Putting patients first

The Royal Bournemouth and Christchurch Hospitals
NHS Foundation Trust

Annual Report and Accounts 2012/13

Second best hospital/Trust in England for quality

- based on what matters most to people - Quality Index

The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust

Annual Report and Accounts 2012/13

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) of the National Health Service Act 2006.

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1. Foreword from the Chairman

Safety, listening to patients and our staff and improving the patient experience have always been a focus for the Trust's Board of Directors, and have gained greater prominence throughout the year following the publication of the Francis Report.

While we are never complacent, I hope that when reading our Annual Report you are reassured about our continued excellent performance, as demonstrated by examples of providing first class care for our patients and the level of ward to Board reporting within the organisation. In March 2013 the Trust narrowly missed out on the top spot and was rated second out of around 150 trusts in the first ever overall assessment of NHS hospital quality in England by MHP Health Mandate, based on what matters most to people. This included risk of infection, rate of complaints and patient outcomes.

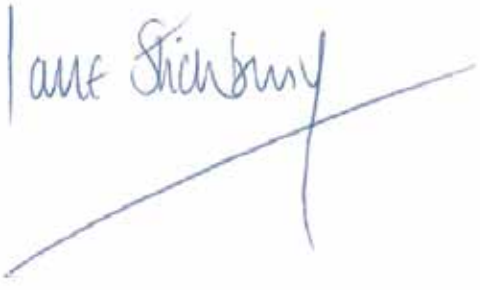
A highlight during the year was the approval of our development plans for Christchurch Hospital. We received a tremendous amount of support from local residents, staff, governors and the public which showed great community spirit. We thank you for supporting our plans which will ensure that Christchurch Hospital remains a focal point for the local community and health services are maintained and developed. You can find out more on page 15 of this report.

You will also read about the continual improvements to the quality of services and care we provide for patients. For example, we now provide a 24/7 Primary Percutaneous Coronary Intervention (PPCI) service at the Royal Bournemouth Hospital where patients are admitted directly to the Dorset Heart Centre for life saving stenting.

Our staff have been recognised both locally and nationally for their commitment to improving patient care and their 'can do' attitude. Supporting our staff are over 800 volunteers who also give their time to our hospitals, and without whom we would not be able to provide the standard of services that we do. Our Council of Governors, who are also volunteers, continue to provide challenge and support to both the Board of Directors and staff within our hospitals, all working for the same end goal to improve the patient experience. You can read more about the impact they have had from page 114.

I am personally very proud that we continue to make improvements despite the challenges we are faced with. When we received an unannounced inspection during one of our busiest periods, the Care Quality Commission inspectors found us to be compliant in all areas, providing external reassurance to the Board, the Council of Governors, staff and patients.

The next 12 months will provide similar challenge as we progress with our plan to merge with Poole Hospital NHS Foundation Trust, while maintaining the focus on running our hospitals effectively and providing high quality care for all.



Jane Stichbury
Chairman

2. Foreword from the Chief Executive

Each year I pay tribute to our staff who continue to go above and beyond, providing the best for patients despite continued pressures and challenges. The contribution of our staff this year is even more significant and outstanding given the emergency pressures we have seen since the summer of 2012. I am very proud of the dedication and commitment both staff and volunteers have shown to patients and the NHS and thank them. Local people have many reasons to be proud of their health services.

Despite the challenges, we have seen some excellent examples of people pulling together. Local GPs have been working on our wards with hospital staff supporting patient discharges, as well as in the Emergency Department to see those patients who do not need to be seen by the emergency team. This has really shown how doing things differently together really can make the experience better for patients.

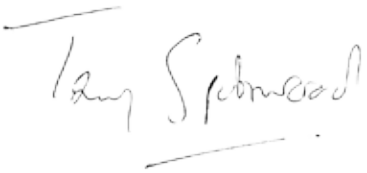
We have continued to see excellent performance in a number of areas:

- extremely low levels of infection and no outbreaks of Norovirus
- meeting all cancer waiting times

We have invested in front line services with additional nurses employed so that all of our wards now meet the most recent Royal College of Nursing guidance. We have refurbished the Emergency Department, installed an additional MRI scanner and opened a new Endoscopy Unit for the cleaning of scopes. Our continued investment in patient care is only possible because of the efforts by staff to delivery our efficiency plans which ensure we make a surplus each year that can be reinvested.

Progress with the plan to merge with Poole Hospital NHS Foundation Trust has continued throughout the year with the Board's firm belief that this is the right thing to do to protect local services and ensure continued quality of care for our patients. As the first two foundation trusts proposing to merge we are paving the way for others. The challenges facing the NHS mean that even more organisations will in the future need to explore potential collaborations to remain sustainable.

Over the next few pages you will read about the many areas where we are continually striving to deliver the best quality care for our patients. I hope by reading this Annual Report you are proud of our achievements, as we are, and reassured that your local services provide quality, patient-centred care that we are continuously striving to improve.



Tony Spotswood
Chief Executive

3. Directors' Report

3.1 About the Trust

The Trust gained Foundation status on 1 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 (RBCH), which are located about three miles apart on the south coast, and a Sterile Supply Department in Poole.

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 Dorset and West Hampshire clinical commissioning groups.

RBCH provides a wide range of hospital services from its two main sites as well as community settings in the Dorset, New Forest and south Wiltshire areas to a total population of around 550,000 which rises during the summer months.

On the key measures by which healthcare providers are judged, the Trust has traditionally performed very strongly.

These include being externally rated as having:

- excellent waiting times
- excellent infection control
- excellent management of resources

This excellent performance was recognised when, in 2009, the Trust was named HSJ Acute Organisation of the Year and, in 2010, CHKS Safest Hospital in the UK.

More recently, the Trust was rated second out of around 150 trusts in the first ever overall assessment of NHS hospital quality in England by MHP Health Mandate. It was based on a range of measures of what mattered most to people, including levels of infection, rates of complaints and patient outcomes.

In November 2011, the Board of Directors made the decision to progress with a plan to merge with Poole Hospital NHS Foundation Trust. Both trusts continue to work through the merger process but remain independent organisations until merger is approved and the proposed new trust is licensed.

The Royal Bournemouth Hospital

The Royal Bournemouth Hospital

The Royal Bournemouth Hospital (RBH) is an acute hospital 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 (eye) Unit is located on site as well as a state-of-the-art Cardiology Unit (the Dorset Heart Centre) and the award - winning orthopaedic service providing hip and knee replacements (the Derwent Unit). RBH also provides 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 Day Hospital. Most patients are however 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, plastic surgery, ophthalmology, podiatry and medicine for the elderly. Dermatology and rheumatology outpatient services are also provided at Christchurch Hospital together with phlebotomy (blood taking) services, diagnostic services and palliative care (the Macmillan Unit).

Vision and goals

The Trust's vision is "putting patients first while striving to deliver the best quality healthcare".

To achieve this, the Trust has focused on making progress against seven strategic goals, identified as critical to making the vision real. These 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
- to be the provider of choice for local patients and GPs
- to listen to, support, motivate and develop our staff

Christchurch Hospital

- 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.

3.2 How the Trust is run

The Foundation Trust is accountable to Monitor, the regulator, which ensures the governance and performance of the organisation is sufficient and in line with its terms of authorisation (recently replaced by a licence). The Trust is also accountable to local people through its governors and members. In addition, there are a large range of inspection and regulatory bodies, including the Care Quality Commission (CQC), to which the Trust is also accountable.

The Council of Governors, which represents around 12,000 members, is made up of public, staff and appointed governors. It ensures members' views are heard, and are fed back to the Trust's Board of Directors, and that members 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 114.

The Trust is run by a Board of Directors, which is made up of full-time executive and part-time non-executive directors. Together, they are responsible for the day-to-day running of the Trust. Much of this work is done by the executive directors who work closely with the clinical leaders and managers throughout the Trust. The Board also works closely with the Council of Governors. The Board formally 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 together with its quality and performance targets.

There are also a number of key health partners that work closely with the Trust in developing and delivering services, such as local primary care trusts (now replaced by clinical commissioning groups), community healthcare providers and social services.

Board of Directors

During 2012/13, the Trust's Board of Directors was made up of the following members:

Jane Stichbury, Chairman

Jane has a long career in public service with 32 years spent in policing. She held a number of high profile positions including Deputy Assistant Commissioner of the Metropolitan Police and Chief Constable of Dorset. Jane spent five years as Her Majesty's Inspector of Constabulary for the south of England before her appointment as Chairman at the Foundation Trust from 1 April, 2010.

Alex Pike, Non-Executive Director

Alex is Global Brand Vice President for Unilever and former Marketing Director of Fitness First. Alex joined the Trust as a Non-Executive Director in June 2006 and has a wide range of experience in marketing and communication. She was appointed Senior Independent Director in 2009 and Chairs the Patient Experience and Communications Committee.

Ken Tullett, Non-Executive Director

Ken has 14 years of experience as Non-Executive Director of the Trust, having been appointed as a Non-Executive of the predecessor NHS trust in September 1998. 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. Ken has experience at a senior level within industry in the UK and overseas and is familiar with commercial practices and marketing. Ken is the Chairman of the Charitable Funds Committee.

Brian Ford, Non-Executive Director

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

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 Trust's Board of Directors as a Non-Executive Director in October 2009 and sits on the Audit, Finance and Patient Experience and Communications Committees.

Steven Peacock, Non-Executive Director

Steven was appointed Non-Executive Director in October 2009. He is a Chartered Accountant and has worked in retail and fast moving consumer goods for the last 16 years - most recently as Director of Corporate Finance for the Estee Lauder Companies. Steven has a wide range of financial and commercial experience. Steven is Chairman of the Audit Committee.

Pankaj Davé, Non-Executive Director (until 31 March 2013)

Pankaj is a qualified accountant with significant business experience gained with blue chip companies. He has worked internationally in Chief Financial Officer and Strategy Director roles with BP plc, he has also been responsible for leading operational and technical delivery teams at a UK oil field. Pankaj joined the Trust in February 2011 and was Chairman of the Healthcare Assurance Committee and a member of the Finance and Audit Committees until he left on 31 March 2013. He is also a Board Trustee for Kidney Research UK.

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.

Helen Lingham, Chief Operating Officer

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 the development of clinical services across the acute hospital. Her background is in radiography prior to moving into NHS management in 2003. Helen was appointed Deputy Chief Executive in 2010.

Richard Renaut, Director of Service Development

Richard joined the NHS 16 years ago through the NHS management training scheme. He has worked in both primary care 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 Human Resources 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.

Stuart Hunter, Director of Finance

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.

Dr 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.

Paula Shobbrook, Director of Nursing and Midwifery

Paula joined as Director of Nursing and Midwifery in September 2011. Previously Director of Nursing at Winchester Hospital where she worked for 10 years, Paula's NHS career includes working as a ward sister in acute medicine, cardiac and respiratory specialties. She also spent some time working in primary care before moving back in to a hospital setting.

Following Pankaj Davé's resignation as a Non-Executive Director on 31 March 2013, the Foundation Trust made an interim appointment to the role of Non-Executive Director at the beginning of May with a view to making a permanent appointment later in the financial year 2013/14. Ian Metcalfe, who was previously a Non-Exective Director, was appointed to this role by the Council of Governors.The timing of the recruitment to this role on a permanent basis has been delayed with a view to allow time to gain greater certainty around the timing of the proposed merger.

In the case of the persons who are directors at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Trust's auditors are unaware
- each of the directors has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

3.3 A look back on the year

Hospital index based on public priorities ranks RBCH second on quality

In March 2013 the Foundation Trust narrowly missed out on the top spot and was rated second out of around 150 trusts in the first ever overall assessment of NHS hospital quality in England, based on what matters most to people.

The Quality Index was published by MHP Health Mandate as part of *Quality at a glance: Using aggregate measures to assess the quality of NHS hospitals*. In November 2012, the Secretary of State for Health, Jeremy Hunt, signalled his wish to develop a series of 'OFSTED-style' ratings for hospitals. The independent report, reported in *The Times*, suggested how this could be done.

The report found that patient experience and waiting times mattered most to the public. It identified the following 10 factors which were considered to have an impact on a person's choice of services, and rated trusts based on comprehensive data that was available:

1. Risk of getting an infection from the hospital.
2. The rate of recent (written) patient complaints about the hospital.
3. The chance of your operation being cancelled at short notice.
4. The number of patients who said they got better after being treated in hospital.
5. The number of patients who said they had a good experience of care.
6. Whether you would have to share a sleeping area or bathroom with someone of the opposite sex.
7. How long you would have to wait for an operation.
8. The risk you would be harmed during treatment.
9. If you were involved in decisions about your care.
10. The number of staff at the hospital who would recommend it to family and friends.

Richard Renaut, Director of Service Development, said: "We are committed to putting patients first and I am pleased that, in the areas that are important to patients and service users, we are performing well. Our performance is down to the hard work and commitment of our staff to ensuring we provide the best possible care and outcomes for our patients."

The 10 highest performing trusts are:

1. West Suffolk NHS Foundation Trust
2. The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust
3. Harrogate and District NHS Foundation Trust
4. Kettering General Hospital NHS Foundation Trust
5. Frimley Park Hospital NHS Foundation Trust
6. Salford Royal NHS Foundation Trust
7. Royal National Orthopaedic Hospital NHS Trust
8. Gateshead Health NHS Foundation Trust
9. The Newcastle upon Tyne Hospitals NHS Foundation Trust
10. South Devon Healthcare NHS Foundation Trust

You can read full details of the report, including data used and the full Quality Index at **http://mhpccom.wpengine.netdna-cdn.com/health/files/2013/03/Qualityat-a-glance.pdf**

Life-saving service now treating patients 24/7

A life-saving service which treats heart attack patients within 60 minutes is now available 24 hours a day, seven days a week at the Royal Bournemouth Hospital.

The Primary Percutaneous Coronary Intervention (PPCI) service, which has been running from 9am-5pm Monday to Friday since 2007, now treats heart attack patients from across Dorset, Hampshire and Wiltshire, at any time of the day or night.

Dr Suneel Talwar, Consultant Interventional Cardiologist, said: "A heart attack is caused by the blockage of an artery that supplies the heart with blood. This artery can be unblocked by the inflation of a small balloon and insertion of a stent within the artery (known as angioplasty), restoring blood flow to the heart.

"When this emergency angioplasty and stenting is done in an acute heart attack, it is referred to as PPCI. It is the most immediate, effective treatment for acute heart attacks currently available."

Paramedics now take patients who are having a heart attack, because of a blocked artery, directly to the cardiac catheter lab at the Royal Bournemouth Hospital for specialist treatment, rather than via the Emergency Department.

Christchurch development given the go-ahead

The Trust was delighted when, in March 2013, Christchurch Borough Council's Planning Committee approved the plans for a £10 million development at Christchurch Hospital.

The support from the local community was overwhelming with almost 1,500 letters of support submitted to the council and letters to local media, showing great community spirit. Thank you to everyone who supported the application.

The plans secure services at Christchurch Hospital for the future and significantly improve the buildings that services are delivered in. They include:

- an expanded on-site GP service (The Grove)
- pharmacy
- community clinics
- NHS key worker accommodation that supports NHS recruitment and eases housing pressures
- high quality nursing home and assisted living accommodation, for which there is a clear demand
- over 80 new jobs long term and a £30 million boost to the local economy

For over two years the Trust has worked with the council, the public, its members and staff to design a scheme that is affordable, meets planning requirements and ensures services are secured.

The Planning Committee turned down the original planning application based on conservation concerns. The Trust resubmitted its planning application with improvements and released details of two independent reports to reassure some members of the public that some of the buildings, which would be knocked down as part of the plans, were unsuitable to meet modern health care needs and alternatives to demolishing the former workhouse and identifying any potential architectural and historical merits had been explored.

In a joint open letter to the local community, Chairman Jane Stichbury and Chief Executive Tony Spotswood wrote:

"We would both like to express our sincere thanks to local people, patients and our staff for their overwhelming support of the developments proposed for Christchurch Hospital.

"We are delighted that the Planning Committee voted unanimously to support our revised application which will secure the future of NHS services at the local hospital, ensuring it remains a focal point for the local community.

"We will keep you informed of the progress of the development over the coming months and how we are continuing to provide even better services for our patients and the community.

