing the results and revalidating the clinical information submitted for a small number of patients included in the audit. An internal follow up audit looking at patients who were given IV insulin, had hypoglycaemia and were admitted with falls is currently in process. An action plan will be established following completion of this work.

British Thoracic Society Chest Drain National Audit

The Trust submitted data on all chest drains inserted within a specified time period to a national database. National

guidance on further involvement is anticipated in 2010/11.

The Trust has also registered to participate in the National Audit of Falls and Bone Health, National Sentinel Stoke Audit, National Dementia Audit and National IBD Audit. Organisational and Clinical data collection will be undertaken during 2010/11.

Meeting local Clinical Audit Standards

The Trust registered 138 new clinical audits during the year across a wide range of clinical specialties. A further 52 patient surveys were registered.

All clinical audits and surveys are approved and monitored via the Clinical Audit Department and regular reports on progress are reported to the Trust Clinical Governance & Risk Management Committee.

Ensuring NICE Guideline compliance

A new system for assessing compliance with NICE Guidance was introduced in the Trust in October 2009 following a reconfiguration of governance arrangements. Guidance published is discussed each month at the Clinical Governance & Risk Committee. The Committee decides whether the guidance is applicable to the Trust. A lead clinician is nominated to produce an action plan to achieve compliance for all applicable guidance. Action plans are then monitored by the Committee and the issue placed on the Trust risk register until full compliance is achieved.

Since October 2009 the Trust has received 34 pieces of published

Quality Report

guidance. Of these 16 were deemed not applicable to the Trust. Of those applicable, the Trust was fully compliant with five and partially compliant with a further four (for which action plans are in place). An additional nine pieces of guidance are still under review.

Ensuring compliance with MHRA safety alerts

A total of 91 Medicines & Healthcare Regulatory Authority (MHRA) Medical Device Alerts were received in the year. Of these 57 applied to medical devices used within the Trust. The Trust ensured compliance with all relevant alerts.

Participation and implementation of National Confidential Enquiry (NCEPOD) reports

The Trust participated in a number of national confidential enquiries in 2009/10.

- Deaths in acute hospitals - 41 out of 49 questionnaires were completed and returned to NCEPOD. The Trust Clinical Governance & Risk Committee is currently reviewing the report to produce an action plan.
- Acute Kidney Injury - five out of five required clinical questionnaires returned (100%). The NCEPOD report has been received and an action plan to implement the report recommendations in place.
- Parenteral Nutrition - eight out of 13 questionnaires were completed and returned to NCEPOD. The results of the national study are due to be published by NCEPOD in 2010/11.
- Elective and Emergency Surgery in the Elderly - six out of nine surgeons questionnaires were completed and

returned to NCEPOD. Five out of seven anesthetist questionnaires were completed and returned. The results of the national study are due to be published by NCEPOD in 2010/11.

- Cosmetic Surgery - The Trust did not participate in this study as it was not applicable.
- Surgery in Children - The Trust submitted the NCEPOD organisational questionnaire and notified NCEPOD that there had been no deaths in children under 17 undergoing surgery in study period. Clinical data collection not therefore required. The results of the national study are due to be published by NCEPOD in 2010/11.
- Perioperative Study - 124 forms were completed during data collection week 1-7th March 2010. The study will continue during 2010/11.

In order to enhance and improve coordination and participating in NCEPOD studies in 2010/11 the Trust has identified a consultant lead for NCEPOD activity. The lead clinician will be responsible for ensuring that the Trust submits all clinical information required and ensuring all studies are implemented in a timely manner.

All NCEPOD reports will continue to be presented to the Clinical Governance & Risk Committee who will monitor compliance and completion of any identified action plans.

In addition to participation in new reviews, the Trust also received, and acted upon, a number of National Confidential Enquiry and National Audit reports from studies undertaken in 2008/09 and in 2009/10.

Quality Report

- National Comparative Audit of the Use of Fresh Frozen Plasma (FFP). The study highlighted a number of recommendations and actions for the Trust including required improvements to documentation of patients receiving FFP. The Trust Blood Transfusion Committee is monitoring implementation.
- Acute Kidney Injury. The Clinical Governance & Risk Committee has established a sub-group to produce an action plan to ensure compliance with the report recommendations.
- Deaths in Acute Hospitals. The Clinical Governance & Risk Committee has established a sub-group to produce an action plan to ensure compliance with the report recommendations.
- Inflammatory Bowel Disease Audit 2008. The Gastroenterology Department has identified a number of actions to improve documentation and to expand patient involvement. The National Audit will be repeated in 2010/11.
- National Care of the Dying Audit. Improved training in the use of the Liverpool Care Pathway (LCP) has been implemented following publication and review of the report.
- NCEPOD Review of the care of Patients who died within 30 days of receiving systematic anti-cancer therapy.
- National Audit of the Organisation of Services for Falls and Bone Health in Older People (2008). The Trust achieved a high level of compliance against this audit. However, the Trust Falls Group has identified a number of

actions required in order to continue to improve services for older people (see page 62).

Research governance

The Trust has been fully compliant with the Research Governance Framework for some years.

In 2009/10 we made some changes to the governance infrastructure to adapt to the new research support system implemented by the UKCLRN. These are summarised below:

1. Research Governance in Dorset has been consolidated by the formation of the Dorset Research Consortium. This allows for pooling of research governance expertise across the county such that we have access to contract law experts and monitoring and audit experts within our organisation.
2. The Western Comprehensive Local Research Network (WCLRN) has now become fully functional and this Trust is a lead organisation in its operations.

Current NHS research strategy requires Trusts to facilitate recruitment to NIHR portfolio studies. To this end we have encouraged local specialist groups and provided specialist facilitation to researchers looking to take part in studies. Our study adoption and recruitment figures place us third in the WCLRN league table. This is despite our Research Management and Governance budget being nearly bottom of the table. This outstanding efficiency is due mainly to our continued policy of ring-fencing

Quality Report

research accounts such that our project costing, contract negotiations and signing off are dealt with by research governance specialists.

Projects approved for 2009/10

In 2009/10 the Trust participated in 166 clinical research studies.

32 new studies were initiated and 893 new patients were recruited.

This data refers to patient intervention studies and our scientific haematology program looking at the genetics of leukaemia. There are a number of studies using laboratory based methodologies which do not recruit patients. We also approve a number of research questionnaires and service development projects which although not strictly research, are required to seek an ethical opinion. We have not included these data.

5.6 Patient Experience

What our patients say about us.

The main systems in place to measure patient satisfaction are:

- National mandatory patient surveys carried out on behalf of the Trust by the Picker Institute covering admitted care and in some years outpatients, maternity and the emergency department.
- Patient Survey cards
- Bespoke patient surveys
- Patient Reported Outcome Measures (PROMS) collected locally but reported nationally covering four national areas: hip and knee replacement, varicose veins and hernias.

National patient survey results

All Acute Trusts are required to participate in a national patient survey each year and this is coordinated by the Care Quality Commission. In 2009/10 the national inpatient survey covered eligible inpatients who were admitted to the Trust during June 2009.

Survey results were published by the Care Quality Commission in May 2010. A total of 850 patients were sent a questionnaire. 478 patients returned the survey giving a response rate of 58%. This was slightly lower than 2008 but still favorably higher than the national average response rate of 52%.

A total of 79 questions were used in the 2009 survey. In comparison to 2008, the Trust scored:

- Significantly better on 0 questions
- Significantly worse on 4 questions
- Showed no difference on 75 questions.

For full results of the survey please visit www.cqc.org.uk.

The Trust is currently in the process of developing an action plan following publication of the survey results. The action plan will be produced following full discussion and consultation with key stakeholders.

Quality Report

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. In 2009/10 this figures was slightly lower at 2922.

The results are slightly down from the previous year but still demonstrate a high level of patient satisfaction with over 90% of respondents saying that they would recommend the hospital to a friend or relative.

Whilst we will continue with this general survey in 2010/11 we will also aim to undertake more focused “real time monitoring” in specific clinical areas. This will enable greater ownership of the survey results and local responsibility to

act and respond to issues raised quickly. The revised strategy will include greater involvement of governors and volunteers and enable patients to have a stronger voice.

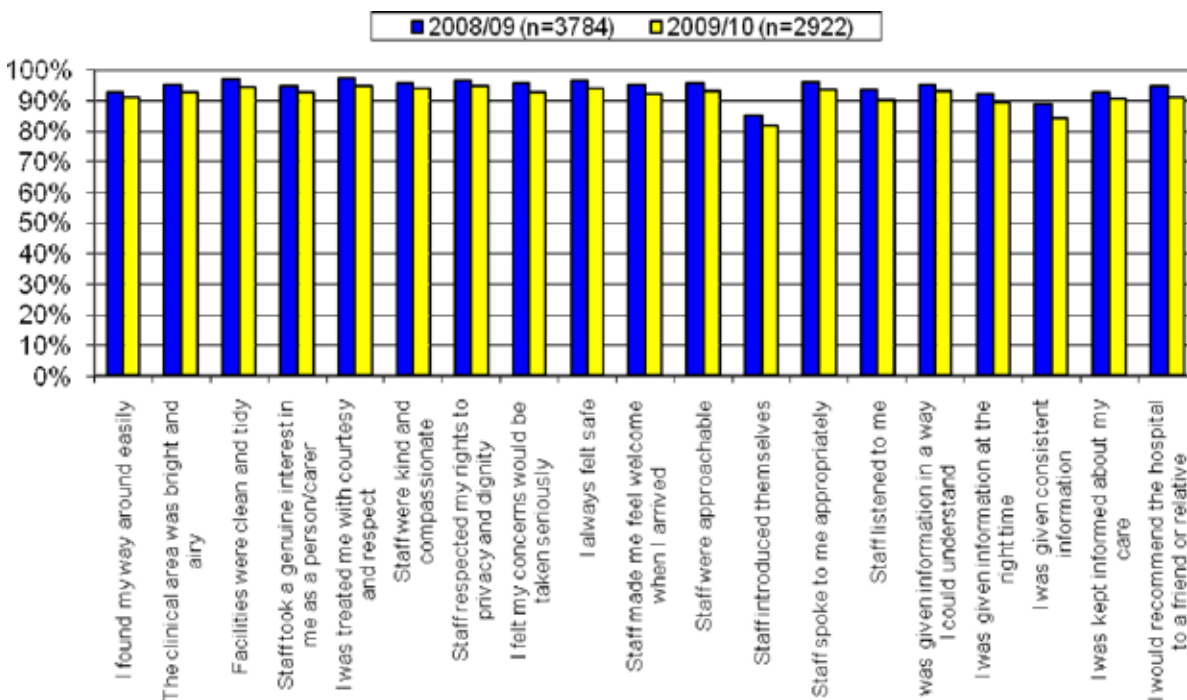
The surveys will focus on five specific questions taken from the National survey and forming national CQUIN requirements. Continued use will enable us to assess changes in the future and driving year on year improvement.

Patient Reported Outcome Measures (PROMS)

The Trust participates in all four National PROMS surveys. Clinical data from national PROMS has yet to be issued.

Groin Hernia Surgery - 361 patients were seen during April 09-March 2010 and 93% consented to participate in PROMS. This compared very well against the national response rate target of 65%.

RBCH Patient Survey Results



Quality Report

Varicose Vein Survey - 269 patients were seen during April 09-March 2010 and 83% consented to participate.

Hip Surgery - This National PROM was launched in October 2009. 607 patients were seen between October 2009 - March 2010, 76% consented to participate.

Knee Survey - This National PROM was launched in October 2009. 525 patients were seen between October 2009 - March 2010, 76% consented to participate.