"Thank you again for your support and great sense of community spirit."

Proposed new building: sympathetic to existing buildings and increased landscaping

Hospital films win national award

The Trust was recognised in the prestigious UK Public Sector Communications Awards for a series of films that support the patient journey.

The films were created, using charity funding, to reduce anxiety and improve the patient experience by illustrating what will happen before, during, or after their hospital visit. The films can be watched by the patient with family or friends in the comfort of their own home, allowing them to familiarise themselves with the hospital and their treatment before it happens.

The range of films covers patient experiences in endoscopy, cardiac rehabilitation, and orthopaedics, to name a few. You can watch the films at **www.rbch.nhs.uk**.

"Virtual Q" to transform patient experience

The Genito-urinary Medicine (GUM) Department (sexual health services) introduced a virtual queuing system for patients that will transform the patient experience.

Instead of queuing in advance to be seen in the week patients can send a text to request a slot in advance. They receive a text detailing a time slot for that afternoon.

Kate Bond, Clinical Leader in Genito-Urinary Medicine, said: "We have made this change in a bid to improve privacy and dignity and we believe that this will help to make the walk-in a better experience for our patients."

Appy Feet

A brand new phone application was developed by the Bournemouth Diabetes and Endocrine Centre (BDEC) aimed at changing the lives of people who suffer from nerve damage (neuropathy), caused by diabetes.

The 'Appy Feet' app can be downloaded on to an iPhone, iPod touch or iPad, to monitor pain, mood, ability to perform

Appyfeet: changing the lives of people

day-to-day activities like housework and exercise, as well as sleeping patterns. The app also stores daily glucose levels and can remind the user each day to enter their latest data.

Development of the app was supported by the fundraising efforts of Brockenhurst Manor Golf Club Ladies Captain 2011, Pam Capon, who enthusiastically adopted the cause to improve care and treatment for diabetes sufferers. Her son, daughter-in-law and three grandchildren all have diabetes.

Professor David Kerr, Consultant Physican and Diabetologist at BDEC said: "We developed the application to record physical and emotional health every day, it then automatically packages up the data to help the patient and doctor understand what it means to live with neuropathy and to record the impact of changing treatment."

The 'Appy Feet' app can be downloaded for free at **https://itunes.apple.com/gb/app/appy-feet/id576722758**.

Nurses shortlisted for improving stroke services abroad

Nurses from the stroke service at the Royal Bournemouth Hospital (RBH) were shortlisted for a prestigious 'International Nurse of the Year Award' for collaborating with health professionals in Wessex and Ghana to improve patient care. Sponsored by the Nursing Standard, the award recognises nurses whose international work has made a difference to the healthcare of people outside the UK.

Part of a larger team forming the Wessex-Ghana Stroke Partnership, the nurses from RBH have been supporting colleagues from Korle-Bu Teaching Hospital in Accra, Ghana, over several years to develop the first specialist stroke unit in West Africa.

Clare Gordon, Consultant Stroke Nurse at RBH said: "The UK team has thoroughly enjoyed working with our colleagues in Ghana. We have had to understand their different healthcare systems, stroke pathology, and cultures to help them improve stroke care in Korle-Bu Hospital. Despite this we recognise many of the challenges facing our colleagues in Ghana are similar to the challenges we have faced over the past 10 years to improve stroke care."

New technology cuts heart patient decision times

New video streaming software was introduced at the Royal Bournemouth Hospital which means that heart surgeons at Southampton University Hospital no longer have to travel to discuss whether or not a patient needs referring from Bournemouth for cardiac surgery.

Surgeons from both hospitals can now conduct their regular meetings virtually, ruling out the need for a 60 mile round trip and resulting in faster decisions for cardiac patients.

Dr Peter O'Kane, Cardiac Consultant at the Trust, said: "We have too many clinical cases for a once a month joint meeting with cardiac surgeons. This technology now allows more frequent consultations which drastically cuts patient waiting times and simplifies decision making, leading to significantly improved efficiency and outcomes for our patients."

Touch screen menu service to revolutionise hospital meal times

For the first time in the UK, a new system was rolled out across the Royal Bournemouth Hospital which meant patients could preview meals and make their selection just hours before they are served.

This followed a recommendation by the Scrutiny Committee of the Council of Governors, in its 2011 report on patient nutrition and meal service, to enable patients to order food on the same day it was eaten.

Terry Reeves, Catering Manager, said: "Our patients are provided with a full range of hot meals, sandwiches, salads and snacks which are planned by the catering team and dietitians.

"Even when you are not unwell, it is difficult to choose a meal a day in advance - what you feel like eating one day, you may not feel like eating the next. By making a choice on the day, patients are more likely to eat a full meal and get the essential nutrients needed to help their recovery."

The menu, ordered free via Hospedia screens, includes a picture and description of the meal plus dietary information such as calories, protein and fat.

Bournemouth and Christchurch Hospitals NHS Heroes

Our heroes recognised

Nine members of staff from the Royal Bournemouth and Christchurch hospitals were named NHS Heroes. They were nominated by patients and their families or their work colleagues, for the difference they make to the lives of patients in their care.

Jane Stichbury, Chairman, presented certificates to the members of staff at a ceremony in January and said: "Our heroes, recognised by these awards, all demonstrate the very best of the NHS, they are supremely professional and go the extra mile for patients and colleagues. Each and every one has made a very special contribution to patient care here at RBCH, and they take a positive "can do" approach. The different nominations are inspiring, and all are to be congratulated."

NHS Heroes 2012:

- **Sarah Parsons**, Occupational Therapist
- **Gemma Brittan**, Neurotherapy Team Leader
- **Debbie Detheridge**, Orthodontics Team Manager
- **Maggie Goodison**, Catering Assistant
- **Wendy Elcock**, Midwife
- **BJ Waltho**, Associate Director of Operations
- **William Marshall**, Physiotherapy Assistant
- **Christine Weight**, Breast Care Nurse

Another 'gold' for Dorset

The Olympics may be over but the Trust was awarded its very own 'gold' in August for its achievements in reducing carbon.

The Carbon Saver's 'Gold' standard, a national certificate, was awarded after a site assessment in July of areas such as carbon monitoring, investment and reduction programmes.

Laura Dale, Sustainability Manager at RBH, said: "Achieving this accreditation is in recognition of the hard work we have put in across all areas to reduce our carbon emissions by 6% over the last two years. It goes to prove that the effort every single member of our staff puts in, no matter how small, can make a difference."

You can read more about the Trust's sustainability achievements on page 52.

3.4 Support from charities and volunteers

Each year the Royal Bournemouth and Christchurch hospitals are fortunate to receive many charitable gifts from local residents and patients; this money is governed by the Charitable Funds Committee which reports to the Board of Directors, whose members are trustees of the charity. This money is used to enhance the already excellent care that is received by the patients of RBCH.

In 2012/13 the Trust spent an incredible £2,190,000 of charitable funds on items to benefit patients and staff. These much-needed items include funding for training, research and medical equipment; each item approved for funding has to meet strict criteria set by the charity's trustees and enhance treatment and care for patients and staff. Examples of the charitable spending this year includes:

- exercise classes for oncology patients
- oncology research
- replacement apheresis machine used for stem cell transplant required to increase number of transplants and provide a resilience for the service
- virtual queuing system in GU Medicine (sexual health services) which reduced queuing and created a more robust patient pathway and treatment
- sonosite breast scanner used to assess patients in breast clinic and help speed up the diagnostic and treatment process for patients
- urology cystoscopes used to replace aging equipment which was no longer able to provide images of contemporary quality; the new scopes provide a quicker procedure for patients
- thoracic gas transfer equipment used in the diagnosis and monitoring of lung disease

This funding provided by the local community is extremely important and helps provide a higher standard of care or better experience for our patients, above and beyond what the NHS could otherwise afford.

The Foundation Trust is also fortunate to receive great support from a number of hospital charities to improve both the patient experience and working lives of staff. The Trust thanks the following for their continued efforts and support for the hospitals.

- Friends of the Eye Unit
- League of Friends Bournemouth
- Chaplaincy
- Christchurch Hospital League of Friends
- Macmillan Caring Locally
- WRVS
- Appeal Shop
- Tulip Appeal

Friends of the Eye Unit: making a difference to patients

Friends provide new day unit for eye surgery

Generous donations from patients all over the south west contributed to a £200k transformation of the eye day surgery unit at the Royal Bournemouth Hospital. The improvements include new examination rooms and a new reception and waiting area.

The renovation project was funded entirely from charitable funds, with £80k from the fundraising efforts of the Friends of the Eye Unit, and £120k from legacies left to the Eye Unit.

Margaret Neville, Chair of the Friends of the Eye Unit, said: "This is a massive improvement in terms of patient care, dignity and privacy. This investment was able to happen due to the very generous donations, legacies and membership funding."

Along with the three new examination rooms, improvements have been made to the reception area and signage which is now much clearer - making the unit more welcoming for everyone.

Clinical Director, David Etchells, said: "We are extremely grateful to those who remember the Eye Unit in their donations and bequests. Their generous gifts have made, and continue to make, a real difference for patients at the unit."

Volunteers fund wheel chairs

Wheelchairs funded by a hospital charity shop mean patients at the Royal Bournemouth Hospital will reach their destination in comfort.

The 50 wheelchairs are used by patients' carers or hospital porters to help patients who have difficulty walking and getting around the hospital site.

The wheelchairs cost £30k, an amount raised entirely by the hospital charity shop thanks to generous donations from the public and the volunteers who give their time to organise and assist in the shop at RBH.

Dorinda Sheppard, volunteer coordinator at the shop, said: "It is wonderful to see the money that we have raised go to help patients directly, in assisting them in getting into the hospital and to the right department. Many patients are in pain or have difficulty walking and these chairs make their visit just a little easier at what can be a stressful time."

Ian Barnett-Potts, Portering Services Manager, said: "The new wheelchairs have replaced ones which had been in use for 15 years and had clocked up some 10,000 miles in that time. They are very sturdy and hard wearing, patients will find them more comfortable, and the new design means they are easier to push."

Generous donation benefits breast patients

Patients at the Breast Care Unit at the Royal Bournemouth Hospital are benefitting from a brand new piece of equipment, donated by the Tulip Appeal charity.

The Galaxy probe upgrade cost £9,700 and helps surgeons locate the most important lymph gland during cancer surgery. It does this by giving a clearer visual display of the scan and alerts them to the patients potentially affected lymph glands.

Mr Tony Skene, Breast Surgeon, commented: "The unit is very grateful to the Tulip Appeal for this extremely generous donation. The machine will be of great benefit to our patients."

In addition, refurbishment of the breast prosthesis room and the quiet room was also completed thanks for the Tulip Appeal. This area is used by the Head Strong support group and the unit is now more patient friendly for those using these rooms.

Sue Bungey, Secretary to the Trustees of the Tulip Appeal, commented: "I'm delighted that we have been able to provide this piece of equipment and the refurbishment. For a small group of ladies this has been a huge achievement and I would like to thank everyone locally who has given money to this very worthwhile charity."

Jigsaw building design given the go-ahead

The Board of Directors was delighted to give the go-ahead to the detailed design of a 'Jigsaw' building. The purpose-built Cancer and Blood Disorders Unit and a new Women's Health Unit have long been an ambition for patients and staff alike. The proposal fully uses funds raised from the current and previous Jigsaw appeals, as well as committing further NHS funds. It will ensure a purpose-designed facility is up and running for patients to receive specialist care in an excellent environment.

The two-floor building will be built at the Royal Bournemouth Hospital between the Eye Unit and the Derwent Suite for Orthopaedics (subject to detailed planning permission). The Trust already has outline permission for the location of the new building.

Artist's impression of what the Jigsaw building will look like

Artist's impressions of the proposed Jigsaw building

New facilities for oncology and haematology patients on one floor would focus on day care and outpatients, which make up the vast bulk of the service. Breast care and gynaecology would be on the other floor in a dedicated Women's Health Unit; bringing many services together to ensure better privacy and dignity and more one-stop services in more spacious surroundings.

The Trust worked with patients and the public for their views on the design and layout of the units before submitting the planning application. Once planning is agreed there is an estimated build time of 12 months.

Jane Stichbury, Chairman of the Board of Directors and Charity Trustees, said at the time: "The Board is delighted to be able to commit the first tranche of funding and to start the next phase of this exciting project. We have had previous delays but we now have a proposal that will fully use all the money raised in an exciting way. It really does complete the jigsaw of excellent services that will now be delivered in excellent facilities."

Richard Renaut, Director of Service Development, said: "Both Bournemouth and Christchurch hospitals receive tremendous support from volunteers and charitable giving, for which patients and staff alike are very grateful. This allows us to provide even better care to patients than we would otherwise.

"Having focused fundraising for several years on these two specific services we will now progress spending the funds raised as they were intended. We'll then start looking across both hospitals at other patient priority areas for things we can do that are above and beyond the taxpayer funded services. As a result we'll be asking our supporters to help us identify the next areas where they want to work with us on improving our services for local patients."

To find out how to get involved log on to **www.jigsawappeal.org.uk**

Non-NHS activities

Monies generated from the surplus of The Bournemouth Private Clinic, which receives the Trust's income from private patients, are donated through The Bournemouth Healthcare Trust to purchase medical equipment, improve patient facilities and support staff welfare and training.

Volunteers supporting the patient experience

The Royal Bournemouth and Christchurch hospitals are extremely fortunate to receive the support of over 800 volunteers including partnership volunteer organisations. Over the last 12 months the Trust has been reviewing and extending the number and roles of our valuable volunteers.

Volunteers' roles are diversifying and training and development continues to support them in these roles. Volunteers now attend mandatory training, in line with national recommendations.

Volunteer's duties include:

- main receptions meet and greet
- ward support
- providing patient companions
- administration support
- driving the indoor train

- surveying patients for real time patient feedback
- meals companions to help those in need of minimal support
- meal time assistants to help feed patients who have been carefully selected by clinical staff
- gardening

The Trust continues to recruit volunteers who are happy to provide support in the evenings and weekends. Anyone interested should contact the Volunteers Manager on 01202 704161.

The Board of Directors thanks all the volunteers at the Royal Bournemouth and Christchurch hospitals for their continued support to our patients and the organisation.

Chaplaincy

In among all the changes affecting the hospitals some things never change and the services led by the chaplaincy remain the same:

- Sunday afternoon at 2.30pm: Chapel service of hymns and songs
- Wednesday at 6pm: Roman Catholic Mass
- Thursday at 1pm: Holy Communion
- Friday lunchtime: Muslim prayers in congregation.

The Macmillan memorial service continues six times a year in the chapel at Christchurch Hospital. In the development of the Christchurch site, the Chapel will be replaced in a very similar form as at present to ensure this spiritual place is retained.

It is good to share the chapel space with Muslim brothers and sisters and it is heartening to see the amount of use the chapel has each day from the religious, spiritual and for those of no belief - providing a quiet place in a busy hospital.

At the beginning of the year, friend and colleague Reverend Bob Leigh was taken from us, in illness and death. Reverend Robert Manning left the team in the late summer and has not yet been replaced,

Chaplains: privileged to serve patients and staff

but the work continues. More patients than ever have asked to 'see the chaplain' and it is a privilege to serve them. Some wish to share good news and they rejoice with them. Some wish to share bad news, and they try to console. And when asked they will bring comfort to the dying. Bereavement takes up part of their time, spending it with relatives of the deceased, who need to come and say their goodbyes, yet another privilege.

Relatives and especially staff members come to the chaplain for advice or just the listening ear.

Thank you to the team of Chaplains and Chaplaincy volunteers for their dedication and help in looking after the spiritual needs of the Trust, and for others in the organisation who help us in our 'special' services at St Luke's tide and Christmas, namely the League of Friends, Salvation Army and the choir of St John's.

Creditor Payment Policy

In accordance with the Better Payment Practice Code, the Trust aims to pay all valid invoices by their due date or within 30 days of receipt, whichever is later. Following the outsourcing of the Trust's Transactional Finance service to East Lancashire Financial Services with effect from 1 April 2012, there was a short delay in the payment of some invoices. This reduced the cumulative performance for the year, however, performance currently benchmarks well, with more than 90% of all non-NHS invoices being paid within the agreed terms.

4. Business Review

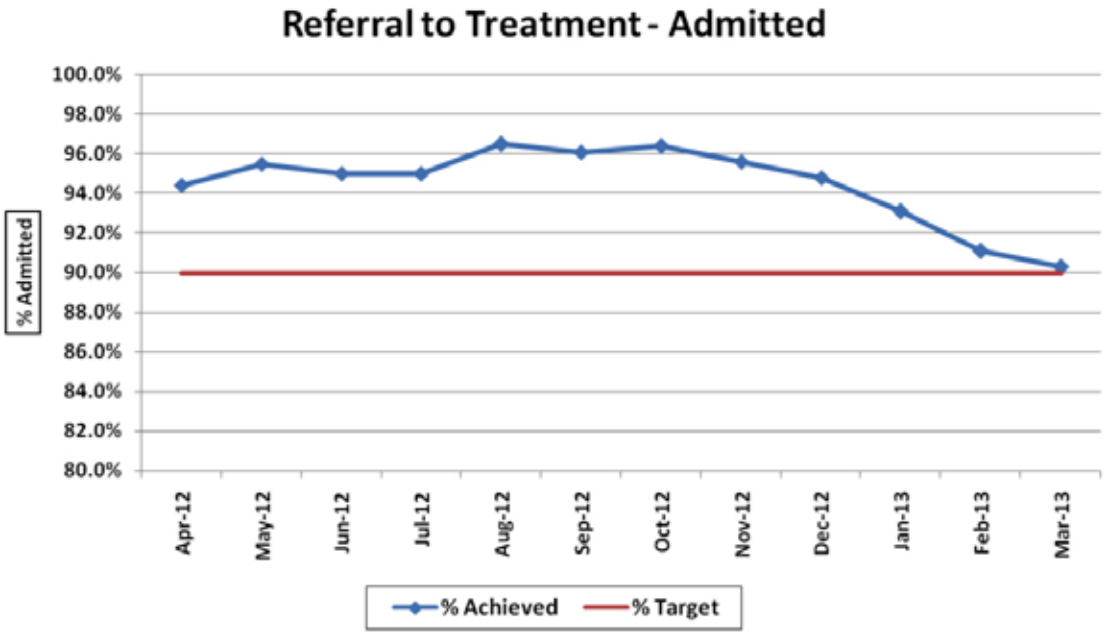
4.1 Performance overview

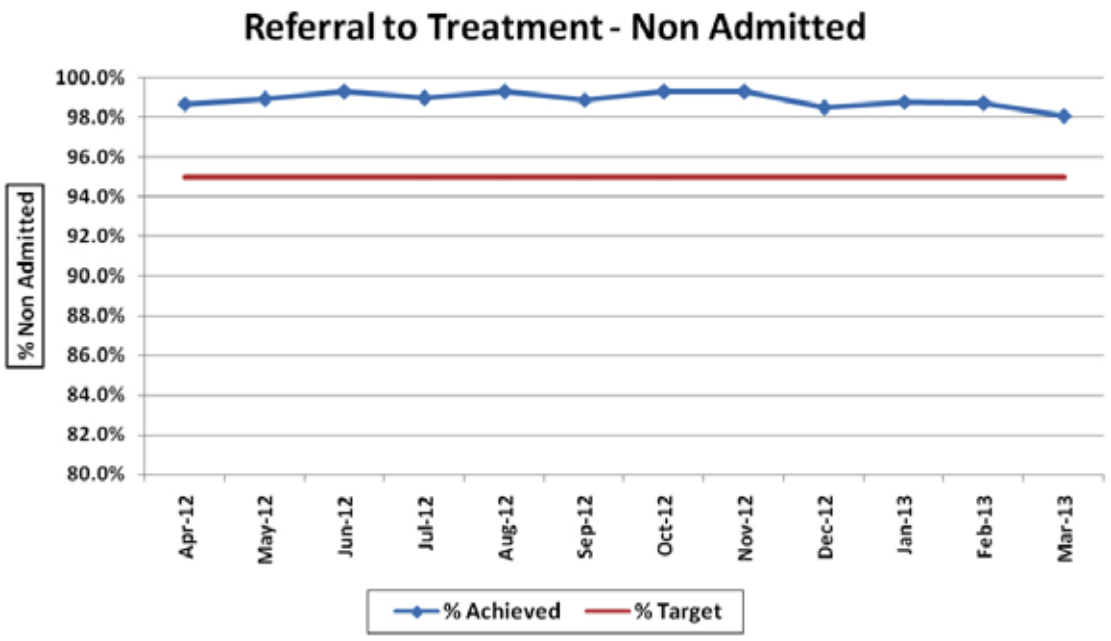
2012/13 has been a challenging year where the Trust has experienced significant levels of emergency admissions, as well as a continual increase in elective demand and referrals to cancer services.

Despite this, the organisation has achieved, and in many cases exceeded, most of its core governance indicators during the year. In addition, the Trust continued to progress its transformational work to ensure delivery of quality services in the context of the national financial challenges.

Patient experience

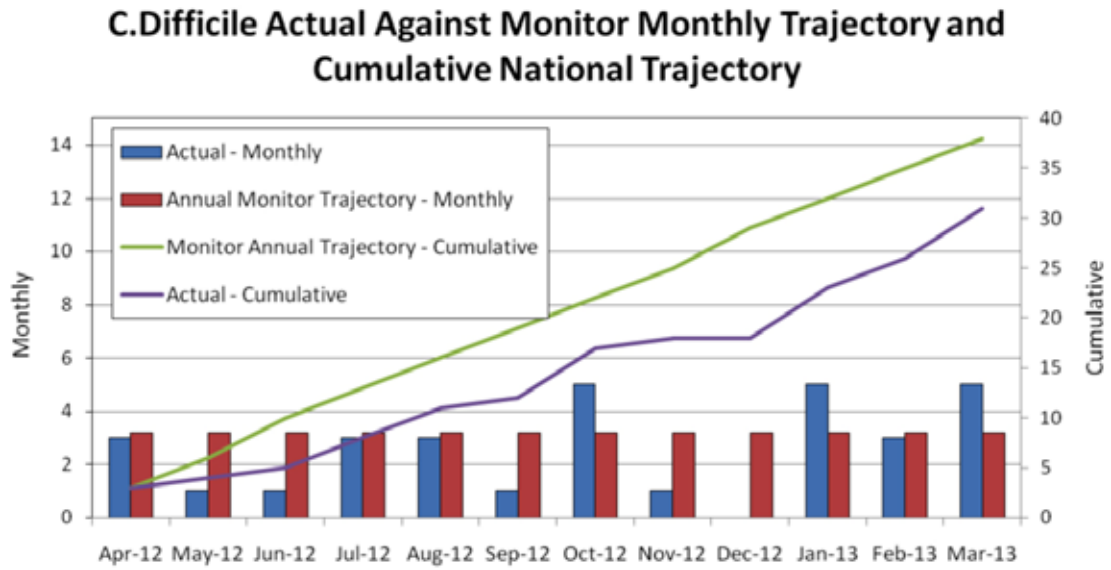
In 2012/13 the Department of Health reverted back to monitoring referral to treatment times using the thresholds of 90% of admitted patients and 95% of non-admitted patients to be treated within 18 weeks. The Trust performed well against both the admitted and non-admitted targets, though this became increasingly challenging in the last quarter of 2012/13. This was predominantly due to the sustained high level of emergency admissions together with the increasing demand on cancer services.

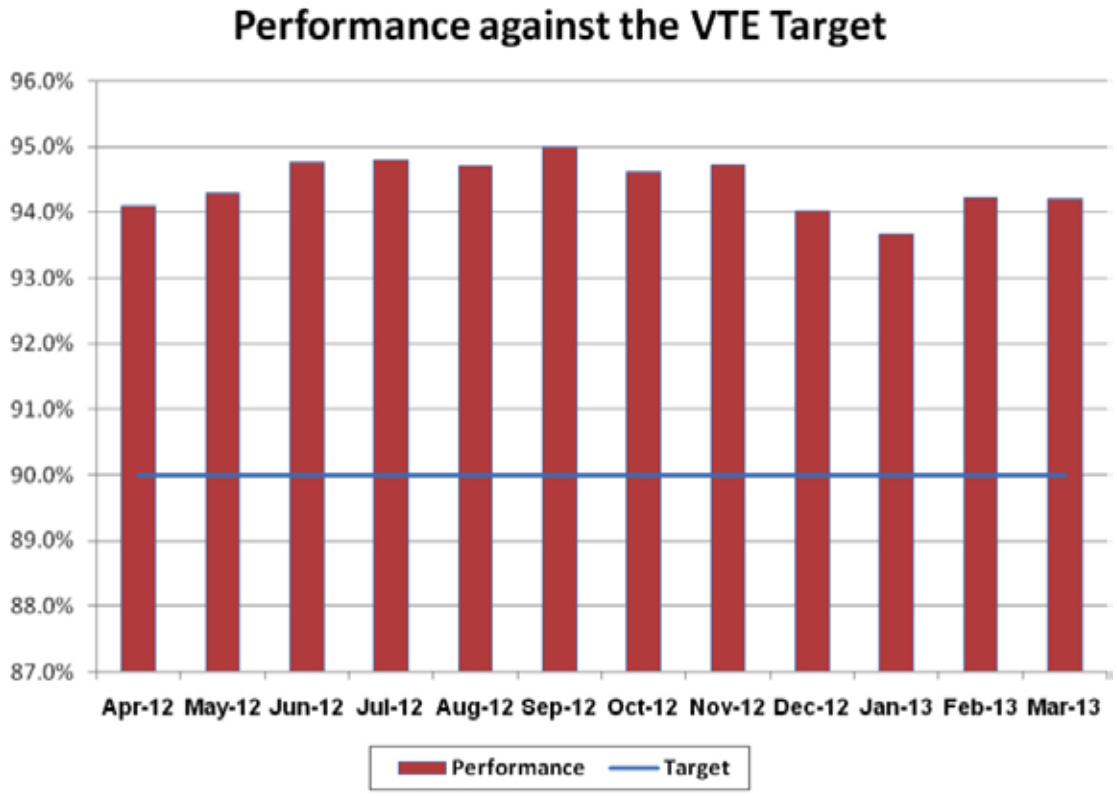




Safety

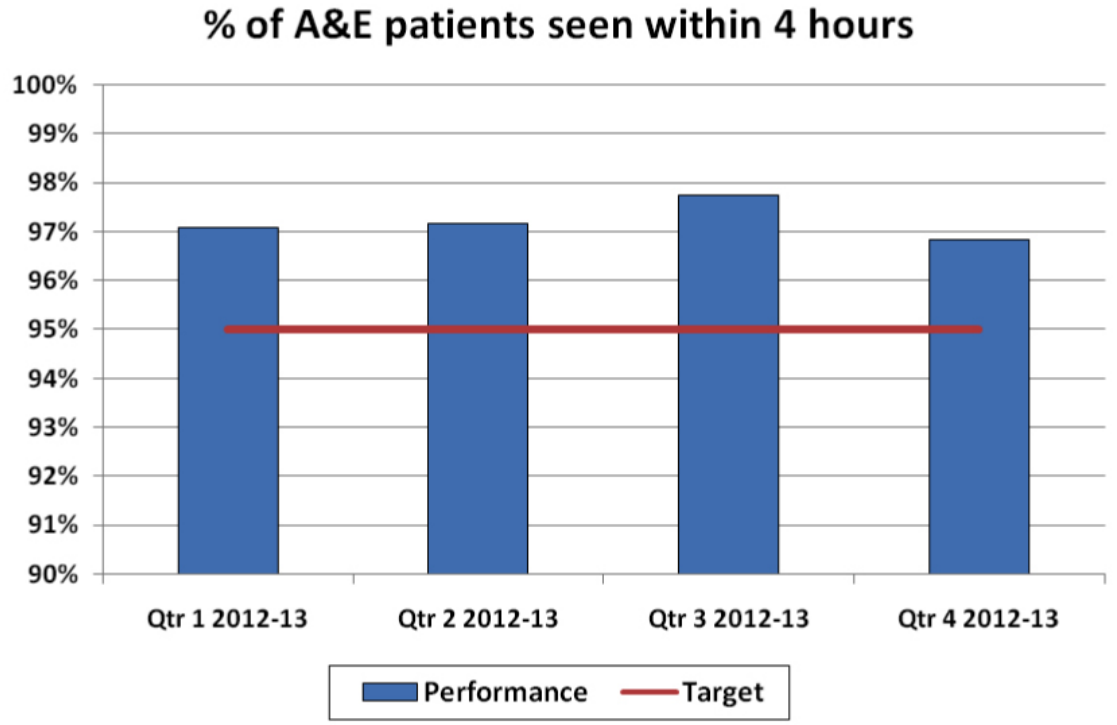
The Trust achieved the national and local MRSA objective and is well below the Monitor 'de minimis' target of 6. The Trust also achieved its national target for Clostridium Difficile. The Trust continued to perform well against its contractual Venous Thromboembolism risk assessment target.





Quality

Despite increasing pressure on the Trust's emergency services, more than 95% of patients waited four hours or less in the Emergency Department from arrival.



One of the particular areas of challenge for the Trust in 2012/13 was against the local stroke indicators. Although improvements were seen earlier in the year, four hour direct admission to the Stroke Unit and 90% stay on the unit could not be achieved for all patients. This was usually due to individual clinical reasons or the impact of the emergency care activity. The Trust did, however, continue to perform well against the brain imaging target with more than 90% of patients being scanned within 24 hours and also provided thrombolysis for appropriate and eligible patients.

Patients received timely access to cancer services in line with the following national cancer standards including:

- maximum 14 day wait from an urgent GP referral for suspected cancer
- maximum 14 day wait for patients with breast disease symptoms
- maximum 31 day wait from diagnosis to treatment for all cancers
- maximum 31 day wait for further treatments following the initial treatment
- maximum 62 day wait from urgent referral to treatment for all cancers

This year, the number of patients deciding not to accept appointments within the 'fast track' timescales the Trust is required to meet, has made it difficult to always achieve the national level of performance required against the 14 day targets. As a result, the Trust has continued to work with local GPs and commissioners to ensure these patients' pathways are managed appropriately to meet the clinical needs and wishes of our patients. The Trust has also continued to experience significant levels of referral to its Urology Service.

Full compliance with CQC unannounced inspection

The Care Quality Commission (CQC) carried out a routine, unannounced inspection in November 2012 to check that essential standards of quality and safety were being met by the Trust. The Trust was found to be fully compliant with the standards that were reviewed.

These were:

- consent to care and treatment
- care and welfare of people who use services
- safety and suitability of premises
- requirements relating to workers
- records

The assessors visited the Emergency Department, Ward 4 and Ward 23, outpatients and the Eye Unit. They also spent time with the estates and HR teams to review processes regarding management of the hospital site and recruitment.

The report included positive feedback from patients which reflects the sheer hard work and commitment of the staff. Two patient quotes referring to staff that were highlighted in the inspection report were:

"It has been us, rather than them and me; they have been marvellous."

"I can't speak about them highly enough; they have always taken time to explain all the details to me."

(These quotes are from patients who were spoken to by the CQC assessors.)

Paula Shobbrook, Director of Nursing and Midwifery, said: "It is very pleasing that the professionalism of staff has been acknowledged by the inspectors. It is even more commendable given the inspection was made during a time when the hospital was extremely busy and there are considerable pressures on staff. It is extremely reassuring that our patients continue to receive a safe and high quality patient experience.

"We can always improve and will continue to work with staff and patients in all areas."