5.7 Managing complaints

The Trust recognises the importance of responding to formal complaints in a positive and timely manner and ensuring that sufficient resource is given to provide a full and proper review of the issues raised. The Trust has recently strengthened its complaints management function and policies in 2009/10 and now has a dedicated Complaints and Litigation Manager.

Complaint handling

Every complainant is sent a letter (by post or email) on receipt of their complaint, explaining the proposals for investigation, inviting them to contact the complaints manager to discuss this if this has not already happened. Complainants are also advised about clinical confidentiality and the support available to them from the Independent Complaints Advocacy Service (ICAS).

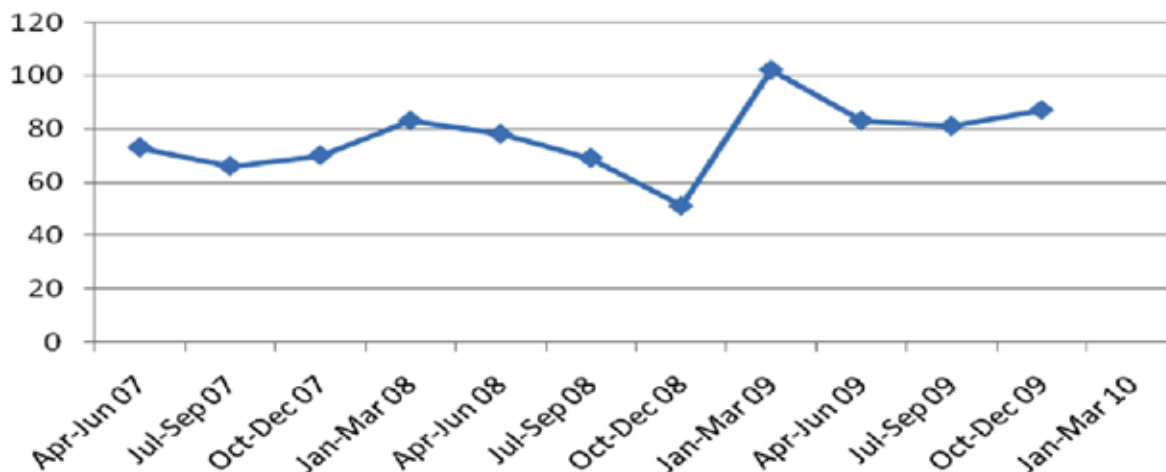
Each complaint is investigated by the Directorates concerned and, where appropriate, the advice of a clinician from another area is obtained. This evidence forms the basis for a response to the complainant from the Chief Executive.

Number of complaints in 2009/10

There were 375 formal complaints from patients or their representatives during the year. This represents an increase of 25% (75 complaints) from last year.

These figures should be seen in context of the overall number of patient encounters, which are over 500,000 a year, when covering admissions, outpatients and diagnostic visits.

Formal Complaints



Quality Report

The increase in the number of complaints is considered to result from a variety of factors. From April 2009, it has been easier to raise a formal complaint through contact details on the Trust's website. The PALS office also relocated to the main entrance of the Royal Bournemouth Hospital in early 2009. People contacting them may now choose to route their concerns through the complaints procedure.

The complaints regulations also require all verbal complaints which are not responded to within 24 hours to be recorded as a complaint and therefore some of the less complex concerns, for example about appointment times, have to be recorded as complaint.

An acknowledgement and explanation of the procedure to be followed was issued

within three working days for 91.5% of complaints.

47% of complaints (176 completed investigations) were upheld or partially upheld, with the necessary changes explained and appropriate apologies offered in the letter of response from the Chief Executive.

Subjects of complaints

Themes within these broad categories included:

- Breach of the 18 week waiting time standard.
- Waiting time to be seen by a doctor in the Emergency Department.
- Discharge arrangements, including communication with relatives and carers.

The main categories of complaint were as follows:

Subject	Number	Percentage
Administrative systems	37	9.9
Attitude of staff	41	11
Bed management	2	0.5
Clinical treatment	186	49.6
Communication/information	56	15
Discharge arrangements	29	8
Environment	4	1
Equipment/facilities	3	0.8
Health and safety	8	2
Privacy and dignity	3	0.8
Availability of staff	2	0.5
Theatre management	1	0.2
Transport	1	0.2
Violent/Aggressive behavior	2	0.5

Quality Report

- Information about appointments, including appointment letters and changes to appointments.
- Accuracy and timeliness of clinical diagnosis
- Access to assisted conception services

25 complaint resolution meetings were held with complainants and key staff to assist with resolving complaints.

Changes resulting from complaints

One of the main purposes in investigating complaints is to identify opportunities for learning and change in practice to improve services for patients. Examples of changes brought about through complaints were:

- Review of post operative catheter care procedures.
- Discussion with ward staff in relation to breaking of bad news.
- Diversity training provided to staff and included on induction and mandatory training programmes.
- Change to individual practice threshold for x-ray.
- Discussion with reception staff about managing difficult situations, training provided.
- Review of arrangements for recording appointment cancellations.
- Improved information for relatives about isolation precautions when visiting.
- Improved communication with relatives regarding patients' discharge arrangements.
- Review of policy for checking pre-procedure medications. New patient pathway booklet, including detailed checklist, implemented.

- Staggered orthopaedic surgery admission times to avoid long waits
- Clinical details related to complaints incorporated into medical teaching sessions.

Referrals to the health service ombudsman

Complainants who remain dissatisfied with the response to their complaint at local resolution level were able to request an independent review to be undertaken by the Health Service Ombudsman.

After receiving a response from the Trust, nine people chose to refer their concerns to the Parliamentary and Health Service Ombudsman during 2009/10. Of these, the Ombudsman declined to investigate six and referred one back for further local resolution, which has been completed. A decision on two complaints is awaited from the Ombudsman.

5.8 Single sex accommodation

Every patient has the right to receive high quality care that is safe, effective and respects their privacy and dignity. Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust is committed to providing every patient with same sex accommodation, because it helps to safeguard their privacy and dignity when they are often at their most vulnerable.

We are proud to confirm that RBCH has invested in this area substantially over the last two years and mixed sex accommodation has now been virtually eliminated in our hospitals. Patients who are admitted to either of our hospitals will only share the room where they sleep with members of the same sex, and same sex toilets and bathrooms will be close to their bed area. Sharing with

Quality Report

members of the opposite sex will only happen by exception based on clinical need (for example where patients need specialist equipment such as in emergency areas, intensive care and high dependency areas and recovery areas). Nevertheless in these areas patients' rights to privacy and dignity will be fully respected in care delivery.

Our Estates Strategy provides for on-going attention to developing further single sex facilities and our operations policies will also aim to achieve this in any further re-configurations of services. Any new build and refurbished clinical areas will have due consideration to the provision of single sex facilities built into the plans.

We will continue to obtain patient feedback via patient surveys and real-time patient feedback using hand held computer devices. The latter allows us to obtain immediate feedback from patients during their stay with us. The results of these surveys will be regularly reported to the Board of Directors.

Because of the investments we have made in our facilities and the training given to staff, we will expect to see an improvement in the scores attributed to this issue in the annual national patient surveys. Senior nursing staff will also perform spot checks and audits relating to privacy and dignity on an on-going basis.

Patient Information

The Trust has standard procedures in place to ensure the quality and design of patient information leaflets. The Trust has a multi-disciplinary Patient Information Group that meets monthly to review

new and revised leaflets. The group includes patient and voluntary services representatives.

In 2008/9 285 new leaflets were approved by the Patient Information Group. In 2009/10 the volume of activity increase and 324 leaflets were approved.

5.9 Priorities for quality improvement 2010/11

The Trust has identified its main clinical quality priorities for the three years, key actions required to deliver these, the risk of delivery and how the Board will measure progress for each and gain appropriate assurance in a reliable and consistent manner. The following key clinical quality objectives reflect not only the Trust's own strategic focus and goals but also those of its commissioners, patients and service users:

- Patient Surveys - Implementation of Real-time feedback project.
- Patient Safety - Continued participation in the South West Strategic Health Authority Patient Safety & Quality Improvement Programme.
- Risk assessment for VTE.
- Medicines management - Compliance with National Patient Safety Agency Alerts.
- Hospital Mortality audit / reporting.
- Infection Control.
- Nutrition.
- Learning from the Francis Report on Mid-Staffordshire NHS Foundation Trust.
- Tissue viability - Pressure sore prevention.

Quality Report

Clinical quality priorities	Key actions and delivery risk	Performance in 2009/10	3 year targets / measures 2010/11, 2011/12, 2012/13
Patient Surveys	Implementation of programme of real time monitoring and targeted patient surveys in relation to high priority issues and areas.	Care Quality Commission Inpatient survey 2009. Internal patient survey card results - 2922 patients participated in 09/10. 90% of respondents said they would recommend the hospital to a friend or relative.	Quality reporting of real time patient monitoring to the Trust Marketing Committee and Board of Directors. Patient surveys included in annual quality objectives and contract quality indicators. Putting Patients First programme.
Patient Safety - Involvement in the South West Strategic Health Authority Patient Safety & Quality Improvement Programme	Continued participation in the workstreams for the life of the NHS SW programme.	The Trust joined this new programme at its conception in Oct 2009. The programme has a three year plan to reduce mortality rates and adverse incident rates across the whole South West SHA. The Trust is now monitoring and reporting on over 50% of the new quality indicators. This is in line with the SW SHA programme timetable and in line with other participating Trusts. Winner of CHKS Patient Safety Award 2010.	Quarterly reporting to the Trust Clinical Governance Committee, Healthcare Assurance Committee and Board of Directors. Reporting of indicators to NHS SW Patient Safety Project.
VTE Risk Assessment	Implementation of VTE risk assessment and VTE prophylaxis policy and procedures. Implementation of IT solution to ensure routine data capture of completion to ensure verification of compliance with Department of Health and CQUIN targets. Clarification from Department of Health still required in relation to whether the target includes all day case patients.	New VTE risk assessment tool designed in compliance with Department of Health guidelines. Education and training programme developed to support implementation. I.T. solution procured.	Quarterly report to Board of Directors on compliance. Reports to commissioners re national CQUIN compliance.

Quality Report

Clinical quality priorities	Key actions and delivery risk	Performance in 2009/10	3 year targets / measures 2010/11, 2011/12, 2012/13
Medicines Management - Compliance with National Patient Safety Agency Alerts	Further work to ensure compliance with all relevant NPSA Alerts relating to medicines management. On going work to ensure reduction in medication errors and risks.	Established a new Medication Governance Committee to oversee the Trusts medicines management strategy. Implementation of several new policies and procedures relating to medicines management e.g. medicines reconciliation, insulin management, anticoagulation and controlled drugs. Successful investment in specific training to reduce errors e.g. insulin prescribing and administration.	Quarterly report to Healthcare Assurance Committee by medication Governance Committee. Quarterly reporting on NPSA Alert compliance, medication incident rates and medication risk issues to Clinical Governance & Risk Committee, Healthcare Assurance Committee and Board of Directors.
Reducing Hospital Mortality Rates	Further work to review the quality and accuracy of death certification and clinical coding. Review of mortality rates monthly via Mortality review group.	Established a new Mortality Steering Group chaired by the Medical Director. Review of clinical coding, with specific reference to high mortality in low mortality risk groups. Implementation of training programme for Doctors to ensure accurate recording of death certification. Achievement of HSMR below 100 for April 09-March 2010.	Quarterly reporting to Healthcare Assurance Committee and Board of Directors.
Maintaining high standards of Infection Control	Ongoing implementation to maintain current high standards of infection control.	Targets for MRSA and c.difficile achieved. Only four cases of MRSA reported in year. Improvements in the management of Norovirus and reduction in bed days lost.	Monthly reporting to Board of Directors. Bi-monthly reporting to Infection Control Committee. Monthly reporting to commissioners.
Ensuring patients receive good nutritional care	Continued implementation of catering surveys and use of malnutrition screening tool (MUST). Complete implementation of Protected Mealtimes initiative. Appointment of nutrition nurse specialist for education and audit.	PEAT score for food improved. Patient satisfaction survey re catering. Successful partial implementation of protected mealtimes initiative and implementation of the Productive Ward Nutrition module.	Annual PEAT scores. Catering surveys. Audits of screening tool. Report to Board of Directors quarterly.