Planning and responding to emergency pressures

In recognition of the sustained emergency pressures during the year, the Board of Directors agreed the early implementation, and extension, of the hospitals' traditional winter plan. This included:

- 15 additional nursing posts on medical wards
- the opening of a Treatment and Investigation Unit in December. The unit frees up inpatient capacity across a range of specialities and supports up to 250 patients a week, many of whom would previously have been seen elsewhere in the organisation

- additional medical support - increased resources to provide more support and consultant time; available at the front door and to look after elderly patients with surgical problems
- a greater focus on improving the discharge process and reducing re-admissions. To support reductions in length of stay, commissioners and social services agreed to support 'out of hospital assessments' for community hospital (CHC) assessments. This enables patients to leave hospital much earlier in the process
- a joint initiative between social services and the OPAL team to enable patients to be fast-tracked home, with reablement support, continued throughout the winter
- increased staffing into the discharge coordination team to provide a seven day service, eradicating some delays and reducing length of stays
- increased support into the clinical site team. An additional full time Band 6 nurse for the clinical site team was appointed over the winter period to enhance the resilience of the team and ensure a hospital at night contact is available over the entire weekend. This also supported junior doctors with their workload
- a housekeeping 'SWAT' team was introduced to deal with deep and terminal cleans in a timely manner
- additional portering specifically between Emergency Department and X-ray
- specific directorate support, including a dementia nurse specialist, pharmacy support in acute medical unit and additional therapy staff
- increased presence of primary care (GPs) in the Emergency Department

The Trust is very reliant on other partner organisations that provide services such as intermediate care and social care to be responsive and meet the needs of patients in a timely way. Weekly cross-organisational teleconferences were held to help promote and agree early solutions to the significant issues faced.

Health groups gathered for emergency pressure talks

Key health and social care groups came together in February and March for executive level talks to discuss emergency pressures and the long term, quality of care for patients.

Representatives from primary care, secondary care, community care, commissioners and the ambulance service met to decide what needs to be done to make a significant difference for patients in the right place in the system.

Twelve key action points were developed from the meeting which were agreed by all healthcare chief executives across Dorset. For example, what changes need to be made in caring for the frail, elderly and those with dementia to ensure a better system for the patients and their families and carers. An overarching steering board led by GPs has also been introduced to oversee progress and to ensure proposals are implemented.

Helen Lingham, Chief Operating Officer at RBCH, said: "We had an excellent discussion around what needs changing in the system to better support the emergency and urgent care needs of our population.

"There was a clear acknowledgement that we have to manage the system differently in order to retain high quality care under increasing demand.

"The only way we will succeed is by agreeing joint responsibility for the challenges. The steering board will also ensure we do what we say we need to do."

Bringing together the best of both

As potentially the first two foundation trusts to merge, the last 12 months has been a great learning curve for the Trust as it experiences the merger process with Poole Hospital NHS Foundation Trust. Much progress has been made with a continued firm belief by the Board of Directors that merger is the right thing to do to ensure we continue to provide high quality care locally for patients and residents.

The proposed merger will allow the new merged organisation, if approved, to deliver key patient benefits including increased medical staff cover in all key areas. In so doing, patient outcomes will improve and patient morbidity and mortality rates will be reduced. It is therefore vital that the merger proceeds, to deliver these important patient benefits.

Furthermore, the merger will achieve significant savings and will create a financially viable organisation able to withstand changes in tariffs, by bringing together two largely complementary trusts, one with a focus on elective care (RBCH) and one with a focus on non-elective care (Poole Hospital). The proposed merger will also enable the merged trust to implement an ambitious investment plan including the building of a new maternity unit in Poole.

It is currently anticipated that, should the merger be approved, the new organisation would be licensed by April 2014.

Leading the new organisation

In July 2012, following an independent appointment process involving governors from both organisations, the proposed Board of Directors for the new trust was announced. Proposed appointments to the new board are made to support the planning process and ensure a smooth transition of responsibility if the merger proceeds. The members of the proposed board are:

Chairman:

Jane Stichbury

Non-Executive Directors:

David Bennett

Michael Mitchell

Steven Peacock

Alex Pike

Angela Schofield

Nick Ziebland

Pankaj Davé was appointed as a member of the proposed board but following his departure as a Non-Executive Director of the Foundation Trust he will no longer be a member of the proposed board.

Chief Executive:

Tony Spotswood

Executive Directors:

Karen Allman,
Director of Human Resources

Mr Robert Talbot, Medical Director*

Stuart Hunter, Finance Director

Helen Lingham, Chief Operating Officer

Richard Renaut, Director of Strategy

Paula Shobbrook, Director of Nursing

Mary Sherry, Director of Post-merger Integration and Development**

* Mr Robert Talbot was appointed to the proposed board in September 2012 following a decision by Dr Mary Armitage, Medical Director, to retire in 2013.

**In December 2012, Mary Sherry, Chief Operating Officer at Poole Hospital NHS Foundation Trust, was appointed to the proposed board as Director of Integration and Benefits Realisation.

The Council of Governors of the new organisation will approve the appointment of the Chairman, Non-Executive Directors and the Chief Executive, should the proposed merger proceed.

Competition inquiry process

In November 2012, the Office of Fair Trading (OFT) announced that it would review the proposed merger as part of its new role in assessing the competition aspects of foundation trust mergers - as set out in the Health and Social Care Act 2012.

In January 2013, the OFT, as expected, referred the proposed merger to the Competition Commission. This allowed for a period of further review and analysis, which was anticipated by the trusts being the first foundation trusts in the UK to follow this process, and will reassure that a merger is indeed in the best interests of patients and staff.

During the remainder of the financial year the trusts have been working with the Competition Commission (CC) to present a strong case on the clinical and financial benefits of merger and respond to information requests. A decision by the CC is expected in the summer of 2013.

Public consultation outcomes

In April 2012 the Trust completed a joint public consultation with Poole Hospital NHS Foundation Trust on the proposed governance arrangements for the proposed merged trust.

The feedback provided was reviewed and considered by the governors and directors of both Trusts.

The name “Bournemouth and Poole NHS Foundation Trust” was chosen for the proposed new organisation.

The public membership constituencies for the new organisation are:

- Bournemouth
- Poole
- Dorset (including local authority areas for Christchurch, East Dorset, North Dorset, Purbeck, West Dorset and Weymouth and Portland)
- Hampshire and Wiltshire

The following classes make up the staff constituency of the new organisation:

- medical staff
- clinical staff
- all other staff

The Council of Governors will be made up of 31 governors - 20 public governors, six each from the Bournemouth, Poole and Dorset constituencies and two from the Hampshire and Wiltshire constituency. There will also be five staff governors and six appointed governors representing local stakeholder organisations.

The minimum age to be a member of the new organisation will be 12 and the minimum age to vote and to be a Governor will be 16.

The consultation proposals for the new organisation on the size and composition of the Board of Directors, the constitution and elections were adopted without change.

4.2 Financial performance

Following the Trust continued to maintain strong financial control during the year, culminating in a surplus of income over expenditure of £3.6m (1.4% of its £249m turnover). This surplus exceeded the financial target set and agreed with Monitor, the Trust’s regulator.

Delivering a surplus is a key part of the Trust’s medium term financial strategy, and will be retained and used to support the 2013/14 capital investment programme approved by the Board of Directors. The capital programme sets out plans to invest a further £9.4m in facilities to provide high quality healthcare.

The surplus is the result of delivering significant cost improvement during the year combined with a high level of financial control within the individual directorates. The Trust has resourced and implemented a significant number of additional activities to contain the pressures experienced during the winter period and received a contribution to these costs via the Strategic Health Authority. The Trust also received a generous contribution from the Strategic Health Authority towards the costs incurred as a result of the merger process

to ensure patient care is not impacted by these additional costs.

The Trust has successfully delivered savings of £8.5m during the year, underpinning the financial position described above and continuing the strong performance of previous years. This exceeded the Trust's targeted savings for the year by £19,000. It recognises the requirement to deliver greater efficiencies as part of the changing dynamic of the available resources to fund public services; and efficiency plans totalling £9.6m have been approved by the Board of Directors for 2013/14. Delivery of these plans is monitored through the Service Improvement and Transformation Team with regular reports to executive management and the Board of Directors. The process of monitoring these plans will be enhanced further by a monthly mechanism to measure whether there is any potential adverse effect on the quality of the service provided.

It is recognised however, that as the Trust has transformed services over many years, to continue to deliver such efficiencies will be ever more difficult in the future as a single organisation. The Trust has a Reference Cost Index of 91; meaning that the organisation already provides a mix of services at lower than expected (national average) cost, which is indicated by an index of 100.

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 accounts have been prepared under a direction issued by Monitor and can be found in part 2 of this report.

4.3 Regulatory risk ratings

Monitor assigns each NHS foundation trust a risk rating for governance and finance as defined in its terms of authorisation.

The ratings below in Table 1 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 (now replaced by a licence). A rating of five reflects the lowest level of financial risk and a rating of one the highest. There are four governance risk ratings: red, amber-red, amber-green and green.

Table 1. Risk ratings

2012/13 Financial Performance	Actual	Rating
Underlying performance - earnings before interest, tax, depreciation and amortisation margin	5.8%	3
Achievement of plan - earnings before interest, tax, depreciation and amortisation achieved	93.8%	4
Financial efficiency - return on assets	1.4%	3
Financial efficiency - income and expenditure surplus margin	1.1%	3
Liquidity - liquid ratio days	57.4	4
Overall financial risk rating		**3**

As explained above, the overall ratings take into account finance and governance. The actual results for 2011/12, together with the latest figures, are set out overleaf in Table 2.

Table 2. Overall ratings

Annual Plan 2011/12	Qtr 1 2011/12	Qtr 2 2011/12	Qtr 3 2011/12	Qtr 4 2011/12
Financial risk rating	5	5	4	4
Governance risk rating	Amber-Green	Amber-Green	Amber-Red	Green

Annual Plan 2012/13	Qtr 1 2012/13	Qtr 2 2013/13	Qtr 3 2012/13	Qtr 4 2012/13
Financial risk rating	3	3	3	3
Governance risk rating	Green	Green	Green	Green

4.4 Principal risks and uncertainties

The Assurance Framework (AF) provides a dynamic system for the Trust to identify and manage risks. This is reviewed monthly by the Board's Healthcare Assurance Committee (HAC). Identification and quantification of risks, and proactive management allows the Board to assess risks and their management. The AF is populated from issues arising from the risk register, and risks to achieving the Trust's strategic plan objectives.

Within the AF, key risk controls have been put in place to provide necessary assurances on identified gaps in control systems. Action plans to further reduce risk are mapped against the identified objectives. Risk reduction is achieved through a continuous cycle of the identification, assessment, control and review of risks.

These two sources of strategic, high level risks to the organisation's ability to achieve its objectives ensure the AF is updated and reviewed monthly. Each risk has a lead executive director responsible.

In 2012/13 the risks were reported under each of the Trust's strategic goals. Notable (high and moderate) risks included the following areas, and how the risk status changed over the year:

- emergency pressures - high all year
- pressure ulcers - risk reduced as ambition for 50% reduction achieved
- Christchurch Hospital scheme - reduced following planning approval
- bowel cancer screening and capacity/ waits - moderate all year, as demand remained
- several patient safety objectives (Clostridium Difficile, falls, dementia) - remained moderate until year end, when annual objective achieved
- nurse staffing levels being adequate - moved from high to low as benchmarking completed and extra staffing improved and recruited
- Office of Fair Trading (OFT) and Competition Commission delay to merger benefit - moved from moderate to high, as delays and complexity introduced
- several financial risks - moved from moderate to low or closed as financial issues were successfully managed

The introduction of new AF risks, and changes to their status, shows active management and review of these issues, thus providing the Board and stakeholders strong assurance that risks and uncertainties are being addressed.

4.5 Trends and factors affecting the future

The key trends affecting the services to patients that we can provide are explored in more detail in our forward plan for 2013/14, but are summarised here. They include:

Wider trends

- reducing funding (relative to increasing activity)
- ageing population, with greater health needs
- rising expectations, reinforced by the Francis Inquiry and recommendations
- new commissioners seeking care closer to home, and centralisation of specialist care

Local trends

- significant increases in emergency care demand
- reduced numbers of training grade doctors, making rotas more difficult to sustain

The work throughout 2012/13 and planned for future years, including merger, is seeking to address these through improved quality, cost-effectiveness, and positioning to deliver commissioner and stakeholder goals.

Further details of the 2012/13 Transformation Plan for better care and better value, are listed throughout the document, but include the following:

Theatres productivity

The Trust has continued to experience a period of sustained growth in the elective and emergency surgery caseload and operating theatre capacity has become increasingly challenged. The need to respond flexibly to changes in demand and accommodate complex surgery as well as some new surgical techniques, has led to a review of our operating theatres.

Over the last 12 months our surgeons, anesthetists and theatre staff have been involved in evaluating the operating timetable for all of our specialities and they have developed a revised theatre timetable and staffing model that will:

- establish specialist based theatres wherever possible
- introduce dedicated theatre teams
- adopt a Trust-wide theatre scheduling policy
- establish a framework that would allow adoption of longer working days
- embrace the concept of continual improvement to drive theatre efficiencies

This new model is based on ‘lean’ methodologies that increase flow and reduce ‘waste’, for example through downtime or movement, while maintaining or improving patient experience, safety and clinical outcomes. This improved efficiency will ensure patients have their operation on time and reduce inconvenience from delays or cancellations.

Seven day services

In 2012 the Trust carried out a review of out of hours services and weekend working arrangements and will be using the data to support a new Seven Day Services project to be launched in 2013. A number of service changes have already been introduced such as increased access to specialist services, senior medical staff and therapies at weekends and a full review of further potential improvements will be considered as part of the project.

Length of stay

Work on the Length of Stay project highlighted the opportunity to introduce a nurse-led Treatment and Investigation Unit at the Royal Bournemouth Hospital. The unit was opened in December 2012 and provides a modern environment for patients to receive treatments such as infusions, where an overnight stay is not required. The unit has proved to be successful in freeing up bed capacity on the main inpatient wards and has been very well received by patients, some of whose comments include ‘A calm and

welcoming environment. Friendly and efficient staff. I felt very informed and involved in my treatment'.

4.6 Investing in services

The Trust has continued to invest in patient services over the last 12 months. This has only been possible due to careful financial management and delivering above what was expected in the organisation's Cost Improvement Plan. Developments include:

- Endoscopy Reprocessing Unit: a newly built unit for the cleaning of scopes
- Emergency Department/Acute Medical Unit: refurbishment and remodelling
- an additional MRI scanner
- lift refurbishment
- Coronary Care Unit: an additional bay and shower/WC facilities to provide single sex accommodation
- design work for both the Christchurch Hospital development and the design of the new Jigsaw building for women's health and haematology units
- refurbishment of resident blocks

4.7 Business continuity and emergency resilience planning

The Trust has ensured, with its responsibilities under the Civil Contingencies Act 2004, that the following plans are in place so that the organisation remains resilient to any emergency situation:

- Major Incident Plan
- Business Continuity Plan
- Chemical, Biological, Radiological, Nuclear and explosive (CBRNe) Plan
- Pandemic Influenza Plan

Within each of these plans, each directorate and department has specific plans for their area. These plans set out each department's roles and responsibilities in the event of an emergency, helping to ensure a cohesive resilient emergency response. The Trust's emergency preparedness arrangements ensure continued patient care in times of emergency and that normal business is maintained as far as reasonably practicable.

The Trust still continues to work with multi-agency partners to ensure the safety and welfare of the local communities in the event of an emergency incident. This work facilitates the production of multi-agency emergency plans to help facilitate a robust, resilient, safe response to any emergency incident the communities in Dorset may experience at any time.

On 1 April 2013, primary care trusts and the strategic health authorities were dissolved and replaced by clinical commissioning groups and local and national commissioning boards. Although this will not directly impact on emergency preparedness, it is likely to strengthen links with neighbouring counties and lead to NHS trusts facilitating even stronger mutual aid agreements. This will also enable a more holistic geographical response to any incident facilitated by the clinical commissioning groups and the Wessex NHS Commissioning Board Local Area Team.

In October 2012 the Trust ran a live chemical, biological, radiological, nuclear, explosive (CBRNe) incident exercise which not only tested the Trust's CBRNe Plan but additionally the major incident and business continuity plans. This has led to some slight amendments in our plans and procedures to aid better response and recovery. Further testing of the Trust's emergency planning arrangements is due to take place in summer 2013.

4.8 Putting patients first

Quality governance

All aspects of quality are ultimately reported to the Board of Directors. There is a framework of sub committees which sit underneath this for quality governance. These are:

- Patient Experience and Communications Committee

- Healthcare Assurance Committee
- Clinical Governance and Risk Committee
- Patient Experience Action Group (now Patient Experience Performance Committee)

All aspects of patient safety and patient experience are reported into and through these committee structures up to the Board, using a dashboard and narrative reporting.

The performance overall is monitored by the Care Quality Commission and internally produced provider compliance self-assessments for each of the Care Quality Commission's outcomes are presented to the appropriate committee for review and monitored by the Audit Committee.