Quality Report

Clinical quality priorities	Key actions and delivery risk	Performance in 2009/10	3 year targets / measures 2010/11, 2011/12, 2012/13
Ensuring learning from the Francis Report on Mid Staffordshire NHS Foundation Trust	Implementation of a Trust wide action plan to ensure compliance with report recommendations, and local departmental action plans where relevant. Monitoring by Healthcare Assurance Committee.	Report discussed in full by Board of Directors.	Quarterly report to Board of Directors on compliance with action plan targets and objectives. Monitored by Healthcare Assurance Committee.
Ensuring high standards for pressure ulcer prevention and management	Implementation of routine monitoring of hospital acquired pressure ulcers. Implementation routine monitoring and audit of compliance with Trust policy for the prevention and management of hospital acquired pressure ulcers. Provision of pressure ulcer management as a core component of clinical mandatory training.	design and testing of routine audit tool	Quarterly report to Clinical Governance & Risk Committee

5.10 Consultation Process

The Quality Account has been produced following consultation with the following external groups:

Local Involvement Network (LINKs)

LINKs Comment for Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust

Quality Account 2010

Bournemouth LINK welcomes this opportunity to comment on their work with Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust over the last year.

Infection Control

Bournemouth, Poole & Dorset LINKs worked with NHS Bournemouth & Poole and the Infection Control Matrons from Bournemouth & Poole Hospitals in 2009

to improve public information about infection control.

For more information about this project, go to the LINKs Winter 2009 Newsletter: <http://www.madesachange.org.uk/cms/site/docs/B,P%20&20D%20Newsletter%20Issue%209%20Dec%2009%20Winter.pdf>

Promotion

Bournemouth LINK has posters and information leaflets around the Hospital.

The LINK has also held promotional stands in the Hospital.

Joint Working

The LINK has regular contact with the Patient Advice & Liaison Services (PALS) and is looking forward to working more closely with the Hospital over the coming year.

Quality Report

Dorset Health Scrutiny Committee

Response received:

“At its meeting yesterday (20 May) the Dorset Health Scrutiny Committee resolved that it would not be commenting on the Quality Accounts submitted by Trusts this year.

The Committee has decided that over the coming year individual members who act in a liaison capacity with individual Trusts will endeavour to strengthen this role and develop their engagement so that next year the Committee is better placed to comment. It is envisaged that we will set up a task and finish group to look at the accounts next year so that we can start the process earlier and not be tied into the Committee timetable which may make the process easier and less pressured for everyone.

May I take this opportunity to thank you for submitting your Quality Accounts as requested.

If you would like to discuss any aspect of this with me please do not hesitate to contact me.

Kind regards

Health Partnerships Officer
Adult and Community Services
Directorate Dorset County Council.”

Bournemouth Health Overview and Scrutiny Panel -

No comments received:

Poole Health and Social Care Overview and Scrutiny Committee

No comments received:

Statement of directors responsibilities in respect of the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the Quality Report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

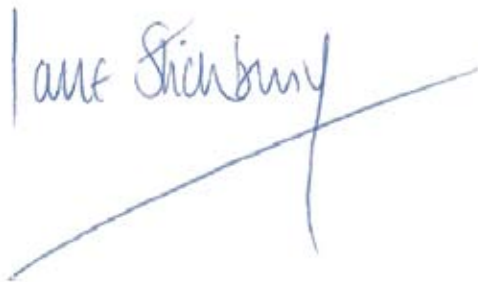
- the quality report presents a balanced picture of the Foundation Trust's performance over the period covered.
- the performance information reported in the Quality Report is reliable and accurate.
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice.
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and the Quality Report has been prepared in accordance with

Quality Report

Monitor's annual reporting guidance (which incorporates the Quality Account regulations) (published at <http://www.monitor-nhsft.gov.uk/annualreportingmanual>) as well as the standards to support data quality for the preparation of the Quality Report (available at <http://www.monitor-nhsft.gov.uk/annualreportingmanual>)).

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

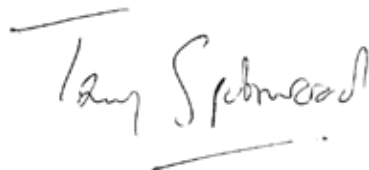
By order of the Board

A handwritten signature in blue ink that reads "Jane Stichbury". The signature is written in a cursive style and is positioned above a long, thin horizontal line that extends across the width of the signature.

Jane Stichbury

Chairman

Date: 4th June, 2010

A handwritten signature in blue ink that reads "Tony Spotswood". The signature is written in a cursive style and is positioned above a long, thin horizontal line that extends across the width of the signature.

Tony Spotswood

Chief Executive

Date: 4th June, 2010

6. Governance and Membership

6.1 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.
- 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.

Governance and Membership

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:

Director	Attendance out of 4
Ian Metcalfe, Non Executive Director and Chairman of Audit Committee	4
Steven Peacock, Non Executive Director (from 17.12.2009)	2
David Bennett, Non Executive Director (from 17.12.2009)	2
Brian Ford, Non Executive Director (to 7.10.2009)	2
Lindsey Dedden, Non Executive Director (to 4 June 2009).	1

Governance and Membership

6.2 Public Interest Disclosures

Details of the Trust's consultation activities and other patient and public involvement activities for the year 2009/10 can be found on page 36.

The Foundation Trust's policies in relation to disabled employees and equal opportunities can be found on page 39.

Information on health and safety can be found in the Quality Report from page 52.

Disclosures set out in the NHS Foundation Trust Code of Governance can be found on page 95.

Governance and Membership

6.3 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 four Non-Executive Directors. Non-Executive Directors are present when the Committee determines the final salaries. 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 2009/10 it met on two occasions and the membership of this remuneration committee can be seen in the table on page 93.

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.

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 who are appointed on "permanent" contracts are required to give/receive three months' notice.

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

Governance and Membership

Senior Managers' Remuneration for the year ended 31st March, 2010							
Name	Note	2009/10			2008/09		
		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		171 - 175	0	0	166 - 170	0	0
Mr S Hunter		116 - 120	0	0	116 - 120	0	0
Mrs K Allman		101 - 105	0	0	96 - 100	0	0
Miss B Atkinson		96 - 100	0	0	96 - 100	0	0
Mrs H Lingham		116 - 120	0	0	106 - 110	0	0
Mr R Renaut		96 - 100	0	0	101 - 105	0	0
Mr S Parvin	1	21 - 25	86 - 90	0	41 - 45	136 - 140	0
Mrs M Armitage	4	11 - 15	61 - 65	0	-	-	-
Mrs S Collins	7	51 - 55	0	0	51 - 55	0	0
Mr B Ford		16 - 20	0	0	16 - 20	0	0
Mrs L Dedden	6	6 - 10	0	0	11 - 15	0	0
Mr K Tullett		11 - 15	0	0	11 - 15	0	0
Mrs F Outram	5	6 - 10	0	0	16 - 20	0	0
Mr I Metcalfe		16 - 20	0	0	16 - 20	0	0
Mrs A Pike		16 - 20	0	0	11 - 15	0	0
Mr S Peacock	2	6 - 10	0	0	-	-	-
Mr D Bennett	3	6 - 10	0	0	-	-	-

Note 1 - Ceased role of Medical Director on 31st October 2009. The "other remuneration" relates to separate duties as a medical consultant, disclosed up to 31st October 2009.

Note 2 - Joined 1st October 2009.

Note 3 - Joined 1st October 2009.

Note 4 - Joined 1st November 2009 as Medical Director. The "other remuneration" relates to separate duties as a medical consultant, disclosed from 1st November 2009.

Note 5 - Left 30th September 2009.

Note 6 - Left 30th September 2009.

Note 7 - Left 31st March 2010.

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.

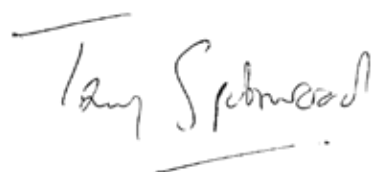
Arrangements for the termination of appointment of a Non-Executive Director are set out in the Trust's constitution.

Governance and Membership

Senior Managers' Pensions						
Name	Real Increase in Pension and Related Lump Sum at age 60	Total accrued Pension and Related Lump Sum at age 60 at 31 March 2010	Cash Equivalent Transfer Value at 31st March 2010	Cash Equivalent Transfer Value at 31 March 2009 (Inflated)	Real Increase in Cash Equivalent Transfer Value	Employer Funded contribution to growth in CETV for the year
	(Bands of £2500) £' 000	(Bands of £5,000) £' 000	£' 000	£' 000	£' 000	£' 000
Mr A Spotswood	7.5 - 10	231 - 235	1,082	988	93	65
Mr S Hunter	5 - 7.5	161 - 165	756	668	88	61
Mrs K Allman	5 - 7.5	31 - 35	149	119	30	21
Mrs B Atkinson	2.5 - 5	151 - 155	904	833	71	49
Mr S Parvin	7.5 - 10	251 - 255	1,576	1,424	89	63
Mrs M Armitage	2.5 - 5	231 - 235	1,232	1,108	51	36
Mrs H Lingham	5 - 7.5	106 - 110	497	443	54	38
Mr R Renaut	2.5 - 5	56 - 60	177	155	22	15

Meetings of Non- Executive Director Remuneration Committee	
Name	Meetings attended (out of 2)
Sharon Carr-Brown	2
Sue Bungey	2
Ken Hockey	1
Leon Kaufman	1

Meetings of the Executive Director Remuneration Committee	
Name	Meetings attended (out of 2)
Sheila Collins (Chairman)	2
Brian Ford	0
Ken Tullett	2
Frances Outram	1
Ian Metcalfe	1



Tony Spotswood
Chief Executive
Date: 4th June, 2010

Governance and Membership

6.4 Board of Directors

Attendance at Board of Directors' meetings 2009/10:

Name	Title	Attendance (out of 14)
Karen Allman	Director of Human Resources	13
Mary Armitage	Medical Director (from November 2009)	6
Belinda Atkinson	Director of Nursing	12
David Bennett	Non-Executive Director (from October 2009)	6
Sheila Collins	Chairman	12
Lindsey Dedden	Non-Executive Director (to September 2009)	4
Brian Ford	Non-Executive Director	14
Stuart Hunter	Director of Finance and IT	14
Helen Lingham	Director of Operations	11
Ian Metcalfe	Non-Executive Director	14
Frances Outram	Senior Independent Director and Vice Chairman (to September 2009)	4
Simon Parvin	Medical Director (to October 2009)	3
Steven Peacock	Non-Executive Director (from October 2009)	7
Alex Pike	Non-Executive Director	9
Richard Renaut	Director of Service Development	14
Tony Spotswood	Chief Executive	14
Ken Tullett	Non-Executive Director	13

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

The Terms of Office and the period of the appointment of the Non-Executive Directors are shown in the following table and approved at a general meeting of the Council of Governors.

Non Executive Directors	When appointed	Term of Office
David Bennett	1.10.2009	3 yrs
Lindsey Dedden	01.12.1997	Retired 30.9.09
Brian Ford	01.10.2009	3yrs
Ian Metcalfe	22.6.2006	4 yrs
Frances Outram	10.10.2005	Retired 30.9.09
Steven Peacock	1.10.2009	3yrs
Alex Pike	22.6.2006	4yrs
Ken Tullett	30.09.2009	3yrs

Governance and Membership

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 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.