Specific items of concern are rated on a risk register and presented to the Healthcare Assurance Committee monthly with a progress update on mitigating actions.

There are no inconsistencies with the annual governance statement. Through the year a full review of the quality governance framework both externally and internally has been performed, with a final gap analysis and action plan being submitted to the Board. This will be available for Monitor and all relevant committees.

There has been one unannounced visit to the Trust, by the Care Quality Commission in the last year. The outcome was acknowledgement that the Trust was compliant with its registration and the standards assessed.

In addition, two unannounced visits from the quality team at the local primary care trusts were performed, visiting areas in the Emergency Department, ward areas and maternity unit. Areas of positive feedback were disseminated appropriately, and areas for improvement discussed with the commissioning team through the regular quality meetings.

Patient care improvement

Key improvements in patient care are centred both around structure and direct interventions which impact on both safety and experience. The Trust's Governors play a key role in supporting this work. Improvements included:

- rationalisation of nursing documents and risk assessments into one overall document. This also encompasses intentional rounding, the 15 steps and the six C's, the Chief Nursing Officer for England's drive on care and compassion
- patient experience governance framework and development of a specific accountability structure
- patient feedback boards for the public to view the Trust's actions for improvement
- development and implementation of a ward 'scorecard', and staffing key performance indicators, which are reviewed monthly by key stakeholders and ward clinical leaders
- specific specialty improvements have been implemented in wound care with preventative measures such as specific devices for preventing pressure damage, and a skin care guidance protocol. Infection control measures have improved considerably too, with many visible means for hand washing
- falls prevention has been led through a 'safety express' group and we have key items such as low beds and development of dementia care strategies for patients at risk of falling too
- volunteers trained as meal time assistants to aid patients with feeding, encouraging fluids and ensuring mealtimes are a sociable event
- monitoring of the patient experience through implementation of the friends and family test, real time patient feedback, patient experience cards and volunteer companions

- actions to improve patient experience directed by the Patient Experience Performance Committee, including patient experience templates, friends and family test, patient information
- monthly action plans from wards to address patient feedback
- one-to-one interviews for example relating to end of life with identified actions taken through the End of Life Care Steering Board
- focus groups, patient diaries and patient shadowing to understand the patient perception and respond, including improved written information and staff education to ensure improved communication
- Carer and Young People's Forum resulting in a carers information sheet and staff education on the young person's perspective through preceptorship training
- Patient Opinion and NHS Choices comments now being directed, and where necessary investigated, with replies provided within set criteria
- stakeholder events have included wide stakeholder and partnership agencies to inform the patient experience strategy and learning disabilities events, with actions including the development of a friends and family test for those with learning disabilities in partnership with Bournemouth People First
- NHS Change Day to enable staff and volunteers to pledge their support to improving the patient experience and to gather patient experience feedback
- working in partnership with LINks has resulted in an enter and view visit, a leaving hospital survey and an action plan to address the issues from a young person's survey across local social and healthcare that "a problem has to fit in one box"

Service improvements following patient surveys and CQC reports

Medication safety within the Trust continues to be monitored following a visit from the CQC in 2011. Specific audits were completed and reported into the medication incident review group. A project for improving medication administration began in March 2013 and will continue into the new financial year.

The ward scorecard was developed for all ward areas and units to be able to review their data against set goals for example, medication incidents, or falls or numbers of complaints. This enables teams to see the impact of the care they are delivering, and review and improve accordingly including against patient surveys and feedback. Results and actions against this are displayed in the ward and unit areas for the public to view. They are updated every quarter.

A ward staffing review against nationally set Royal College of Nursing guidance from 2010 and 2012 has been completed, to ensure safe staffing levels on wards for patients on wards.

An audit of noise at night was performed by the governors as a deeper review following patient survey results (results will be available in July 2013).

Patient safety walkrounds occur every month with members of the board to examine areas of the Trust in detail. They also give have an opportunity to raise issues directly to senior staff for support in enabling and empowering them to deliver optimum patient care. Actions are recorded by the risk team and logged for improvement.

Volunteer numbers have been increased and extended training provided to support bedside companions who give bedside support for patients, including using the TV system Hospedia to support meals ordering at the bedside in line with the Catering project to improve the mealtime experience. The bedside companions also spend time talking and listening to

patients and are trained to signpost any patient concerns.

To improve hand hygiene with staff and Trust visitors, each ward has a floor hand hygiene graphic on the floor and walls together with gel dispensers.

Patient feedback boards located at the entrance to each ward and LCD screens throughout the Trust promote the actions taken within specific clinical areas to evidence their actions and responses to patient feedback in a framework of "you said we did".

Patient stories are presented at the Board of Directors meetings and meetings of the Healthcare Assurance Committee.

LCD screens have been further developed to support patient education to include the friends and family test and encouraging patients to ask questions regarding their treatment and care.

The Orthopaedic Directorate is developing an innovative mobile phone app which will be free to patients, designed to provide information on their physiotherapy exercises and information on what to bring to hospital for their surgery. They have also been shortlisted for a patient safety award for the total knee replacement patient advice magnet.

Publication of the Friends and Family Test is provided at ward entrances and is available on LCD screens, the internet and in the main atrium in accordance with the Department of Health directive.

Ensuring the best patient information to support care and treatment

During the year, the Trust worked towards, and achieved a new certification standard for patient information. The Information Standard is a certification scheme and quality mark, supported by the Department of Health, for all organisations producing evidence-based health information for the public. It helps patients and the public to quickly identify reliable sources of quality, evidence-based information through the use of an easily recognised quality mark.

The Trust's information was assessed by The Royal Society for Public Health (RSPH) in April 2013. While the patient information process is largely the same, the Trust has made the following improvements:

- the policy includes patient information on the website
- there is a new approval form which must be submitted with all leaflets
- a readership panel has been set up, made up of patients and members of the public
- greater focus on referencing

You can find out more about the Information Standard at **www.theinformationstandard.org**

The Patient Information Group continued to approve a high number of leaflets to support patient care. During the year 423 leaflets were submitted, 408 (96%) of which were approved within one month. A large number of these leaflets are for surgery, medicine, speciality services and ophthalmology, all of which are fully compliant with the Information Standard.

The Patient Information Monitoring Group meets quarterly to ensure the continued quality of information.

The Trust also received a national award for its patient films. You can find out more on page 16.

The following has also been carried out throughout the year:

- an audit on leaflet racks throughout the organisation showing compliance of 75%. All non-compliant leaflets identified were external leaflets. These have subsequently been reviewed and added to the Trust's approved list of patient information providers
- an audit of Trust leaflets was carried out against the organisation's minimum criteria, which achieved compliance of 86%
- staff training took place on how to produce good quality patient information and the approval process

Patient safety walkrounds

The Board of Directors and governors carried out nine walkrounds as part of its patient safety programme during the year. The walkrounds encourage staff to feedback on their experiences. Staff felt that they worked well and they were able to express any concerns they had. Subsequent actions from the visit are followed up and good practice is shared with other wards. In addition to the patient safety walkrounds, members of the Board visit others areas on informal occasions. A plan has now been devised for 2013 walkrounds including night visits.

The Francis Report raised a number of questions nationally on the level of transparent ward to Board reporting throughout the organisation. To ensure this, the following is carried out:

- the Board hears a patient story in the public part of the Board meeting. Sometimes the patient attends the meeting. This includes accounts from both grateful patients who have received quality care and those whose experience could have been better
- governors ask questions at the end of part one of the monthly Board of Directors' meetings
- the Board closely monitors quality of care and patient outcomes through a performance report. Non-executive directors provide appropriate challenge where necessary
- the Governor Scrutiny Committee carries out at least one independent review each year on a patient topic. Recent examples include patient discharge letters and hospital at night. Governors review evidence, such as patient and staff surveys, before presenting their findings to the Board
- each clinical area displays their patient feedback from a multitude of sources including real time patient surveys and patient experience comments cards
- staff can approach any director or senior manager should they feel that there are areas of care provided at our hospitals that do not meet our high standards
- patient comments received via the NHS Choices / Patient Opinion websites are monitored at Board level by the Patient Experience and Communications Committee
- governors and other volunteers carry out real time patient surveys, talking to patients while they are still in hospital. Feedback is provided to clinical leaders so that it can be acted on quickly and learning shared
- the Trust takes part in independent national patient surveys (you can read more on page 36)
- staff, governors and patients are encouraged to speak out when they don't think something is right. Staff are encouraged to report adverse incidents that are followed up closely
- the Care Quality Commission carries out unannounced inspections to all healthcare providers to check that essential standards of quality and safety were being met (you can read about the Trust's full compliance following an unannounced inspection on page 27)

The Trust is very proud of its staff and the services provided for patients but both the Board and staff are not complacent. We know that we can always do better to improve the experience for our patients.

Research activity

This Trust engages in a full portfolio of both clinical research and laboratory-based scientific research projects. The Trust is an active member of the National Institute for Health Research governed Western Comprehensive Research Network. Locally, the Trust has been a pioneer of consortium working having set up the Dorset Research Consortium. This body acts on behalf of all the trusts, primary care, secondary care and mental health, coordinating governance across the area.

The Trust has a history of actively pursuing commercial clinical trial work. The infrastructure of the organisation has been tailored to facilitate the needs of the pharmaceutical industry allowing patients access to otherwise inaccessible new treatments. For example, approximately 25% of all cancer patients are enrolled on clinical trials which offers them the very latest in treatment while relieving the NHS of the care costs associated with their treatment.

In recognition of the Trust's track record in this area, Quintiles, the world's largest clinical trial organisation, has entered into a "partner site" agreement with the Trust allowing the organisation access and first refusal on all the trial work available to them. This will greatly increase activity over the next 18 -24 months.

The number of new patients enrolled into clinical trials in 2012/13 was 1,157.

4.9 Complaint handling

Complaints made to the Trust are managed within the terms of the Trust's complaints procedure and national complaint regulations for the NHS. The overriding objective is to resolve each complaint with the complainant through explanation and discussion.

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.

Further details of the complaints received to the Trust can be found in the Quality Report.

How to make a complaint

If you have a complaint about the experience received at the Royal Bournemouth or Christchurch hospitals please contact the Complaints Manager on **01202 704452** or email **simon.dursley@rbch.nhs.uk**

4.10 Public consultation

The Trust completed a consultation on its Annual Plan, which included proposals for Christchurch Hospital.

The Trust also completed its joint public consultation with Poole Hospital NHS Foundation Trust on the proposed governance arrangements for the new organisation (you can read the outcomes of the consultation on page 30).

In October 2012 the Trust wrote to health overview and scrutiny committees in Dorset and Hampshire about a temporary change to where the Trust's inpatient oncology service is provided. From November 2012 the small number of patients needing inpatient hospital care were admitted to the oncology ward at Poole Hospital, rather than the Royal Bournemouth Hospital. The outpatient and day care services remain unchanged.

It has been extremely difficult for the Trust to recruit and provide enough appropriately trained medical staff needed to look after patients who need complex oncology inpatient care on both sites. This is because of a national shortage of suitably qualified staff. By temporarily moving the inpatient service to Poole,

the Trusts can pool the staff resources to increase the medical staff available and ensure patients have access to the best care possible. The temporary transfer remains under review with commissioners and local health overview and scrutiny committees updated.

4.11 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 3,543.93 whole time equivalents as of 31 March 2013. 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 at the end of 2012/13 was 3.72% against a target of 3.50%. The national average was 2.6% (Office of National Statistics).

During the year, the Board of Directors agreed funding to increase the level of nursing on all wards to meet Royal College of Nursing guidance. This is a ratio of one nurse to eight patients on all general wards and one nurse to seven patients on all elderly care wards during day shifts. The hospital also recruited all 35 newly qualified nurses out on the wards.

Informing and consulting our staff

During 2012/13 the Trust consulted its staff and staff side representatives on a number of issues, including:

- **specialist nurse review**
- **day surgery unit** - change to shift patterns to include occasional night and weekend cover. Consultation meetings took place during July and August with formal notice of the new shift pattern starting in December 2012. This was a minor organisational change
- **telecoms (switchboard)** - transfer of staff. Consultation began on 22 October 2012 with the transfer of 11 staff taking place on 1 December 2012
- **IT consultation** - consultation started in February 2013 to transfer 35 members of staff from Poole Hospital to RBCH and 35 RBCH members of staff are also currently undergoing consultation on the restructure
- **occupational health** - Consultation started in September 2012 to transfer the Occupational Health Department at Poole Hospital to RBCH. It was completed on 1 December 2012. This affected five permanent staff and three who were working via the staff resource pool and one via agency

- **molecular pathology** - consultation with three members of staff due to a structure change
- Two consultations in the **Eye Unit**. The first was to change acute referral clinic times at the weekend as from 1 April 2013. The other was to close the Eye Unit ward at weekends. Patients would be cared for at the Derwent instead
- **procurement** - consultation began on the 1 October 2012 for 30 days affecting approximately 17 staff

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

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:

- regular meetings with staff side representatives
- monthly 'Ask the Exec' sessions where staff can hear from the Trust's executive directors and ask questions
- bi-monthly staff newsletter - Buzzword
- monthly Core Brief
- a well-used intranet site
- an induction for new staff - held monthly
- open day for staff and members of the public
- briefings at directorate and ward level as and when needed
- a summary from each Board of Director's meeting
- internal briefing system via leaders in the organisation
- a weekly bulletin for staff circulated via global email
- fortnightly face to face leaders' briefing with the Chief Executive

Staff engagement

In addition to the internal communication methods mentioned above, the Trust uses other methods to engage with staff, including awareness stands outside the staff restaurant, poster campaigns and directorate and departmental meetings.

The NHS Employers staff engagement toolkit has shown a strong link between staff engagement and Trust performance, including quality of services, financial management and patient satisfaction.

In the 2012 Staff Survey the Trust's score of 3.72 was above (better than) average when compared to acute trusts of a similar size. (You can read more about our survey results from page 43).

The indicator of staff engagement is calculated using staff survey questions that relate to staff engagement, i.e. staff members' perceived ability to contribute to improvements at work; their willingness to recommend the Trust as a place to work or receive treatment and the extent to which they feel motivated and engaged with their work.

Staff health and wellbeing

The Trust has continued to promote health and wellbeing topics through its 'First Friday Fitness' sessions, with particular focus during the last 12 months on:

- healthy eating and dietary advice
- blood pressure monitoring
- fitness - corporate membership of local clubs and organisations
- supporting staff with stress management

These sessions draw on the expertise of the Trust's professional staff, who willingly give their own time to help deliver the sessions, and also support from local businesses, many of whom attend on a regular basis.

The Valuing Staff and Wellbeing Group has continued to meet on a quarterly basis to discuss benefits for staff, which have included:

- 'Fit for work' sessions, organised by the staff physiotherapist on a twice weekly basis
- stress management sessions
- links with BH Live (local gyms and corporate memberships)
- change of provider for the Employee Assistance Programme
- production of a quarterly health and wellbeing newsletter

The Occupational Health and Human Resources teams have continued to support managers in the management of sickness absence, with:

- training sessions for managers and supervisors to help them deal with challenging sickness issues
- complex case meetings to discuss suitable ways forward for individual cases
- redeployment of staff with limitations to their health which prevents them from continuing in their current role

New film supports staff training

Each year around 1,327 members of clinical staff receive mandatory training on the safe practice of dealing with a range of risks associated with sharps and inoculations.

This year the Occupational Health Team produced a short film which staff can download from the Trust's intranet. It comprehensively takes an individual through how they should deal with a range of potential risks, for example dealing with a blood splash of body fluids or a sharps injury.

Feedback has been positive with many staff saying that the film holds their attention and is presented better than last year.

New Employee Assistance Programme

In March 2013 a new Employee Assistance Programme was launched to provide support for staff. The programme helps staff with issues relating to:

- relationships and family
- money
- retirement
- work and career
- bullying and harassment
- health and wellbeing
- management support.

The service is available 24 hours a day and is confidential, independent and free of charge.

The new scheme is more proactive than the previous. The Trust's case worker is able to get involved within the working environment. They sit on the Trust's Valuing Staff Group and have increased availability to attend meetings to support and promote the benefits of the service to staff.