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 respects, save as to paragraphs A, 1, 3 and C2 where there are other arrangements in place. Further details can be found in the full compliance statement which is available on the Trust website.

6.5 Council of Governors

There are 30 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 2009/10 the Council of Governors was made up as follows:

Bournemouth public governors (elected)

Jayne Baker from August 2009

David Bellamy

Derek Dundas

Mollie Harwood

Phil Carey

Sharon Carr-Brown

Joyce Littman

Leon Kaufman

Christchurch, East Dorset and Purbeck public governors (elected)

Sue Bungey

James Watts-Phillips

Michael Desforges

Lee Foord to December 2009

Alf Hall

Governance and Membership

Poole public governors (elected)

Maureen Baker

Paul Weaver

New Forest public governors (elected)

Celia Fern

John Hempstead

Staff public governors (elected)

Alan McCoy to January 2010

Dean Feegrade

David Dickson

Fiona Stephenson

Vacancy

Nominated (appointed by their respective organisations)

Les Burden, Poole Borough Council from December 2009

David Fox, Dorset County Council

Dennis Hasted, Internal Hospital Volunteers to September 2009

Ken Hockey, NHS Bournemouth and Poole

Lee Foord, Internal Hospital Volunteers from January 2010

Stephen MacLoughlin, Bournemouth Borough Council

Clare Sutton, NHS Dorset from December 2009

Gail Thomas, Bournemouth University from December 2009

Vacancy, External Volunteers to December 2009

Public governors are elected 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.

The number of meetings held by the Council of Governors and the individual attendance by governors and directors is as follows:

Two Council of Governor Meetings related to business which did not concern the Directors and to which the Directors were not invited

Governor Elections

Elections to vacant positions for public and staff governors took place July and August 2009 the following were elected for a three year term from October 2009:

- Jayne Baker (One Year Term to replace retiring Governor until term of office expired) - Public Governor, Bournemouth
- Dean Feegrade - Staff Governor, Admin, Clerical and Management

At each meeting of the Council of Governors, a declaration of any interests held which may conflict with their role as Governor is recorded. A copy of the declaration of interests can be inspected by arrangement with the Trust Secretary.

Governance and Membership

Attendance at Council of Governors meetings

Name	Title	Constituency	Attendance (out of 6)
Mrs S Collins	Chairman		6
Mrs Jayne Baker	Public Governor	Bournemouth	3 (3)
Mrs Maureen Baker	Public Governor	Poole	4
Mr David Bellamy	Public Governor	Bournemouth	4
Mrs Sue Bungey	Public Governor	East Dorset, Christchurch and Purbeck	4
Cllr Les Burden	Appointed Governor	Poole Borough Council	1 (1)
Mr Phil Carey	Public Governor	Bournemouth	3
Mrs Sharon Carr-Brown	Public Governor	Bournemouth	5
Mr Mike Desforjes	Public Governor	East Dorset, Christchurch and Purbeck	6
Dr David Dickson	Staff Governor	Medical	3
Dr Derek Dundas	Public Governor	Bournemouth	6
Mr Dean Feegrade	Staff Governor	Admin, Clerical and Management	5
Miss Celia Fern	Public Governor	New Forest	5
Mr Lee Foord	Public Governor	East Dorset, Christchurch and Purbeck	4 (5)
Mr Lee Foord	Appointed Governor	Internal Hospital Volunteers	1 (1)
Cllr David Fox	Appointed Governor	Dorset County Council	4
Mr Alf Hall	Public Governor	East Dorset, Christchurch and Purbeck	5
Mrs Mollie Harwood	Public Governor	Bournemouth	4
Mr Dennis Hasted	Appointed Governor	Internal Hospital Volunteers	2 (3)
Mr John Hempstead	Public Governor	New Forest	4
Mr Ken Hockey	Appointed Governor	NHS Bournemouth and Poole	3
Dr Leon Kaufman	Public Governor	Bournemouth	5
Mrs Joyce Littman	Public Governor	Bournemouth	5
Cllr Stephen MacLoughlin	Appointed Governor	Bournemouth Borough Council	5
Mr Alan McCoy	Staff Governor	Estates and Ancillary	3 (5)
Sr Fiona Stephenson	Staff Governor	Nursing and Midwifery	5
Mrs Clare Sutton	Appointed Governor	NHS Dorset	0 (1)
Dr Gail Thomas	Appointed Governor	Bournemouth University	0 (1)
Mr James Watts-Phillips	Public Governor	East Dorset, Christchurch and Purbeck	3
Mr Paul Weaver	Public Governor	Poole	4

Governance and Membership

Directors		
Name	Title	Attendance (out of 6)
Mr T Spotswood	Chief Executive	5
Mrs K. Allman	Director of Human Resources	2
Mrs B Atkinson	Director of Nursing	2
Mr S Hunter	Director of Finance of IT	4
Mrs H Lingham	Director of Operations	1
Mr R Renaut	Director of Service Development	1

Date of Election	Constituencies involved	Number of members in constituency	Number of seats contested	Number of contestants	Election turnout %
July 2009	Bournemouth	8,628	1	7	32.5%
August 2009	Staff (A&C and Management)	208	1	1	Un-contested
August 2009	Allied Health Professionals, Scientific and Technicians	142	1	None	Not held

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.

Election Turnout

Elections were called in three constituencies but only two were held during the year because no candidate stood in the Allied Health Professionals Scientific and Technicians staff group. Efforts to maximise turnout included extensive publicity and meetings.

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

Nomination Committee

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

- Periodically reviewing the numbers, structure and composition (including the person specifications) of Non-Executive Directors, to reflect the expertise and experience required and to make 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

Governance and Membership

- 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:

Name	Meetings attended (out of 5)
Sheila Collins (Chairman)	5
Lee Foord	5
Ken Hockey	5
Michael Desforges	4
Karen Allman (Director of HR)	5

The Committee met five times in 2009/10. Two appointments of Non-Executive Directors were made during the year under report, both on 1st October 2009 for a term of three years. These were David Bennett and Steven Peacock. An external search company, Odgers Berndtson, was used in relation to Board appointments and open advertising. In addition, the members of the Nomination Committee met on a further occasion on an informal basis, as part of the panel responsible for the recruitment of new Non- Executive Directors. The selection process for the new Chairman was also considered and the Committee met on further occasions on an informal basis to consider the appointment of the new Chairman.

Membership

During 2009/10 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.

Members also have their own membership news letter, FT Focus which enables the members to be kept up to date with news and events. Staff Governors details are on the intranet and can be contacted at any time by staff members.

The Becoming a Governor booklet was updated and outlines the current 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. A new booklet was produced 'Becoming a Governor' which informs perspective members to on what a governor does and the benefits of becoming a Governor.

The Governor's induction training programme has been developed and now includes lectures by outside speakers. The Governors have had specific training sessions on conflict resolution and customer relations which was very successful and well received,

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:

Governance and Membership

- Continue to build a membership representative of the local community.
- Continue to develop and improve the co-ordination of recruitment activities.
- 250 new members to be recruited during 2010/11.
- 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 age of 16 years and are entitled under the Constitution to apply for membership and who live in the following areas:

- Dorset
- Hampshire
- Isle of Wight
- South Wiltshire
- Salisbury

Staff membership is open to individuals employed by the Trust under a contract of employment and:

- Who are employed by the Trust under a contract of Employment which has no fixed term or a fixed term of at least 12 month, or
- Who have been continuously employed by the Trust for at least 12 Months, or
- Who are not so employed but who nevertheless exercise functions for the purposes of the Trust and who exercised the functions continuously for at least 12 months. This does not include those who assist or provide services to the Trust on a voluntary basis.

As of 31st March, 2010 there were 13,024 members in the following constituencies:

Public constituency	Last year	Next year (estimated)
At year start (April 1)	12450	12227
New members	465	250
Members leaving	688	
At year end (31 March)	12227	

The Trust's membership is open to people aged 16+.

Governance and Membership

Staff constituency	Last year	Next year (estimated)
At year start (April 2010)	922	869
New members	28	
Members leaving	81	
At year end (31 March, 2009)	869	

NB: It is not possible to estimate the membership for the staff constituency due to a change in the criteria of membership.

The Foundation Trust does not have a separate patient constituency.

Analysis of membership in constituencies

Public		Staff	
Bournemouth	8248	Medical	73
Poole	1955	Allied Healthcare Professional, Scientific and Technicians	140
East Dorset, Christchurch and Purbeck	1523	Nursing and Midwifery	342
New Forest	482	Admin, Clerical and Management	199
Rest of Area	3	Estates and Ancillary	59

Governance and Membership

Analysis of membership in public constituencies

Age (years):	Number of members	Eligible membership
16	0	502,272
17-21	29	175,729
22+	10,280	1,964,012
Not stated	1,918	n/a

Ethnicity	Number of members	Eligible membership
White	11,748	2,476,635
Mixed	32	19,743
Asian or Asian British	37	25,530
Black or Black British	25	8,483
Other	29	15,693
Not stated	356	n/a

Gender:	Number of members	Eligible membership
Male	5332	1,293,670
Female	6770	1,348,343
Not stated	125	n/a

Socio-economic groupings	Number of members	Eligible membership
ABC1	7,251.39	915,380
C2	2,172.87	298,246
D	2,119.83	278,469
E	682.91	69,967

Members who wish to communicate with their Governors should contact the Governor Coordinator (B28), The Royal Bournemouth Hospital, Castle Lane East, Bournemouth, BH7 7DW or email: ftmembers@rbch.nhs.uk

Financial Statements

As at 31st March 2010



Contents

3	Foundation Trust
4	Foreword
5	Accounting Officer's Statement
6	Statement on Internal Control
13	Report of the auditors
16	Statement of Comprehensive Income
17	Statement of Financial Position
18	Statement of Changes in taxpayers' equity
19	Statement of Cash Flows
20	Transition Statement to IFRS
21	Accounting Policies
32	Notes to the financial statements
49	Directors Remuneration
50	Directors Pensions

Foundation Trust

NHS Foundation Code **RDZ**

Registered Office **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 (Until 31st October 2009)
	Mrs M Armitage	Medical Director (From 1st November 2009)

Non-Executive	Mrs S Collins	Chairman
	Mr B Ford	
	Mrs L Dedden	(Until 30th September 2009)
	Mr K Tullett	
	Mrs F Outram	(Until 30th September 2009)
	Mr I Metcalfe	
	Mrs A Pike	
	Mr S Peacock	(From 1st October 2009)
Mr D Bennett	(From 1st October 2009)	

Secretary	Mrs N Caley	(Until 31st December 2009)
	Mr J Day	(From 4th January 2010)

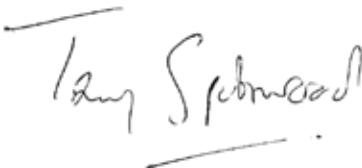
Bankers **NatWest (The Royal Bank of Scotland)**
Chandlers Ford

Solicitors **Beachcroft Wansborough**
Winchester

Auditors **Audit Commission**
Eastleigh

Foreword

These accounts for year ended 31st March 2010 for 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 Annual Reporting Manual 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: 4th June, 2010

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, financial position 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 Annual 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 Annual 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: 4th June, 2010

Statement on Internal Control



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 31 March 2010 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 all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the 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.

Statement on Internal Control

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. 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 Clinical Governance & Risk Management Committee produce a quarterly Clinical Governance & Risk Management report which highlights examples of, and recommendations for, good safe practice.