Healthcare technician post

In 2012/13 a new healthcare technician role was introduced to work across the Trust and Poole Hospital NHS Foundation Trust. This is an integral role and supports the nursing structure within the Occupational Health Team by assisting with the triage of patients with pre-placement screening. They also:

- assist clinical staff with triage of workload, sharp and inoculation interventions
- take blood for testing of blood borne viruses
- carry out audiology checks for hearing loss in workers exposed to noise regularly - both in-house and external, which brings income into the Trust
- spirometry for assessing lung functions in dusty working environment or where chemicals are used both internally and externally. Some income is also brought into the Trust from this workstream

The speed and turnaround of workload in the Occupational Health Department has been assisted by this development which has had an impact on quality of care for staff. This post has also assisted in data inputting thus enabling the department to produce more accurate qualitative data for use within the Trust.

2012 Staff Survey

Once again, the 2012 Staff Survey was carried out on behalf of the Trust by the Picker Institute between October 2012 and December 2012.

In accordance with the nationally agreed protocol, a random selection of 850 employees, from those employed on 1 September 2012, were asked to complete and return the questionnaire. Of these, 845 were eligible to complete the survey. The remaining five staff were ineligible due to maternity leave, long-term sick or having recently left the Trust.

The staff survey questionnaire content 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
- occupational health and safety
- infection control and hygiene
- health and well-being
- background details

Previous years have shown that the Staff Survey is a consistent indication of staff opinion and action plans undertaken following the surveys have resulted in significant improvements.

The 2012 response rate was 56.2%, a reduction of 4.8% since 2011 although greater than the average Picker Institute response rate of 45.6%.

Compared to the 2011 Staff Survey, the Trust scored significantly better on seven questions and significantly worse on seven questions. There was no significant difference on 65 questions:

Significantly improvement on the following questions:	2011	2012
No infection control training	6%	3%
No training on how to handle confidential information	13%	7%
No training on how to deliver good patient care	40%	27%
Do not feel trusted to do my job	3%	1%
Not able to do my job to a standard I am pleased with	20%	10%
Communication between senior management and staff is not effective	44%	34%
Discrimination from manager/team leader or other colleagues	6%	4%

In the past year there has been a focus on increasing the amount of governance training, at induction and mandatory training, which is reflected in staff having been trained on how to handle confidential information. Induction and mandatory training also includes various elements of training on patient care. Also, the Trust has increased communication to staff to keep them well informed about changes and to seek their opinions.

The Trust scored significantly worse in the following seven areas and an action plan is in place for the next 12 months. You can read more about how the Trust is committed to patient care on page 34.

Significantly worsened on the following questions	2011	2012
Appraisal/review not helpful in improving how I do job	41%	48%
Do not feel my role makes a difference to patient service users	1%	3%
Senior managers do not act on staff feedback	24%	34%
Senior managers are not committed to patient care	13%	21%
If friend/relative needed treatment would not be happy with standard of care provided by organisation	5%	11%
My job is not good for my health	20%	26%
Felt unwell due to work stress in last 12 moths	25%	34%

Top five ranking scores	Trust score 2012	Trust score 2011	National average
Effective team working	3.82	3.84	3.72
Staff believing the Trust provides equal opportunities for career progression or promotion	93%	92%	88%
Work pressure felt by staff	2.93	New measure	3.08
Staff job satisfaction	3.65	3.56	3.58
Staff motivation at work	3.91	3.92	3.84

Scores are a combination of relevant questions weighted and out of 5.

Bottom five ranking scores	Trust score 2012	Trust score 2011	National average
Staff witnessing potentially harmful errors, near misses or incidents in last month	36%	33%	34%
Staff agreeing that their role makes a difference to patients	88%	92%	89%
Staff experiencing physical violence from patients, relatives or the public in last 12 months	16%	No comparable measure	15%
Staff having equality and diversity training in last 12 months	55%	58%	55%
Staff feeling satisfied with the quality of work and patient care they are able to deliver	78%	78%	78%

Staff pledges

The staff pledges are taken from the NHS Constitution which was published in January 2009 and updated in March 2012 and 2013. The Trust has scored well overall - average or better than average in all but three of the staff key findings for staff pledges:

- % of staff agreeing that their role makes a difference to patients
- % witnessing potentially harmful errors, near misses or incidents in the last month
- % experiencing violence from patients, relatives or the public in the last 12 months

	Change since 2011 survey	Ranking, compared to all acute trusts in 2012
Staff pledge 1: To provide all staff with clear roles, responsibilities and rewarding jobs.		
% of staff feeling satisfied with the quality of work and patient care they are able to deliver	● No change	● Average
% agreeing that their role makes a difference to patients	● No change	! Below (worse than) average
Work pressure felt by staff	-	√ Lowest (best) 20%
Effective team working	● No change	√ Highest (best) 20%
% working extra hours	● No change	√ Below (better than) average
Staff pledge 2: To provide all staff with personal development, access to appropriate training for their jobs and line management support to succeed.		
% receiving job-relevant training, learning or development in last 12 months	-	√ Above (better than) average
% appraised in last 12 months	● No change	● Average
% having well-structured appraisals in last 12 months	● No change	● Average
Support from immediate managers	● No change	√ Highest (best) 20%

	Change since 2011 survey	Ranking, compared to all acute trusts in 2012
Staff pledge 3: To provide support and opportunities for staff to maintain their health, well being and safety.		
Occupational health and safety		
receiving health and safety training in last 12 months	! Decrease (worse than 2011)	√ Above (better than) average
% suffering work-related injury in last 12 months	! Increase (worse than 2011)	√ Below (better than) average
Infection control and hygiene		
% saying hand washing materials are always available	! Decrease (worse than 2011)	√ Above (better than) average
Errors and incidents		
% witnessing potentially harmful errors, near misses or incidents in last month	• No change	! Above (worse than) average
% reporting errors, near misses or incidents witnessed in last month	! Decrease (worse than 2011)	• Average
Fairness and effectiveness of incident reporting procedures	√ Increase (better than 2011)	√ Highest (best) 20%
Violence and harassment		
% experiencing physical violence from patients/relatives in last 12 months	-	! Above (worse than) average
% experiencing physical violence from staff in last 12 months	-	• Average
% experiencing harassment, bullying or abuse from patients/relatives in last 12 months	-	√ Below (better than) average
% experiencing harassment, bullying or abuse from staff in last 12 months	-	√ Lowest (best) 20%
Health and wellbeing		
% feeling pressure in last 3 months to attend work when feeling unwell	• No change	√ Below (better than) average

	Change since 2011 survey	Ranking, compared to all acute trusts in 2012
Staff pledge 4: To engage staff in decisions that affect them, the services they provide and empower them to put forward ways to deliver better and safer services.		
% reporting good communication between senior management and staff	-	• Average
% able to contribute towards improvements at work	√ Increase (better than 2011)	• Average
Additional Theme: Staff Satisfaction.		
Staff job satisfaction	√ Increase (better than 2011)	√ Highest (best) 20%
Staff recommendations of the Trust as a place to work or receive treatment	! Decrease (worse than 2011)	• Average
Staff motivation at work	• No change	√ Highest (best) 20%
Additional Theme: Equality and diversity.		
% having equality and diversity training in last 12 months	• No change	• Average
% believing Trust provides equal opportunities for career progression or promotion	• No change	√ Highest (best) 20%
% experiencing discrimination at work in last 12 months	• No change	√ Lowest (best) 20%

Friends and family questions

The 'Friends and Family Test' is one of the four national CQUIN goals for 2013/14. The top 10 correlated staff survey questions fall into themes around caring about patients/concerns, staff being happy in their jobs, staff being involved in decision making and errors being corrected when they are reported:

Question	2012	Average (median) for acute trusts	2011
(Q12c) I would recommend my organisation as a place to work	59	55	69
(Q12a) Care of patients/service users is my organisation's top priority	60	63	62
(Q12b) My organisation acts on concerns raised by patients/service users	64	68	-
(Q11e) Senior managers are committed to patient care	42	49	53
(Q8g) The extent to which my organisation values my work	42	40	38
(Q14c) My organisation takes positive action on health and wellbeing	49	43	-
(Q11d) Senior managers act on staff feedback	26	26	29
(Q11b) Communication between senior managers and staff is effective	35	34	26
(Q11c) Senior managers here try to involve staff in important decisions	32	28	31
(Q18e) When errors, near misses or incidents are reported my organisation takes action to ensure that they do not happen again.	66	61	63

Recommendations

Following the 2012 Staff Survey the following recommendations were made:

- for the full report to be made available to general managers and heads of department to enable them to develop an action plan specific to concerns within their own directorates for the next half-yearly review
- the Workforce Strategy and Development Committee and the Valuing Staff and Wellbeing Group to review the corporate actions plans at their May meetings
- a presentation and summary leaflet to be available at the next health and wellbeing day
- a corporate plan is developed for the main points of concern, as described above

Corporate plan

As in previous years the Trust has developed a corporate action plan using staff survey data that has worsened or where the Trust compares less favourably to other Trusts. They include:

- actions taken when errors, near misses and incidents are reported back to staff for discussion within teams and learning for the future
- the zero tolerance of violence towards staff from patients, relatives and visitors to be reiterated and action taken when problems occur
- the Trust communicates priorities around patient care and how staff can help deliver improvements
- stress management training is made available to staff

- staff are encouraged to complete the stress self-assessment within the Trust's wellbeing toolkit and to take personal responsibility to make plans for healthy lifestyles and work-life balance
- the Trust will continue to prioritise 'putting patients first' and communicate its values to staff via in-house publications, in policies and protocols, at meetings and other appropriate opportunities

These actions are monitored by the Workforce Strategy and Development Committee and reviewed quarterly by the Valuing Staff and Wellbeing Group.

Awarding staff excellence

Each year the Trust holds the Staff Excellence Awards to recognise and reward the hard work and commitment from staff over the previous 12 months. 2012 was no exception and the Trust saw some outstanding examples of staff going the extra mile to ensure patients receive the best care and experience possible.

Award for Putting Patients First

This award is for the individual or team who has successfully introduced a change in working practices that has improved the patient experience. This can either be as a result of feedback from patients or their own actions.

Winner: Stroke Early Supported Discharge (ESD) Team for their scheme to provide ongoing rehabilitation to stroke patients in their own homes.

Award for Patient Safety

This award is made to an individual or team that has improved patient safety and/or mitigated risk either within a specific area or across the whole organisation.

Winner: The Diabetes Outreach Team for reducing the number of patient medication errors by using a targeted approach to staff training.

Customer Care Award

This award is for the individual or team who has provided excellent customer care to patients or other users (this includes services to patients, the public, partners and to other members of staff).

Winner: Sally Clarke, Discharge Planner on Ward 26 for the way that she deals with patients and their families when making decisions on when and where patients go when they are ready to leave hospital.

Award for Leadership

This award is to the individual who shows exceptional leadership skills in either supporting staff through organisational development/change, encouraging staff development or motivating individuals or teams to achieve personal or organisational goals.

Winner: Pauline Hawkes, Acting Head of Midwifery. Pauline led the Maternity Unit to CNST Level 2; this is the only birthing centre in the country to achieve this.

Award for Transformation or Innovation

This award is for staff who have either transformed services to provide better patient-focused care, contributed to service or organisational improvements or contributed towards the Protecting our Future, Better Care, Better Value (quality and efficiency) initiative.

Winner: Sara Pullinger, Enhanced Recovery Nurse Practitioner, for introducing enhanced recovery protocols into colorectal and urological major surgery.

Team of the Year Award

This award is for a team who has demonstrated that they have used the principles of team working to achieve good practice and/or they have provided an improved performance or service as a result of multi-disciplinary team working.

Winner: The Emergency Department - despite bed pressures and seasonal challenges, the team has low sickness rates, staff come in on their days off, and the team sustains an enthusiastic and committed response to front line health care.

Award for Quality

This award is made to an individual or team who has significantly contributed to improving the quality of services and care provided for patients.

Winner: The Dementia Strategy Group for improving the hospital experience for people with Dementia, and reducing the length of stay for patients with dementia from 33 days (2009) to 18 days (2011).

Unsung Hero Award

This award is presented to an individual, team or volunteer who works continuously and tirelessly behind the scenes, goes the extra mile with little thanks or has made an outstanding contribution. Staff and members of the public are able to make nominations for this award.

Winner: Beryl Andrews, Volunteer in Stoma Care, who has helped with administration, stock control, greeting patients and answering the phones for two days a week for the last 18 years.

Chairman's Award

The Chairman's Award is a special award given to the overall achiever selected from the winners of all the award categories. The award is judged by the Board of Directors.

Winner: In 2011 it was awarded to the **Dementia Strategy Group**.

Mentor Awards 2012

The Trust also presents the Mentor Award to individuals in recognition of the work they have done to support students. The 2012 winners were:

- **Julie Sweeting, Ward 9**
- **Pippa Longley, Ward 1**

4.12 Ensuring equality and diversity

RBCH recognises that equality means treating everyone with equal dignity and respect irrespective of any protected personal characteristics. In doing so it acknowledges that people have different needs, situations and goals. Achieving equality requires the removal of the discriminatory barriers that limit what people can do and can be, eliminating harassment and victimisation.

The Trust is committed to ensuring that people do not experience inequality through discrimination or disadvantage imposed by other individuals, groups, institutions or systems in terms of:

- outcomes - related to both health care and/or employment

The Dementia Strategy Group, Award for Quality and 2012 Chaiman's Award winners

- access - related to clinical services and/or employment and promotion opportunities
- the degree of independence they have to make decisions affecting their lives.
- treatment - related to both clinical care and employment

As part of the Equality Act 2010, there are nine protected characteristics. These are gender, race, disability, religion or belief, sexual orientation, age, gender reassignment, pregnancy and maternity and civil partnership or marital status. Decisions made in relation to these characteristics are made in a fair and transparent way. As a public sector organisation, there are some additional equality duties which we are committed to achieving. This means that the Trust must have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- advance equality of opportunity between people who share a protected characteristic and those who do not
- foster good relations between different people when carrying out their duties, tackling prejudice and promoting understanding
- ensure that policies and services are appropriate and accessible to all meeting their different needs

Having due regard to these areas means that the Trust can provide an efficient and effective service.

There are also some specific duties that we are required to adhere to. The Trust must be transparent about how it is responding to the Equality Duty publishing relevant, proportionate information showing compliance with the Equality Duty on an annual basis, and must set and monitor equality objectives. This information must be available to staff, service users and the general public. The Trust's website publishes information on how it believes the organisation meets these duties and this information is updated regularly. This includes information on recruitment and retention and development and support of disabled employees. The Single Equality Scheme and Action Plan sets out the Trust's vision for 2011-2015. It clearly identifies a number of objectives that the Trust is working to achieve during this period.

4.13 Reducing our carbon footprint

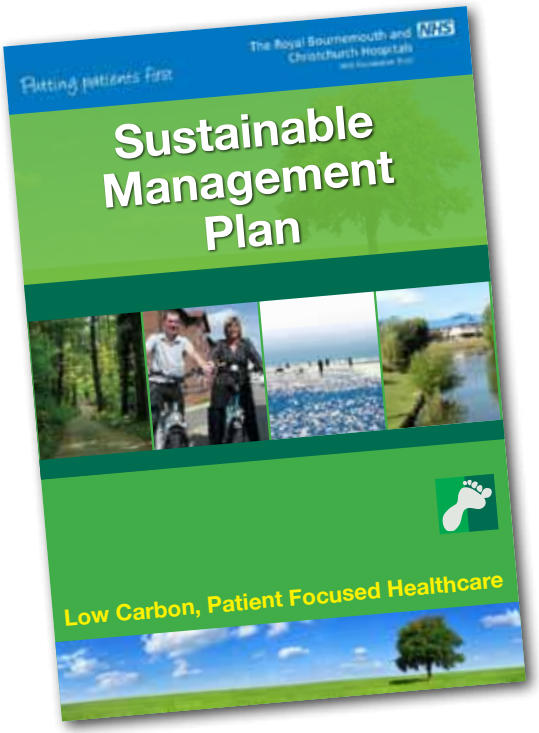
The NHS aims to reduce its carbon footprint by 10% between April 2007 and April 2016. In support of this target, the Foundation Trust (RBCH) has developed a Sustainable Management Plan (SMP) that was sign by the Board of Directors in January 2011. It affirms the Trust's objectives and targets for reducing carbon emissions and enables the organisation to contribute to the NHS aim of becoming a low carbon, sustainable provider of high quality healthcare.