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 organisation. 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 appropriate Foundation Trust's Board of Directors sub committees. In turn the sub committees 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 assurance framework process to monitor, develop, implement, demonstrate and promote continuous

improvement and learning. The effectiveness of the assurance framework and its application has been reviewed by the Healthcare Assurance 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 via the assurance framework process. The development of the assurance framework has involved consideration of all objectives (strategic, financial, corporate, business, clinical, Human Resources etc) and all risks. In addition, a comprehensive review has taken place of the Trust's committee structure and its ability to provide the necessary assurance to the Board in support of the assurance framework. The framework is specifically linked to the trust's strategic objectives and to the regulatory requirements of the independent regulator and the Care Quality Commission. Within the Assurance Framework, principal risks are identified and key risk controls in place to provide necessary assurances on identified gaps in control systems and action plans to further reduce risk are mapped out against identified objectives. The assurance framework is populated from the Foundation Trust Risk Register with risk reduction being achieved through a continuous cycle of the identification, assessment, control, and review of risk.

Risks may be entered onto the Foundation Trust Risk Register as a result of risk issues being raised or identified by: employees, directorates,

Statement on Internal Control

external or internal reviews, internal or external audits, incident investigations, complaints reviews and comments from public stakeholders and/or service developments. Risks may also be raised by the Board's sub committees and/or by specialist sub committees of these. These include the Patient & Public Involvement Group, Health & Safety Committee, Research Audit & Clinical Effectiveness Committee, the Clinical Ethics Committee, Finance Committee and the Infection Control Committee.

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

In line with Monitor's guidance, risks to data security are being managed and controlled through the Information Governance infrastructure. Plans are in place for a new information governance appointee and use of the tool kit to ensure the Trust complies with the necessary requirements.

The organisation's major risks are:

- Demand for acute care exceeding the projected levels set out within the contract, with implications for meeting key targets and living within agreed financial parameters. Mitigating action includes reviewing referral levels monthly and agreeing steps with commissioners to reduce referrals where pressures are evident. This will be kept under careful review by the Board.
- Delayed transfers of care causing internal bed pressures and potentially negating the achievement of trust targets and the ability to drive down costs through the transformation programme. Actions will include a trajectory agreed with the PCT and Social Services and a cogent action plan to follow through in delivering minimal delays. Fines to be instituted for Local Authorities, if delays are above plan.
- Infection Control - whilst the Trust performs well in respect of MRSA and Clostridium Difficile targets, the seasonal Norovirus outbreaks remain a risk because of the potential effects on bed capacity and elective throughput. The Trust has an active action plan in place to mitigate this risk, with an improving performance annually. This will continue to be developed and monitored on a regular basis.
- Implementation of agreed restructuring and reconfiguration of services will help avoid future costs and generate improvements in care and greater efficiency. If there is an

Statement on Internal Control

absence of whole community support for implementation of proposals this risks making the necessary savings. Boards will work together to agree changes and discuss with Monitor potential implications of trust reconfiguration were this is necessary.

- Uncertainty regarding the future direction of the Tariff will place financial pressures on the Trust over the next three years. Particular focus on driving down emergency activity through a low marginal rate will present a significant challenge to the Trust. It is therefore essential that joint working with the PCT is based on recognised and appropriate clinical pathways. Monitoring will be through the regular contract monitoring meetings with the PCT. This may drive further reconfiguration of services.
- The suggested reduction in the number of junior doctor training posts, particularly in surgical specialties, is likely to impact upon the Trust's ability to deliver targets at the same time as delivering low waiting times. The overall impact of this is not yet fully apparent, steps will need to be taken to replace such posts with Trust grade doctors, realign rotas or combine services across Trust's were appropriate.
- There is a need for a clear commissioner strategy on the provision of hospital and community based services. The absence of this could impede progress and create time delays in key decisions. Regular meetings at Chair and Chief Executive level across the whole health economy will drive the development

of appropriate plans. This strategy will require political agreement and support from regulators.

- Transformation of community services - effective delivery of the PCT's strategy for realigning its provider services will be essential in order to maintain the most effective treatment pathways which are patient centred. Should the Trust not be able to integrate community and hospital pathways to drive improvements in experience and outcome and greater efficiency, opportunities will be lost. The Trust is bidding to provide integrated services.

During 2009/10 the Fertility Service was temporarily suspended during the year due to concerns about the eligibility of patients to receive treatment. A full external review by the Royal College of Obstetricians and Gynaecologists has been undertaken, however the full report has yet to be received. The Trust has however implemented actions arising from an internal investigation including joint responses with other organisations.

Quality Report

The production of the Quality Report is overseen by the Director of Nursing and co-ordinated by the Associate Director of Clinical Governance. This team leads on all regulatory quality assessments for the Trust and is experienced in this type of work. To ensure a balanced approach input to the report is obtained from a wide range of sources within the organisation through the governance infrastructure, and external opinion has been sought from the Trust's lead commissioners, three local health

Statement on Internal Control

scrutiny panels, the Local Involvement Network and the Foundation Trust's Council of Governors. The production processes have mirrored those used for all quality assessments and aspects of these have been regularly audited and subject to validation by the Internal Auditors – last in December 2009 and February / March 2010. The audits have provided substantial assurance to the Board that the controls and procedures upon which the organisation relies to manage these areas are effective. This has been supported by external feedback for example the Care Quality Commission's Quality and Risk Profile, the NHS Litigation Authority and regular patient / service user feedback. Data to support the Quality Report is largely handled by the Trust's Information Department and the Clinical Effectiveness Department, both of which have been subject to quality checking and control.

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The Carbon Reduction Group for the Trust is in place and has agreed delivery plans for carbon reduction measures. Risk assessments are being undertaken by partners working on the project. Recent developments at the Bournmouth site required a flood risk assessment, as part of the planning process, and the estate was deemed to be outside the likely flood plain.

Equality Impact Assessments (EIA's) are carried out on all Trust policies and service developments. A toolkit has been developed and is available on the Trust intranet and results of EIA's are also shown on the Trust website. The Foundation Trust has an Equality and Diversity Committee which is chaired by a Board Director and has wide representation from across the Trust. Sub-groups report into the Equality and Diversity committee and have an agreed work plan which ensures that we meet our obligations.

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 Care Quality 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 Trust also received an excellent score for quality of services which included maximum scores in each of the sixteen areas assessed.

Statement on Internal Control

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 2009/10, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation’s objectives, and that controls are generally being applied consistently. However, some weaknesses in the design and inconsistent application of controls put the achievement of particular objectives at risk”. The specific issue raised related to the operation of the outsourced payroll provider and actions have been taken to resolve both the short term and longer term issues.

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. It met four times during the year. 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.

A non-executive director chairs the Healthcare Assurance Committee. The Committee met four times during the year and four times as the previously named

Clinical Governance & Risk Management Committee. The Committee received reports related to internal control, risk management and assurance and ensured that action plans, where remedial action was required, were implemented.

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

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
- Healthcare Assurance Committee (previously the Clinical Governance & Risk Management Committee)
- Infection Control Committee
- Finance Committee
- Marketing Committee
- Information Governance Committee
- Workforce Strategy 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 Auditors and the Executive Managers within the Foundation Trust who have responsibility

Statement on Internal Control

for the development and maintenance of the internal control framework, and comments made by the External Auditors in their reports.

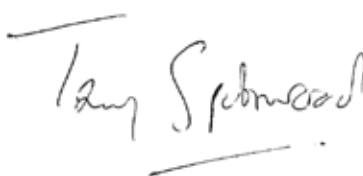
I have been advised on the implications of the result of my review of the effectiveness of the systems on internal control by the Board, the Audit Committee, and the Healthcare Assurance Committee and a plan to address weakness and ensure continuous improvement of the system is in place.

A review of the Assurance Framework and Trust Risk Register, and formal review of compliance with the Care Quality Commission Core Standards has identified no significant gaps in assurance and the Trust has therefore declared “fully compliant” against the Core Standards in the Annual Health Check for 2009/10. This declaration is supported by the Trust’s Quality and Risk Profile, produced by the Care Quality Commission. A recent Internal Audit of the processes used to assess compliance with the Core Standards stated that the Board should take substantial assurance that the necessary processes are in place.

The effectiveness of the system of the internal control has been reviewed by the Healthcare Assurance Committee and the Audit Committee and further work to refine and develop our assurance processes is in progress and will be reviewed and evaluated on an ongoing basis.

Conclusion

As discussed earlier in the report, a weakness in the provision of the outsourced payroll provider resulted in a comment by the Head of Internal Audit in his Annual Internal Audit Opinion. Following identified shortcomings in the provision of the service by the Trust, action was taken to improve the performance by the provider of the service. The performance did not improve sufficiently to assure the Board of Directors and as such, alternative arrangements are in place going forward. Detailed audits are currently being deployed to ensure that all risks have been identified and resolved before the new arrangements commence. The other weakness identified within this statement relates to the temporary suspension of the Fertility Service described within the risk and control framework. The Trust has since implemented actions arising from an internal investigation pending the outcome of the full external review.



Tony Spotswood

Chief Executive

Date: 4th June, 2010

Report of the auditors

Independent auditor's report to the Board of Governors of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust

I have audited the financial statements of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust for the year ended 31 March 2010 under the National Health Service Act 2006. The financial statements comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. 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 subject to audit, being:

- the table of salaries and allowances of senior managers and related narrative notes on page 92 and
- the table of pension benefits of senior managers and related narrative notes on page 93.

This report is made solely to the Board of Governors of The Royal Bournemouth and 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 commentary on the financial performance included within the Directors' Report, Quality Report and the Operating and Financial Review, included in the Annual Report, is consistent with the financial statements.

I review whether the Accounting Officer's Statement on Internal Control reflects

Report of the Auditors

compliance with the requirements of Monitor contained in the NHS Foundation Trust Annual Reporting Manual 2009/10. I report if it does not meet the requirements specified by Monitor or if the statement is misleading or inconsistent with other information I am 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's Statement, the Chief Executive's Statement, Directors' Report, Operating and Financial Review, Quality Report, the sections on Governance, 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 subject to audit 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 subject to audit.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust as at 31 March 2010 and of its income and expenditure for the year then ended in accordance with the accounting policies adopted by the Trust;

Report of the Auditors

- the financial statements and the part of the Remuneration Report subject to audit 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 commentary on the financial performance included within the Directors' Report, Quality Report and Operating and Financial Review, included in the annual report, is consistent with the financial statements.

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 5AD
Date: 7th June, 2010

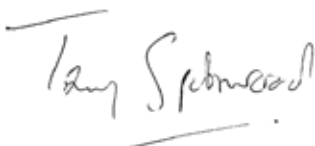
Statement of Comprehensive Income

	Notes	2009 /10	2008/09
		£'000	£'000
Operating Income	2 - 6	230,964	218,586
Operating expenses	7	(223,366)	(210,388)
OPERATING SURPLUS		7,598	8,198
FINANCE COSTS			
Finance Income - Interest receivable	12	325	1,947
Finance expense - Finance Leases - Interest		(78)	(64)
Finance expense - unwinding of discount on provisions		(11)	(9)
Public Dividend Capital dividends payable		(4,766)	(4,388)
NET FINANCE COSTS		(4,530)	(2,514)
SURPLUS FOR THE YEAR		3,068	5,684
Other comprehensive Income			
Revaluation losses and impairment losses arising from Property, Plant and Equipment		(706)	(10,111)
Increase in donated asset reserve due to receipt of donated asset		527	818
Reduction in donated asset reserve in respect of depreciation		(644)	(649)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,245	(4,258)

Statement of Financial Position

	Notes	31 March 2010	31 March 2009	1 April 2008
		£'000	£'000	£'000
Non Current Assets				
Intangible Assets		1,235	581	488
Property, Plant & Equipment		145,348	140,739	147,976
Total non-current assets	14	146,583	141,320	148,464
Current Assets				
Inventories	17	3,748	3,080	2,959
Trade and other receivables	18	12,222	17,089	8,520
Cash and cash equivalents	19	25,292	23,218	27,777
Total current assets		41,262	43,387	39,256
Current Liabilities				
Trade and other payables	20	(19,068)	(19,254)	(17,272)
Borrowings	21	(549)	(442)	(436)
Provisions	24	(161)	(176)	(485)
Total current liabilities		(19,778)	(19,872)	(18,193)
Total assets less current liabilities		168,067	164,835	169,527
Non-current liabilities				
Trade and other payables	20	(60)	(193)	(326)
Borrowings	21	(1,520)	(411)	(771)
Provisions	24	(461)	(450)	(391)
Total non-current liabilities		(2,041)	(1,054)	(1,488)
Total Assets Employed:		166,026	163,781	168,039
Taxpayers' Equity				
Public Dividend Capital		78,674	78,674	78,674
Revaluation reserve		65,957	66,938	76,973
Donated Asset Reserve		6,251	6,187	6,164
Income and expenditure reserve		15,144	11,982	6,228
Total Taxpayers' Equity:		166,026	163,781	168,039

The financial statements on pages 21 to 50 were approved by the board on 4th June, 2010 and signed on its behalf by:



Tony Spotswood Chief Executive Date: 4th June, 2010

Statement of changes in taxpayers' equity

	Public Dividend Capital	Revaluation Reserve	Donated Assets Reserve	Income and Expenditure Reserve	Total
	£'000	£'000	£'000	£'000	£'000
Taxpayers' Equity at 1 April 2009 - as previously stated	78,674	66,938	6,187	11,982	163,781
Surplus for the year	0	0	0	3,068	3,068
Revaluation gains/(losses) and impairment losses property, plant and equipment	0	(887)	181	0	(706)
Increase in the donated asset reserve due to receipt of donated assets	0	0	527	0	527
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal of on donated assets	0	0	(644)	0	(644)
Transfers to the income and expenditure account in respect of disposed assets	0	(94)	0	94	0
Taxpayers' Equity at 31 March 2010	78,674	65,957	6,251	15,144	166,026
Taxpayers' Equity at 1 April 2008 as previously stated	78,674	76,973	6,164	6,228	168,039
Surplus for the year	0	0	0	5,684	5,684
Revaluation losses and impairment losses property, plant and equipment	0	(9,965)	(146)	0	(10,111)
Increase in the donated asset reserve due to receipt of donated assets	0	0	818	0	818
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal of on donated assets	0	0	(649)	0	(649)
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(70)	0	70	0
Taxpayers' Equity at 31 March 2009	78,674	66,938	6,187	11,982	163,781

Statement of Cash Flows

	Notes	2009 /10		2008/09	
		£'000		£'000	
Cash flows from operating activities					
Operating surplus			7,598		8,198
Non-cash income and expense					
Depreciation and amortisation		8,109		8,036	
Impairments		395		20	
Transfer from the donated asset reserve		(644)		(649)	
(Increase)/Decrease in Trade and Other Receivables		5,182		(8,862)	
Increase in Inventories		(668)		(121)	
Increase/(Decrease) in Trade and Other Payables		(790)		1,932	
Decrease in Provisions		(4)		(250)	
Other movements in operating cash flows		24		0	
			11,604		106
Net cash generated from operations			19,202		8,304
Cashflow from investing activities					
Interest received		332		2,240	
Purchase of intangible assets		(756)		(376)	
Purchase of Property, Plant and Equipment		(12,746)		(9,841)	
Sales of Property, Plant and Equipment		2		35	
Net cashflow from investing activities			(13,168)		(7,942)
Cashflow from financing activities					
Capital element of finance lease rental payments		1,216		(459)	
Interest paid		(10)		(9)	
Interest element of finance lease		(78)		(65)	
PDC Dividend paid		(5,088)		(4,388)	
Net cash flow used in financing activities			(3,960)		(4,921)
Net increase in cash and cash equivalents			2,074		(4,559)
Cash and cash equivalents at beginning of year			23,218		27,777
Cash and cash equivalents at end of year	19		25,292		23,218

Transition Statement to IFRS

	Public Dividend Capital	Revaluation Reserve	Donated Assets Reserve	Income and Expenditure Reserve	Total
	£'000	£'000	£'000	£'000	£'000
Taxpayers' equity at 31 March 2009 under UK GAAP:	78,674	66,938	6,187	12,487	164,286
Leases	0	0	0	30	30
Holiday pay	0	0	0	(536)	(536)
Taxpayers' equity at 1 April 2009 under IFRS:	78,674	66,938	6,187	11,981	163,780

	£'000
Net operating costs for 2008/09 under UK GAAP	210,335
Adjustments for:	
Leases	(58)
loss on disposal of P.P.E.	35
Holiday pay accrual	76
Net operating costs for 2008/09 under IFRS	210,388
Finance costs for 2008/09 under UK GAAP	9
Adjustments for:	
Finance lease interest	64
Finance costs for 2008/09 under IFRS	73

The UK GAAP 2008/09 cash flow statement included net movements in liquid resources of £16,144. This net movement is included in the bottom line cash and cash equivalents figure in the 2008/09 statement of cash flows under IFRS.

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 Annual Reporting Manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2009/10 NHS Foundation Trust Accounting Reporting Manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual to the extent that they are meaningful and appropriate to the 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 financial statements have been prepared under historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.1 Foreign Exchange

The functional and presentation currencies of the Foundation Trust is sterling.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken from outside the public sector. Activities are considered 'discontinued' if they transfer from one public body to another.

1.3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Foundation Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually revised if the revision affects only one period, or in the period of the revision and future periods, if the revision affects both current and future periods.

1.3.1 Critical judgements in applying accounting policies

There are no judgements, apart from those involving estimations that management has made in the process of applying the Foundation Trust's accounting policies that have a significant effect on the amounts recognised in the financial statements.

1.3.2 Key sources of estimation uncertainty

There are no key assumptions concerning the future at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Accounting Policies

1.4 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Finance Committee that makes strategic decisions.

1.5 Income recognition

The main source of revenue for the Foundation Trust is under contracts from commissioners in respect of healthcare services. Revenue 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.

The Foundation Trust recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Foundation Trust and the specific criteria have been met for each of the activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the activities have been resolved.

(a) Patient Related Revenue

Revenue is recognised when the service has been delivered, that is, in the period when the services were provided. At year end, a revenue estimate is recognised for patients who are in hospital and have not completed their period of treatment (incomplete spell).

(b) Education and Training

Revenue is recognised when the conditions of education and training contracts have been met.

(c) Non Patient Care Services

This is the income for the funding of education and training for specific staff groups. Income is recognised when the Foundation Trust has achieved its objectives as set out in the annual contract.

(d) Interest

Interest revenue is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

(e) Catering services

The Foundation Trust operates canteen services for employees and patients. Revenue is recognised when the Foundation Trust sells to the employees and the public. Canteen sales are usually by cash or by debit card.

(f) Rental income

The Foundation Trust owns some residential properties which are let out to members of staff and related parties. Rental income is recognised on a straight-line basis over the term of the lease. Car park fees are recognised when the public have used the Foundation Trust's facilities, usually by cash.

(g) Income from Sales of non-current assets

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Accounting Policies

1.6 Expenditure on other goods and services

Expenditure on goods and services are recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of non-current assets such as property, plant and equipment.

1.7 Intangible Assets Capitalisation

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Foundation Trusts' business or which arise from contractual or legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential provided to, the Foundation Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles and similar items are not capitalised as intangible assets

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- it is technically feasible to complete the software product so that it will be available for use;

- the Foundation Trust intends to complete software product and use it;
- there is an ability to sell or use the product;
- it can be demonstrated how the product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete development to use the software product are available;
- the expenditure can be reliably measured;
- they are capable of being used in a Foundation Trust's activities for more than one year;
- they have a cost of at least £5,000.

Software

Software which is integral to the operation of hardware e.g operating software is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g application software is capitalised as an intangible asset.

Initial measurement

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposite effects of development costs and technological advances.

Accounting Policies

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

1.8 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised when

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Foundation Trust;
- it is expected to be used for more than one financial year;
- the cost can be measured reliably
- 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 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

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g plant and equipment,

these components are treated as separate assets and depreciated over their own useful economic lives.

Initial measurement

Non-Current 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 Property, Plant and Equipment 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 Statement of Comprehensive Income in the year to which they relate.

Subsequent measurement

All land and buildings are revalued using professional valuations in accordance with IAS16 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 full asset valuations (excluding Assets Under Construction) were undertaken as at 31 March 2010 and were included in the closing Statement of Financial Position.

The valuations are carried out primarily on the basis of Modern Equivalent for specialised operational property and Existing Use Value for non-specialised

Accounting Policies

operational property. The value of land for existing use purposes is assessed at Market Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Note: Depreciated Replacement Cost was the valuation method for specialised buildings for financial years up to 2008/09.

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income.

Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Items 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.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added

to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

Depreciation, Amortisation and Impairments

Land is considered to have an infinite life and is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives as follows

Medical Equipment	5 - 10 Years
IT Equipment / Software	3 - 5 Years
Radiology Equipment	5 - 7 Years
Furniture / Fittings	10 Years
Vehicles	7 Years
Set-up Costs	10 Years
Buildings and Dwellings	10 - 90 Years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date.

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Operating Expenses' on the Statement of Comprehensive Income.

Accounting Policies

When revalued assets are sold, the amounts included in other reserves are transferred to the Retained Earnings Reserve.

1.9 Donated assets

Donated assets are capitalised at their current value on receipt and this value is credited to the Donated Asset Reserve. Donated assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluation is 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 Statement of Comprehensive Income. Similarly, any impairment on donated assets charged to the Statement of Comprehensive Income 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.

1.10 Government Grants

Government grants are grants from Government bodies other than income from Primary Care Trusts or NHS Trusts for the provision of services. Grants from the Department of Health, including those for achieving three star status, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to operating income over the life of the asset in a manner consistent with the depreciation charge for that asset.

1.11 Inventories

Inventories are 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 are adjusted and the loss charged to the Statement of Comprehensive Income.

1.12 Cash and cash equivalents

Cash is cash in hand and deposits with financial institutions repayable without penalty or notice of no more than 24 hours. Cash equivalents are investments that mature in 3 months or less and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.13 Provisions

The Foundation Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position 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

Accounting Policies

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 24.

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 and, 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 Contingencies

Contingent assets (that is assets, arising from past events whose existence will only be confirmed by one or more future events not wholly within the Foundation Trust's control) are not recognised as assets. Contingent liabilities are not recognised but will be disclosed by note. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the Foundation Trust's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits

will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15 Expenditure on Employee Benefits

Short term employee benefits

Salaries, wages and employee related payments are recognised in the period in which the service was received from the employees. The cost of annual entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward annual leave in the following period.

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 IAS 19. 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

Accounting Policies

to the Statement of Comprehensive Income 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 published valuation relates to the period 1 April 1994 to 31 March 1999.

The valuation as at 31 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 1 April 1994 to 31 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 (31 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.

1.16 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.

1.17 Financial Instruments and Financial Liabilities

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.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement

Financial assets are categorised as 'Loans and receivables'.

Accounting Policies

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 : financial assets, cash and cash equivalents, NHS receivables, accrued income and other receivables.

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, 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 Statement of Comprehensive Income.

Other Financial Liabilities

All other 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 Statement of Financial Position date, which are classified as Non-Current Liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to the Statement of Comprehensive Income

Impairment of financial assets

At the Statement of Financial Position date, the Foundation Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are 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 statement of comprehensive income account and the carrying amount of the asset is reduced directly.

1.18 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

Accounting Policies

cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.19 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 2011.

1.20 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Foundation Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit rate is that which produces a constant rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease and are de-recognised when the liability is discharged, cancelled or expires. The annual rent is split between the repayment of the liability and the finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance costs in the Statement of Comprehensive Income.