The Trust is committed to continually improve on minimising the impact of its activities on the environment, and in doing so reinforcing its commitments to both the Good Corporate Citizenship Model and cost improvement.

The NHS has set an overall carbon reduction target for NHS trusts to achieve a 10% reduction by April 2016 (from 2007/08 baseline year). The Trust has adopted a series of carbon reduction targets in support of the NHS target to reduce emissions by 10% by April 2016.

The key areas for action are:

- energy, water and carbon management
- sustainable procurement and food
- low carbon travel, transport and access
- waste reduction and recycling
- green spaces
- staff engagement and communication
- buildings and site design
- organisational and workforce development
- partnership and networks
- governance, IT and finance



The Trust regularly reviews and reports on progress against the Good Corporate Citizenship Assessment Model and key actions within an accompanying Sustainable Management Action Plan.

Monitoring, reviewing and reporting of energy and carbon management are carried out quarterly via the Carbon Management Group. Richard Renaut, Director of Service Development, is the board level lead for sustainability. This ensures that sustainability issues have visibility and ownership at the highest level of the organisation.

Sustainability achievements

RBCH has been progressing with energy and carbon management over the last couple of years. During the year the Trust has worked to make progress in a number of areas.

Energy, water and carbon management

The Trust has been investing in energy efficient lighting across the hospital sites. LED lights have been installed in one ward environment, main corridors, a number of office areas, accommodation refurbishments, and in all car parks at Royal Bournemouth Hospital.

The Trust has also initiated an energy performance contract energy reduction scheme with the aim of reducing utilities consumption by 25% through various infrastructure changes. The Trust will work on this initiative in partnership with British Gas, and an investment grade audit has been commissioned.

Sustainable procurement and food

The Trust recognises its responsibility to carry out its procurement activities in an environmentally and socially responsible manner, and the considerable influence we have in using our buying power to encourage healthy and sustainable food production and consumption. In response, the Catering Department has developed a Health and Sustainable Food Policy Statement.

A food waste digester has also been installed within the kitchen at the Royal Bournemouth Hospital. The waste digester replaced the waste disposal maceration unit within the kitchen, and the digester works by the use of enzymes that breaks down the food and turns it into grey water. This installation will save the Trust money through avoided water and maintenance costs associated with maceration. It improves the carbon footprint of the organisation through reduced water consumption and demonstrates a positive environmental commitment and best practice to refrain from maceration

The Commercial Services Department ensures that all suppliers are asked to provide information on environmental performance during the pre-qualification questionnaires process.

Low carbon travel, transport and access

The Catering Department has recently invested in an electric van for the delivery of meals between the Royal Bournemouth and Christchurch hospitals. The electric van will help the organisation reduce its travel related carbon footprint and support a sustainable future, while still

providing the ability to deliver the food service. The vehicle will be charged at Royal Bournemouth Hospital using renewable energy generated from the three Solar PV Installations on site.

Members of staff who regularly drive Trust vehicles or the pool cars were also identified and sent on the Energy Saving Trust smart driving course. This training helps drivers to become more efficient drivers and can save organisations up to 15% on fuel costs.

Waste reduction and recycling

The Trust has recycling facilities within the education centre at the Royal Bournemouth Hospital by providing co-mingled recycling bins and food waste bins. All co-mingled recycling is processed by the Trust's waste contractor and all food waste is composted. This pilot has been well received and commingled recycling is in the process of being introduced across all areas of the Trust. Battery recycling facilities have also been rolled out across the Trust.

The installation of Dyson air blade hand driers in non-clinical washrooms has been carried out at the Royal Bournemouth Hospital. Great savings can be achieved through the installation of these items through the avoided cost in paper towel purchasing and disposal.

Buildings and site design

In developing its services and facilities, the Trust will aim to meet the BREEAM performance benchmarks (including 'BREEAM Excellent' for new build developments) in respect of the specification, design, construction and use of our buildings. The BREEAM measures include aspects related to energy and water use, the internal environment (health and well-being), pollution, transport, materials, waste, ecology and management processes.

Green spaces

The Estates Team has carried out a number of improvements to encourage wildlife and enhance biodiversity around the hospital sites. Around 30 bird boxes have been installed, covered duck houses provided around the lake, log piles have been formed to encourage biodiversity and a wildflower site has also been trialled to encourage nectar feeding bees and other insects. The Trust has also been trialling green pest control in the form of a Harris Hawk.

Staff engagement and communications

The Trust is committed to ensuring staff, patients, visitors and suppliers/ contractors are able to effectively engage with, and support, the carbon reduction plan. The Trust is the second NHS organisation to take part in the Green Impact Scheme, an environmental accreditation and awareness scheme run by the National Union of Students. Currently 17 teams have signed up to the scheme and an awards ceremony will be held in July to reward staff on their sustainable actions. Regular articles about sustainability and energy awareness are included within the staff magazines, as well as regular awareness raising events, such as the National Climate Week campaign and annual NHS Sustainability Day.

Organisational and workforce development

A range of initiatives associated with health improvement and promoting the health of staff, patients and the public are led and overseen by the Trust's Health and Wellbeing Group.

Partnership and networks

The Trust continues to work in partnership with key stakeholders under local strategic partnerships to ensure the collaboration aids the integration of the sustainability agenda.

Governance

Performance against targets is reported quarterly to the Carbon Group. The Trust has a target to achieve a carbon reduction of 10% by April 2016, which it is on target to achieve. A Sustainable Development Policy has also been signed off on behalf of the Trust by the Carbon Group. The Trust also routinely reports on energy consumption through the Department of Health 'Estates Returns Information Collection mechanism' (ERIC).

IT and finance

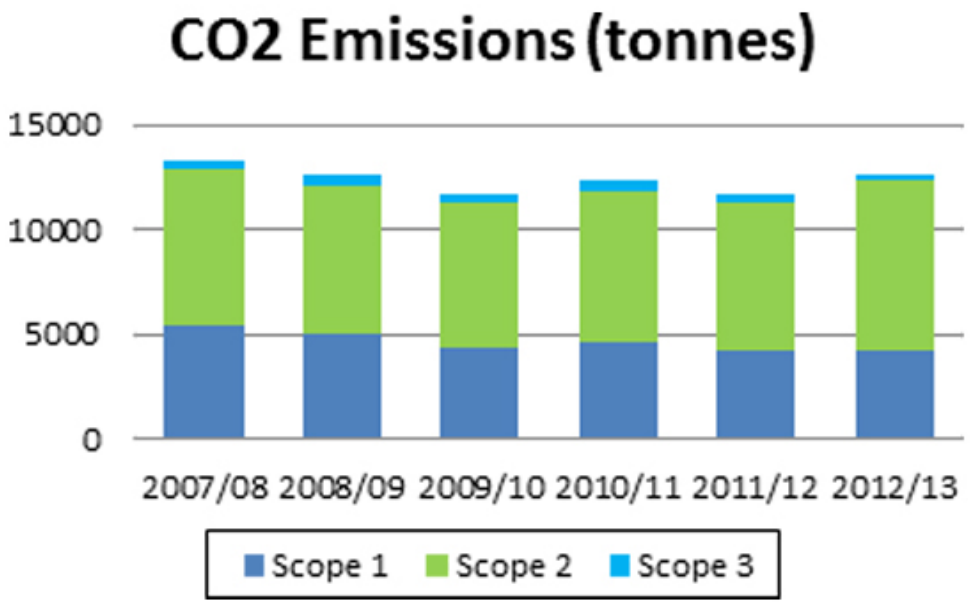
The Trust has introduced sustainability criteria for completion as part of all business cases. The IT Department has recently completed the rolling out of the PC power management software, aimed at reducing energy consumption through computers being left on unnecessarily.

Future priorities and targets for 2013/14:

- update the RBCH Sustainable Management Plan and action plan
- Catering Department to achieve the Bronze Food for Life Catering Mark to show case all work done regarding local, healthy and sustainable food
- sustainable procurement policy and associated action plan
- waste management strategy
- conduct staff and patient travel survey
- explore potential of collaboration with neighbouring companies to reduce congestion around sites during peak times
- expansion of Green Impact Scheme
- further utilisation of electric vehicles for cross site travel
- climate change risk mitigation plan

Performance data: Greenhouse gas emissions and energy use

		2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13
Non-financial indicators (tonnes CO2e)	Total gross emissions:	13,307	12,584	11,737	12,371	11,626	12,572
	Gross Emissions scope 1 (Gas/oil/ fleet vehicles/refrigerant losses)	5,340	4,949	4,401	4,630	4,166	4,185
	Gross emissions scope 2 (Electricity)	7,511	7,172	6,876	7,247	7,142	8,161
	Gross emissions scope 3 (waste/ water)	456	463	460	494	318	226
Related energy consumption (MWh)	Electricity: non-renewable	9,823	9,704	10,332	11,215	11,053	11,275
	Electricity: renewable	4,072	3,889	3,857	3,738	3,684	3,758
	Gas	28,457	25,435	22,371	23,566	21,512	21,480
	Oil	0	356	556	162	246	194
	LPHW	1,535	6,629	10,104	7,903	5,125	6,696
Financial indicators (£1,000's)	Expenditure on energy	1,545	2,344	2,003	2,035	2,225	2,675
	CRC gross expenditure	-	-	-	-	143	149
	Expenditure on official business travel	-	428	448	391	324	389
Energy consumption (MWh) per GIA floor area:		0.50	0.52	0.44	0.43	0.39	0.41
Carbon emissions (Kg CO2e) per patient:		21.3	19.0	16.7	17.6	15.7	16.3



RBCH energy costs have increased by 20% in 2012/13. These increases are largely due to the rising cost of utilities, but also due to increased utilities consumption in response to a significantly colder winter in the 2012/13 year compared to the mild weather the previous year. A slight increase in electrical consumption has also been observed, and this is due to additional electrical load through new equipment installed in 2012/13.

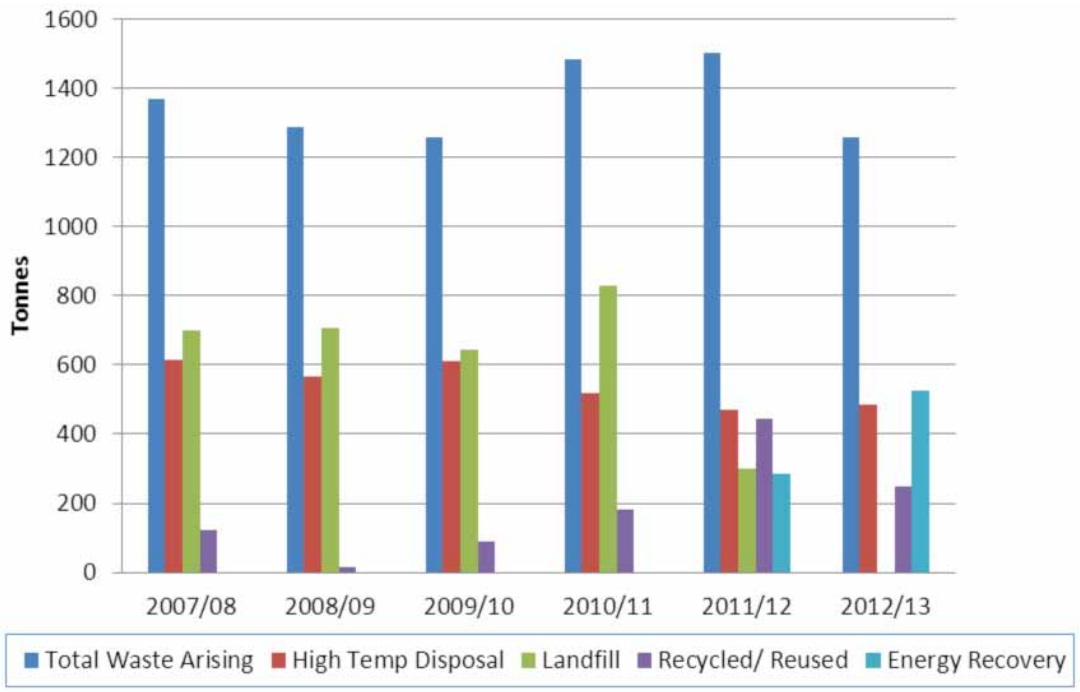
Although total energy consumption relative to floor area has increased in 2012/13 compared to the previous year, it has still reduced in comparison to 2011/12, and has reduced by 24% from the 2007/08 baseline year.

The Trust's gross carbon emissions have also risen in 2012/13. Although a decrease in scope 3 emissions has been observed, due to 526 tonnes of waste being diverted from landfill and sent to an energy recovery facility, an increase in scope 1 and 2 emissions has occurred. Gross carbon emissions have reduced by 5% from 2007/08 baseline year, and carbon emissions per patient have reduced by 23% since the baseline year. It is believed, with the commencing of the EnPC in 2013, that the Trust will remain on target to achieve its carbon reduction targets outlined in the Sustainable Management Plan.

RBCH purchase 25% of its electricity supply from renewable sources. Renewable energy represents approximately 8.4% of total energy use. In addition, RBCH generates 15% of its energy onsite, through the three solar PV installations and low pressure hot water which is produced as a by-product of on-site incineration and used to subsidise the Royal Bournemouth Hospital heating systems.

Performance data: Waste

		2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13
Non-financial indicators (tonnes)	Total waste	1,369	1,286	1,257	1,482	1,503	1,258
	High temp disposal waste	615	565	610	517	469	486
	Landfill	701	707	642	827	299	0
	Recycled/ reused	123	17	88	181	444	247
	Energy recovery	0	0	0	0	284	526
Financial indicators (£000's)	Total waste cost	318	325	367	333	336	320
	High temp disposal waste	256	238	288	258	221	237
	Landfill	62	77	73	72	44	0
	Recycled/ reused	26	3	9	28	31	13
	Energy recovery	0	0	0	0	31	65



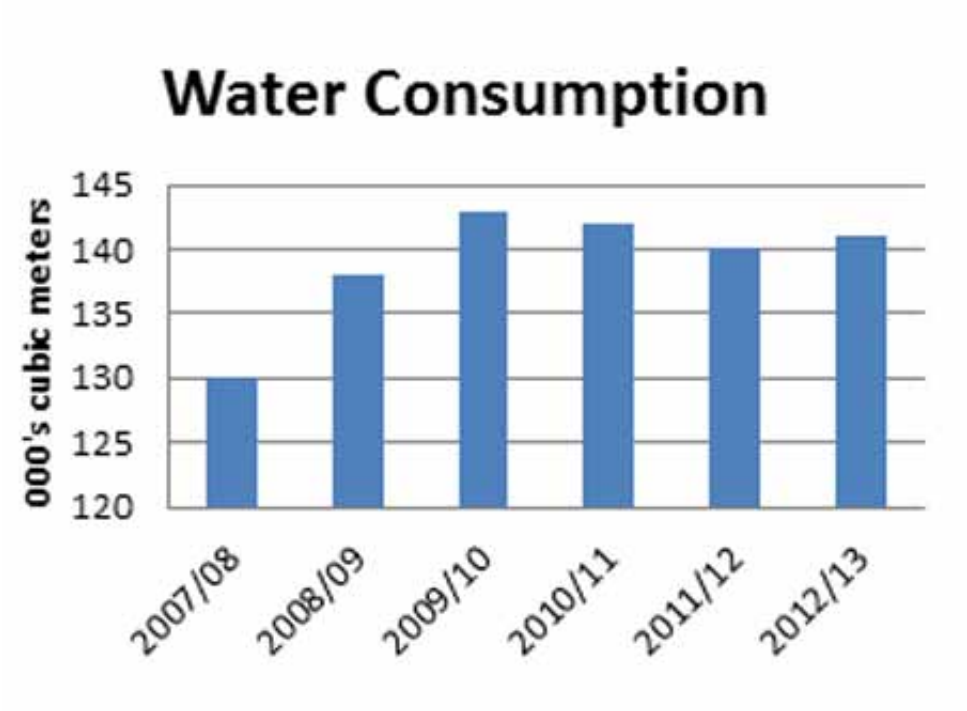
In 2012/13 the Trust's preferred waste contractor collected a total 773 tonnes of non-hazardous waste. Of this, zero tonnes went to landfill, 526 tonnes went to an energy recovery facility and 247 tonnes was recycled, which included mixed recycling (38 tonnes); baled cardboard (103 tonnes); and separate food waste collections (60 tonnes). In addition to the general recycling, various unwanted materials were collected for reuse or recycling, including curtains and bedding that were sent to Medical Aid International to be used in third world countries.