Operating leases

Other leases are regarded as operating lease and the rentals are charged to operating expenses on a straight-line basis over the term of the lease.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease.

1.21 Public Dividend Capital and PDC Dividend

Public dividend capital is a type of public sector equity finance based on the excess of assets over liabilities for the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

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 during the financial year. 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 / Government Banking Service accounts. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets (excluding prospective revaluations).

Accounting Policies

1.22 Third party assets

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. However, they are disclosed at note 19.

1.23 Financial Reporting Standards to be adopted 2010/11

The following accounting standards have been issued by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted.

IAS27 Consolidated and separate financial statements

IAS39 Financial Instruments: Recognition and Measurement

IFRS 3 Business Combinations

IASB Improvements to IFRS (IFRS 5 amendment)

Notes - Income

2 Operating segments

The Foundation Trust has determined the operating segments based on the reports reviewed by the Finance Committee that are used to make strategic decisions. The Finance Committee considers the Trust's business from a services perspective as "Healthcare" and only one segment will be reported.

The segment information provided to the Finance Committee for the reportable segments for the year ended 31 March 2010 is as follows:

	Healthcare 2009/10	Healthcare 2008/09
	£'000	£'000
Segment revenue	230,964	218,586
Revenue from external customers	230,964	218,586

It is appropriate to aggregate these as, in accordance with IFRS 8: Operating Segments, they are similar in each of the following respects:

- the nature of the products and services;
- the nature of the production processes;
- the type of class of customer for their products and services;
- the methods used to distribute their products or provide their services; and
- the nature of the regulatory environment.

3 Income generation activities

The trust does not undertake any other income generation activities with an aim of achieving profit.

4 Income from Patient Related Activities

	2009/10	2008/09
	£'000	£'000
Foundation Trusts	131	694
Strategic Health Authorities	0	5
Primary Care Trusts	208,261	185,763
Department of Health - grants	124	0
Department of Health - other	0	11,843
NHS Other	0	190
Non NHS:		
- Private Patients	379	141
- Overseas patients (non-reciprocal)	0	27
- NHS Injury scheme income *	412	359
- Other	71	78
	209,378	199,100

* NHS ISI - net of 7.8% doubtful debt provision

Notes - Income

4.1 Private Patient Cap

	2009/10	2008/09	2002/03 Base Year
	£'000	£'000	£'000
Private Patient Income	379	141	835
Total Patient Related Income	209,378	199,100	113,709
Proportion - Cap			0.7%
- Actual	0.18%	0.07%	

Section 44 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.

5 Other Operating Income

	2009/10	2008/09
	£'000	£'000
Research and development	1,322	663
Education and training	5,041	5,538
Transfers from the donated asset reserve in respect of depreciation, impairment and disposal of donated assets	644	649
Non-patient care services to other bodies	7,511	5,902
Other *	7,068	6,734
	21,586	19,486

* Includes:

Includes Residence £ 595,000 (2008/09 £ 500,000)

Catering Services £ 782,000 (2008/09 £ 734,000)

Inter NHS drug sales £ 2,895,000 (2008/09 £ 2,497,000)

6 Mandatory and Non-Mandatory Income from Activities

	2009/10	2008/09
	£'000	£'000
Mandatory	214,419	204,638
Non-Mandatory	16,545	13,948
	230,964	218,586

Notes - Operating Expenses

7 Operating Expenses Comprise

	2009/10	2008/09
	£'000	£'000
Services from NHS Foundation Trusts	2,957	2,650
Services from NHS Trusts	782	769
Services from other NHS Bodies	2,136	1,709
Purchase of healthcare from non NHS bodies	71	252
Employee Expenses - Executive directors	1,121	1,095
Employee Expenses - Non-executive directors	167	165
Employee Expenses - Staff	139,633	129,372
Drug costs	20,568	18,251
Supplies and services - clinical (excluding drug costs)	28,620	28,166
Supplies and services - general	2,326	2,851
Establishment	2,944	3,085
Research and development	376	0
Transport	759	562
Premises	8,849	8,993
Increase / (decrease) in bad debt provision	(424)	460
Depreciation on property, plant and equipment	7,703	7,729
Amortisation on intangible assets	406	307
Impairments of property, plant and equipment	395	20
Audit fees		
audit services- statutory audit	49	48
audit services -regulatory reporting	5	3
further assurance services	88	72
Clinical negligence premium	1,517	766
Loss on disposal of land and buildings	13	0
Loss on disposal of other property, plant and equipment	11	35
Legal fees	121	85
Consultancy costs	1,057	1,175
Other services, eg external payroll	260	877
Losses, ex gratia & special payments	169	31
Other	687	860
Total	223,366	210,388

Notes - Operating Expenses

8 Operating Leases, as lessee

The Foundation Trust leases some medical equipment and vehicles under non cancellable operating leases. The leases are between 3-5 years. None of the leases include contingent rents or onerous restrictions on the Foundation Trust's use of the assets concerned. The expenditure charged to the Statement of Comprehensive Income during the year is disclosed below:

	2009/10	2008/09
	£'000	£'000
Operating leases include:		
Equipment	120	310
Vehicles	11	12
Total	131	322
The future aggregate minimum lease payments under non-cancellable operating leases are as follow:		
No later than one year	126	140
Between 1 and 5 years	207	324
Total	333	464

8.1 Operating Leases, as lessee

The Foundation Trust owns some properties from which rental income is derived. These are properties are leased out to members of staff and the contracts are normally between one and six months. The Foundation Trust also leases some office spaces to some contractors and service providers at the hospital sites. None of the leases include contingent rents and there are no onerous restrictions. The income recognised through the Statement of Comprehensive Income during the year is disclosed as:

	2009/10	2008/09
	£'000	£'000
Operating leases include:		
Accommodation	595	500
Office space	60	12
Land	30	30
Total	685	542
The future aggregate minimum lease payments under non-cancellable operating leases are as follow:		
No later than one year	590	586
Between 1 and 5 years	328	328
After five years	373	455
Total	1,291	1,369

Notes - Staff / Disposals

9 Staff Costs and Numbers

9.1 Staff Costs

	2009/10	2008/09
	£'000	£'000
Salaries and wages	116,367	108,601
Social security costs	9,124	8,100
Pension costs - defined contribution plans Employers contributions to NHS Pensions	12,828	11,984
Agency/contract staff	2,435	1,782
Total	140,754	130,467

9.2 Average number of persons employed

	2009/10	2008/09
	Number	Number
Medical and dental	368	350
Administration and estates	1,108	1,090
Healthcare assistants and other support staff	678	661
Nursing, midwifery and health visiting staff	1,136	1,133
Nursing, midwifery and health visiting learners	0	1
Scientific, therapeutic and technical staff	382	374
Bank and agency staff	154	174
Total	3,826	3,783

10 Retirements due to ill-health

There were 4 (2008/09, 8) 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 £168,663 (2008/09 £315,364). The cost of these ill-health retirements will be borne by the NHS Pensions Agency.

11 The Late Payment of Commercial debts (Interest) Act 1998

There were no payments of interest for commercial debts.

Notes - Investment / Finance Costs

12 Investment revenue

	2009/10	2008/09
	£'000	£'000
Bank accounts	325	1,947
	325	1,947

13 Finance costs

	2009/10	2008/09
	£'000	£'000
Finance leases	78	64
	78	64

Fixed Intangible assets, Property, Plant and equipment

14 Intangible asset, Property, Plant and Equipment

	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				
Gross cost at 1 April 2009 as previously stated	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000	£' 000
Additions - purchased	2,924	31,322	97,761	3,795	1,324	30,488	166	1,624	425	169,829			
Additions - donated	756	0	8,570	0	1,515	2,635	0	282	213	13,971			
Impairments charged to revaluation reserve	17	0	32	0	0	478	0	0	0	527			
Reclassifications	0	(2,223)	(7,274)	0	0	0	0	0	0	(9,497)			
Revaluation surpluses	287	0	824	0	(1,121)	(1,008)	0	1,018	0	0			
Disposals	0	0	0	155	0	30	0	0	0	185			
Cost or valuation at 31 March 2010	3,984	29,099	99,897	3,950	1,718	31,409	139	2,924	638	173,758			
Accumulated depreciation at 1 April 2009 as previously stated	2,343	0	4,130	118	0	20,278	119	1,343	178	28,509			
Provided during the year	406	0	3,904	118	0	3,258	7	377	38	8,108			
Impairments recognised in the income and expenditure account	0	0	395	0	0	0	0	0	0	395			
Reversal of impairments recognised in the income and expenditure account	0	0	(8,398)	0	0	0	0	0	0	(8,398)			
Reclassifications	0	0	0	0	0	(441)	0	441	0	0			
Revaluation surpluses	0	0	0	(236)	0	29	0	0	(1)	(208)			
Disposals	0	0	(3)	0	0	(1,201)	(27)	0	0	(1,231)			
Accumulated depreciation at 31 March 2010	2,749	0	28	0	0	21,923	99	2,161	215	27,175			
Net book value													
NBV - Purchased at 1 April 2009 (restated)	581	31,322	88,947	3,677	1,324	7,889	45	281	234	134,300			
NBV - Finance lease at 1 April 2009		0	0	0	0	833	0	0	0	833			
NBV - Donated at 1 April 2009 (restated)	0	0	4,684	0	0	1,488	2	0	13	6,187			
NBV total at 1 April 2009 as restated	581	31,322	93,631	3,677	1,324	10,210	47	281	247	141,320			
NBV - Owned at 31 March 2010	1,220	29,099	95,163	3,950	1,718	6,136	39	447	410	138,182			
NBV - Finance lease at 31 March 2010		0	0	0	0	1,834	0	316	0	2,150			
NBV - Donated at 31 March 2010	15	0	4,706	0	0	1,516	1	0	13	6,251			
NBV total at 31 March 2010	1,235	29,099	99,869	3,950	1,718	9,486	40	763	423	146,583			

Plant and equipment include the following amounts where the Foundation Trust is lessee under finance leases.

	2009/10	2008/09
	£' 000	£' 000
Cost	4,276	2,389
Accumulated depreciation	(2,127)	(1,506)
Net book value	2,149	883

The Foundation Trust leases various medical equipment / IT under non cancellable finance lease agreements. The lease terms are between five and seven years.

Notes - Current Assets

15 Impairment of property, plant and equipment

	2009/10	2008/09
	£'000	£'000
Changes in market price	395	20
Total	395	20

16 Capital Commitments

Commitments under capital expenditure contracts at the Statement of Financial Position date were:

	31/03/10	31/03/09
	£'000	£'000
Property plant and equipment- committed	1,171	6,070
Intangible assets-authorized	51	0
Total	1,222	6,070

17 Inventories

	31/03/10	31/03/09	01/04/08
	£'000	£'000	£'000
Finished goods and consumables	3,748	3,080	2,959
Total	3,748	3,080	2,959

17.1 Inventories recognised in expenses

	2009/10	2008/09
	£'000	£'000
Inventories recognised as an expense in the period	25,863	23,875
Write-down of inventories (including losses)	128	139
Total	25,991	24,014

18 Trade and other receivables

18.1 Amounts falling due within one year:

	31/03/10	31/03/09	01/04/08
	£'000	£'000	£'000
NHS Receivables	6,799	13,883	5,496
Provision for impaired receivables	(374)	(798)	(628)
Prepayments	898	996	419
Accrued income	1,064	986	427
PDC dividend receivable	322	0	0
Other receivables	3,513	2,022	2,806
Total	12,222	17,089	8,520

Notes - Current Assets

18.2 Age analysis of NHS and Other Debtors

	2009/10	2008/09
	£'000	£'000
Age of impaired receivables		
Up to three months	319	2,249
between three to six months	181	34
Over six months	94	127
Sub Total	594	2,410
Age of non-impaired receivables		
Up to three months	9,126	12,722
between three to six months	251	709
Over six months	341	64
Sub Total	9,718	13,495
Total	10,312	15,905

18.3 Provision for impairment of receivables

	2009/10	2008/09
	£'000	£'000
At 1 April	798	338
Increase/(decrease) in provision	(424)	460
At 31 March	374	798

Notes - Cash / Current Liabilities

19 Cash and cash equivalents

	2009/10	2008/09
	£'000	£'000
Balance 1 April	23,218	27,777
Net Change	2,074	(4,559)
Balance at 31 March	25,292	23,218
Made up of		
Cash at commercial banks and in hand	435	3,040
Cash with the Government Banking Service	24,857	20,178
Cash and cash equivalents as in SoFP	25,292	23,218

The patient monies amount held on trust was £ 351 (2008/09 £ 2,153) which is not included in the above figures.

20 Trade and other payables

	31/03/10	31/03/09	01/04/08
	£'000	£'000	£'000
Amounts falling due within one year:			
NHS payables	2,442	2,097	1,080
Trade payables - capital	862	393	475
Other payables*	8,295	10,763	8,688
Accruals	7,469	6,001	7,029
Total	19,068	19,254	17,272
Amounts falling due over one year:			
Other payables	60	193	326
Total	19,128	19,447	17,598

* This includes outstanding pensions contributions at 31 March 2010 of £1,579,377 (2008/09 £1,475,979).

Notes - Finance Leases

21 Borrowings

	31/03/10	31/03/09	01/04/08
	£'000	£'000	£'000
Finance lease liabilities	549	442	436
Total	549	442	436
Non-Current liabilities	1,520	411	771
Total	1,520	411	771

22 Finance lease obligations

The Foundation Trust operates as lessee on a number of medical equipment leases. These leases generally run for between 5 - 7 years with options to extend the terms at the expiry of the initial period. None of the leases include contingent rents or onerous restrictions on the Foundation Trust's use of assets concerned.

Amounts payable under finance leases

	Minimum lease payments		Present value	
	31/03/10	31/03/09	31/03/10	31/03/09
	£' 000	£' 000	£' 000	£' 000
Within one year	612	481	542	386
Between one and five years	1,336	417	1,182	340
After five years	301	14	249	12
Less future finance charges	(180)	(59)	96	115
Total	2,069	853	2,069	853

Notes - Prudential Borrowing Limit

23 Prudential Borrowing Limit

	2009/10		2008/09	
	£' 000		£' 000	
	Limit	Utilised	Limit	Utilised
Total Long Term Borrowing limit	44,900	2,069	45,300	853
Working Capital Facility	9,000	0	9,000	0
Prudential borrowing limit set by Monitor	53,900	2,069	54,300	853
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

24 Provisions for Liabilities and Charges

			31/03/10	31/03/09	01/04/08
	£' 000	£' 000	£' 000	£' 000	£' 000
		*			
	Early Retirement	Legal claims	Total	Total	Total
At 1 April	168	458	626	876	960
Arising during the year	15	92	107	140	455
Utilised during the year	(17)	(83)	(100)	(147)	(104)
Reversed unused	0	(22)	(22)	(252)	(444)
Unwinding of discount	4	7	11	9	9
At 31 March	170	452	622	626	876
Expected timing of cashflows:					
Within one year	17	144	161	176	485
Between one and five years	68	48	116	124	115
After five years	85	260	345	326	276
	170	452	622	626	876

* 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 was created as at 31/03/04 and is calculated using the award value and life tables discounted over the period.

Note £6,077,451 is included in the provisions of the NHS Litigation Authority at 31/03/2010 (£6,558,672 at 31/03/2009) in respect of clinical negligence liabilities of the Foundation Trust.

Notes - Related Party Transactions

25 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	£ 000	£ 000	£ 000
	Income	Expenditure	Debtors	Creditors
Bournemouth and Poole Primary Care Trust	112,598	290	992	74
Dorset Primary Care Trust	63,208	111	3,250	113
Hampshire Primary Care Trust	24,917	-	29	346
The NHS Pensions Agency	-	13	-	-
NHS Logistics Authority	-	3,349	-	314
Poole Hospital NHS Foundation Trust	4,622	3,585	1,757	1,128
NHS Blood and Transplant Agency	4	1,949	2	13
Wiltshire Primary Care Trust	2,234	-	40	-
The NHS Litigation Authority	-	1,645	-	-
Portsmouth Hospitals NHS Trust	2	552	2	28
	207,585	11,494	6,072	2,016

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.

Macmillan Caring Locally (formerly The Macmillan Cancer Trust)

Mr B Ford who is Treasurer of Macmillan Caring Locally is also a member of the Board of Directors of the Foundation Trust.

26 Post Statement of Financial Position Events

There are no post Statement of Financial Position events to report in these accounts.

Notes - Financial Instruments

27 Financial Risk Management

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 Foundation Trust has no other loans to repay, (other than the capitalised finance lease obligations which have fixed interest rates) therefore any interest rate fluctuations will only affect our ability to earn additional interest on our short term investments.

The trust earned interest of £ 325,425 during 2009/10, therefore if the interest rate should change by 0.5%, then this would affect the amount earned by approximately £ 110,000.

Currency Risk

The Foundation Trust has minimal risk of currency fluctuations. Most transactions are in sterling, although there are some purchases of goods from Ireland where prices are based on the Euro, all payments are made in sterling.

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 is 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 savings within the Foundation Trust), 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 selective older debts.

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

Provision for doubtful debts

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

We also review any significant NHS receivables 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 Retained Earnings reserve.

We have a cash and investment balance of £ 25.2m and an authorised borrowing limit of £ 53.9m

Therefore we are at minimal risk to our payables.

Notes - Financial Assets/Liabilities

28 Financial Instruments

28.1 Financial Assets

	2009/10		2008/09	
	£' 000		£' 000	
	Loans and receivables	Total	Loans and receivables	Total
Asset as per the balance sheet				
NHS receivables (net of doubtful debt provision)	6,799	6,799	13,883	13883
Provision for irrecoverable debts	(374)	(374)	(798)	(798)
Accrued income	991	991	986	986
Other receivables	2,773	2,773	2,022	2022
Cash and cash equivalents	25,292	25,292	23,218	23218
Total	35,481	35,481	39,311	39,311
Assets held in £ sterling	35,481		39,311	

The above amount excludes statutory receivables and prepayments of £ 2,033,000.

28.2 Financial Liabilities

	2009/10		2008/09	
	£' 000		£' 000	
	Other financial liabilities	Total	Other financial liabilities	Total
Liabilities as per the balance sheet				
NHS payables	2,442	2,442	2,097	2097
Other payables	5,469	5,469	10,763	10763
Capital payables	862	862	393	393
Accruals	6,358	6,358	6,001	6001
Finance lease obligations	2,069	2,069	853	853
Provisions	622	622	626	626
Total	17,822	17,822	20,733	20733
Liabilities held in £ sterling	17,822		20,733	

The above figure excludes statutory / non contracted payables of £ 3,937,000.

28.3 Financial Assets / Liabilities - Fair Values

	2009/10	
	Book Value	Fair Value
Financial Liabilities		
Provisions under contract (Early Retirement)	170	170
Total	170	170

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

Notes - Government/Losses

29 Intra-Government and Other Balances

	2009/10	
	Receivables: amounts falling due within one year	Payables: amounts falling due within one year
	£' 000	£' 000
English NHS Foundation Trusts	2,049	1,163
English NHS Trusts	28	89
Department of Health	15	0
English Strategic Health Authorities	40	0
English Primary Care Trusts	4,656	702
RAB Special Health Authorities	8	2
NHS Whole of Government Accounts bodies	2	327
At 31 March 2010	6,798	2,283

	2008/09	
	£' 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 Whole of Government Accounts bodies	24	643
Other Whole of Government Accounts bodies	410	3,909
At 31 March 2009	14,337	5,869

30 Losses and Special Payments

There were 99 cases of losses and special payments totalling £94,000 approved during 2009/10 (£150,000 2008/09 127 cases).

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

Notes - Directors Remuneration

Directors Remuneration for the year ended 31st March, 2010							
Name	Note	2009/10			2008/09		
		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		171 - 175	0	0	166 - 170	0	0
Mr S Hunter		116 - 120	0	0	116 - 120	0	0
Mrs K Allman		101 - 105	0	0	96 - 100	0	0
Miss B Atkinson		96 - 100	0	0	96 - 100	0	0
Mrs H Lingham		116 - 120	0	0	106 - 110	0	0
Mr R Renaut		96 - 100	0	0	101 - 105	0	0
Mr S Parvin	1	21 - 25	86 - 90	0	41 - 45	136 - 140	0
Mrs M Armitage	4	11 - 15	61 - 65	0	-	-	-
Mrs S Collins	7	51 - 55	0	0	51 - 55	0	0
Mr B Ford		16 - 20	0	0	16 - 20	0	0
Mrs L Dedden	6	6 - 10	0	0	11 - 15	0	0
Mr K Tullett		11 - 15	0	0	11 - 15	0	0
Mrs F Outram	5	6 - 10	0	0	16 - 20	0	0
Mr I Metcalfe		16 - 20	0	0	16 - 20	0	0
Mrs A Pike		16 - 20	0	0	11 - 15	0	0
Mr S Peacock	2	6 - 10	0	0	-	-	-
Mr D Bennett	3	6 - 10	0	0	-	-	-

For positions held as at 31st March 2010, please see the Foundation Trust Introduction.

- Note 1** - Ceased role of Medical Director on 31st October 2009. The "other remuneration" relates to separate duties as a medical consultant, disclosed up to 31st October 2009.
- Note 2** - Joined 1st October 2009.
- Note 3** - Joined 1st October 2009.
- Note 4** - Joined 1st November 2009 as Medical Director. The "other remuneration" relates to separate duties as a medical consultant, disclosed from 1st November 2009.
- Note 5** - Left 30th September 2009.
- Note 6** - Left 30th September 2009.
- Note 7** - Left 31st March 2010.

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 who are appointed on "permanent" contracts are required to give/receive three months' notice.

Notes - Directors Pensions

Name	Real Increase in Pension and Related Lump Sum at age 60	Total accrued Pension and Related Lump Sum at age 60 at 31 March 2010	Cash Equivalent Transfer Value at 31st March 2010	Cash Equivalent Transfer Value at 31 March 2009 (Inflated)	Real Increase in Cash Equivalent Transfer Value	Employer Funded contribution to growth in CETV for the year
	(Bands of £2500) £' 000	(Bands of £5,000) £' 000	£' 000	£' 000	£' 000	£' 000
Mr A Spotswood	7.5 - 10	231 - 235	1,082	988	93	65
Mr S Hunter	5 - 7.5	161 - 165	756	668	88	61
Mrs K Allman	5 - 7.5	31 - 35	149	119	30	21
Mrs B Atkinson	2.5 - 5	151 - 155	904	833	71	49
Mr S Parvin	7.5 - 10	251 - 255	1,576	1,424	89	63
Mrs M Armitage	2.5 - 5	231 - 235	1,232	1,108	51	36
Mrs H Lingham	5 - 7.5	106 - 110	497	443	54	38
Mr R Renault	2.5 - 5	56 - 60	177	155	22	15

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.

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

The Royal Bournemouth Hospital

Castle Lane East
Bournemouth
BH7 7DW

Christchurch Hospital

Fairmile Road
Christchurch
BH23 2JX

Further copies of this Report can be found on line
at **www.rbch.nhs.uk**

If you would like a copy of the Annual Report and Accounts
in a different format please contact the Communications Department
on **01202 704271**.