Performance data: Water

		2007 -08	2008 -09	2009 -10	2010 -11	2011 -12	2012 -13
Non-financial indicators (000's m3)	Water consumption	130	138	143	142	140	141
	Sewerage	112	118	117	124	122	122
Financial indicators (£1,000's)	Water supply costs	115	121	121	140	147	155
	Sewerage costs	144	147	151	168	164	181
Water usage per GIA (floor area)		1.47	1.57	1.34	1.33	1.31	1.32

RBCH water consumption increased by 883 cubic meters (0.6%) in 2012/13 compared to the previous year.

Although RBCH water consumption has increased between 2007/08 and 2011/12, water consumption per square metre of gross internal floor area has decreased by 10% in 2012/13 from the baseline year (2007/08).



5. Quality Report 2012/13

1. Statement by the Chief Executive

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

In this report we have outlined some of the quality activities which have taken place in the Trust over 2012/13.

Our quality program has also been enhanced by wide-ranging patient safety initiatives which cover a large range of specialties and topics. We continue to be part of a Foundation Trust Patient Safety Collaborative "NHS QUEST" which combines the shared experiences and learning from 13 Acute Foundation Trusts across the country to promote and improve patient safety. This year NHS QUEST work has concentrated on patient safety and readmissions; reducing mortality, and improving 'harm free' care.

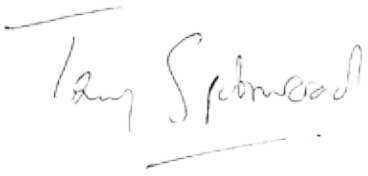
There were a number of successful inspections during the year, the most important of which was a re-inspection by the Care Quality Commission (CQC) which identified that we met outcome standards for areas such as consent, care and welfare, safety and estates. Our midwifery-led maternity services retained NHSLA Level 2 and the Trust was rated the second best hospital in England on quality in an independent report (the MHP Health Mandate Quality Index).

It is acknowledged that we set ourselves ambitious quality and safety targets for 2012/13 and, whilst progress is positive, we did not meet all of our aspirations in all cases. Where this is the case we have highlighted this in the Quality Report and identified the actions we will take in the year ahead to further embed quality initiatives and patient safety programmes.

The views of our various stakeholders have been very important to the development of this report and in the choice of the priorities for 2013/14. We have chosen to continue with our 'harm free' care programme for 2013/14 supported by a new "releasing time to lead" programme for ward clinical leaders. Patient safety and continuing to improve the patient experience will remain a prominent agenda for the Board of Directors and we welcome the opportunity to work with patients, carers, Foundation Trust members and the public on a wide range of patient experience and patient safety initiatives this year.

It has not been possible to include all of the quality improvement and patient safety initiatives that we have been or will be engaged in within this report. However, we hope that it will fulfill the purpose it sets out to achieve - to provide an accurate account of quality activity in the Foundation Trust and to demonstrate our clear commitment to quality improvement and patient safety.

To the best of my knowledge the information contained within this document is accurate.



Tony Spotswood
Chief Executive

2. Priorities for Improvement and Statements of Assurance on the Quality of Services Provided

Our quality improvement priorities in 2012/13 - progress against plan

In line with the Trust's vision: "Putting patients first while striving to deliver the best quality healthcare" the Trust's Board of Directors agreed a comprehensive set of strategic goals and objectives for 2012/13. The key goals for quality were:

- To offer patient centred services through the provision of high quality, responsive, accessible, safe, effective and timely care.
- To promote and improve the quality of life of our patients.
- To strive towards excellence in the services and care we provide.
- To work collaboratively with partner organisations to improve the health of local people.

The 2011/12 Quality Report identified the following specific quality improvement priorities to be monitored in 2012/13.

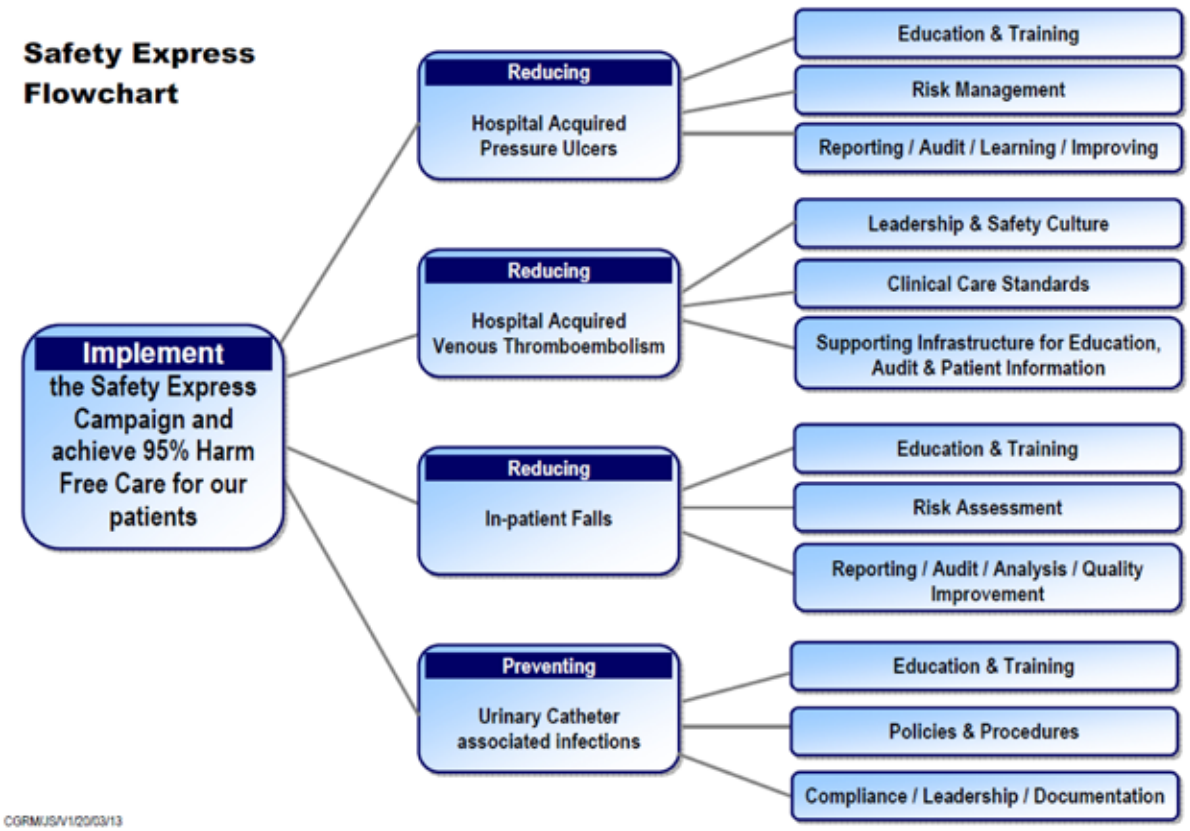
Safety express harm free care

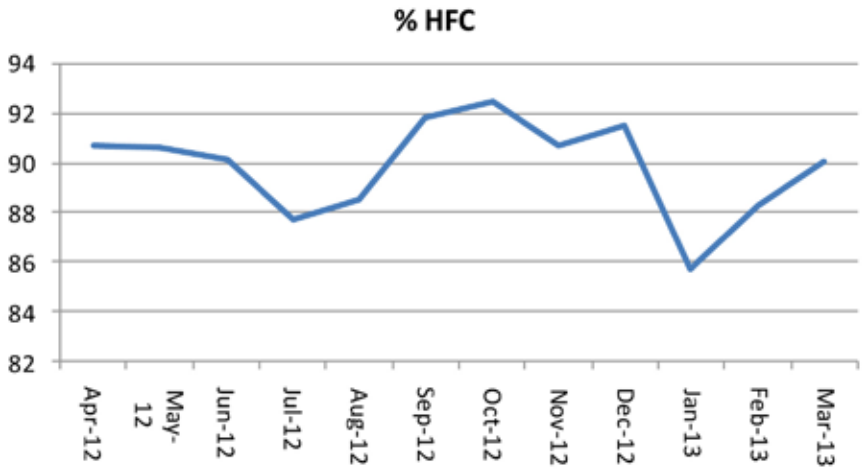
Safety Express is a national Quality, Innovation, Productivity and Prevention (QIPP) safe care initiative and the NHS safety thermometer data collection initiative is a national and local Commissioning for Quality and Innovation (CQUIN) target.

The Trust's Quality Report for 2011/12 set out as the main quality objective for the year completion of the safety thermometer across all wards areas with an over-arching aim: "to deliver harm free care as defined by the absence of pressure ulcers, harm from falls, catheter acquired urinary tract infection (CA-UTI) and Veno-thrombosis (VTE)".

'Harm free' care is measured using a standard NHS Safety Thermometer data collection tool. This requires wards to record 'harms' (hospital acquired pressure ulcer, fall, CA-UTI, hospital acquired VTE) for all patients on the ward each month.

The survey is undertaken on the same day each month on all wards and for all occupied beds.





The data is recorded on a standard audit sheet and results are validated prior to entry onto the national electronic standard safety thermometer data collection.

In 2012/13 the Foundation Trust achieved an average of 90% harm free care. This is slightly lower than the national average for 2012/13 for acute trusts (92%).

The Trust score for 2012/13 is slightly below the national average as a result of a higher number of patients being admitted to hospital with an existing pressure ulcer. The Trust is currently working with community colleagues to support pressure ulcer prevention initiatives and training.

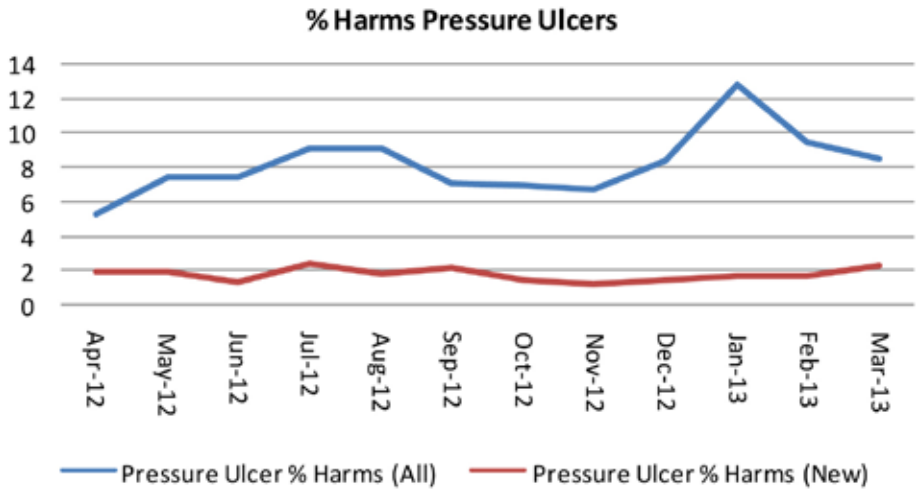
Quality initiatives undertaken in 2012/13 for each safety express patient safety objective are outlined in the following sections of the Quality Report.

Hospital acquired pressure ulcers

98% of hospital inpatients surveyed (6941) using the national NHS Safety Thermometer tool in 2012/13 had 'harm free' care in respect of hospital acquired pressure ulcers.

Quality improvements in year

- Mandatory training compliance increased in year
- In house e-learning film produced
- Link roles on each ward firmly established. 2 study days held in year, monthly meetings established to share learning and good practice
- Clinical leader ward rounds piloted
- Tissue viability lead weekly ward rounds in Medicine for the Elderly implemented
- New templates for safe operating procedures introduced
- Patient information drafted (awaiting approval by the Patient Information Group)



- New criteria for heel lift suspension boots implemented and additional funding provided to support roll out
- New nursing reviews and documentation (called care rounding) developed to record 2 hourly ward rounds

Action plan priorities for 2013/14

- Roll out of new standard operating procedures and nursing documentation
- Increase in ward based training
- Competency standards to be agreed for risk assessment documentation
- Routine documentation audit to be rolled out as part of NHS Safety Thermometer data collection
- Continue pilot of Tissue Viability ward rounds
- Clinical leader wards rounds to be fully established and monitored (Standard operating procedures and audit plan to be implemented to support compliance)
- Mattress availability to be reviewed by Equipment Library (pilot of tracking system to be implemented in 2013/14)

Inpatient falls

Less than 1% of hospital inpatients surveyed (6941) using the national NHS Safety Thermometer tool in 2012/13 had a fall resulting in harm whilst admitted to hospital. 99% of patients surveyed had harm free care.

Quality improvements in year

- Reduction in serious falls in year
- Falls training now part of mandatory clinical training and induction
- E-learning and in house films produced
- Falls Strategy Group enhanced with membership now including Dementia leads for the Trust, allied health professionals, representatives from all clinical directorates and Risk Management team members.
- Risk assessment compliance improved in year
- Slippers provided to all patients assessed at high risk of falls
- Walkrounds with Dementia lead and Estates established. Action plans in place to improve environment for patients at risk

Action plan priorities for 2013/14

- Business case for protected time for ward link staff to support Falls Prevention Strategy
- Routine environment audits planned with Estates and Dementia lead
- Competency standards to be agreed for risk assessment documentation
- Focus on actions to reduce repeated falls in patients and falls at night
- Routine documentation audit to be rolled out as part of the NHS Safety Thermometer data collection

New hospital acquired venous thromboembolism (VTE)

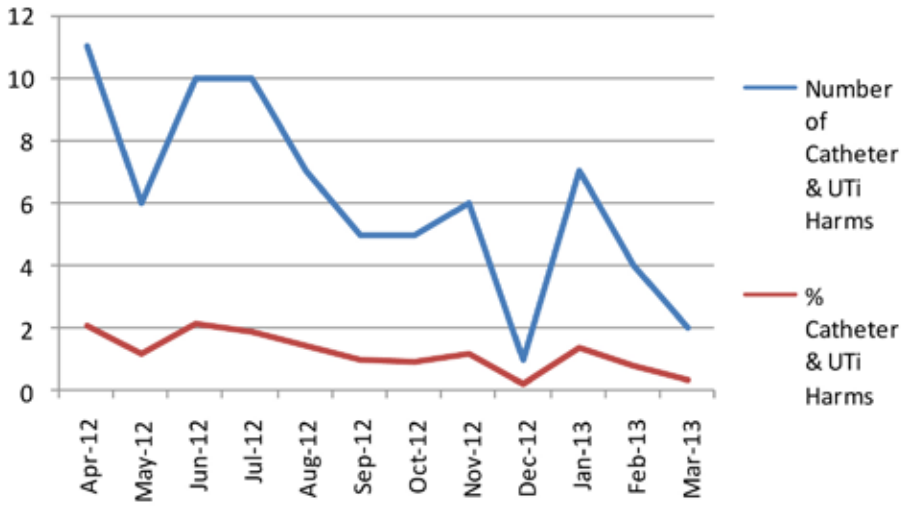
Less than 0.5% (0.45%) of hospital inpatients surveyed using the national NHS Safety Thermometer tool in 2012/13 had a new hospital acquired venous thromboembolism (a “blood clot”) during admission. This compares to a national acute trust average score of 1.17%.

Quality improvements in year

- Local clinical leadership established but gaps in awareness of the need to report hospital acquired VTE remain (focus for 2013/14)
- VTE risk assessment compliance improved to average/month of 93% (national and local target for 2012/13 was 90%)
- Reduction in VTE readmissions
- Decrease in number of hospital acquired VTE root cause analysis investigations required in year
- Only 1 preventable hospital acquired VTE in year

Action plan priorities for 2013/14

- Improve risk assessment compliance to the national target of 95%



- Provide ward scorecard on risk assessment compliance (monthly report to Clinical Leaders meeting)
- Update patient information including patient story film

Reducing catheter associated urinary tract infections

Less than 1.5% (1.25%) of hospital inpatients surveyed using the national NHS Safety Thermometer tool in 2012/13 had a new catheter related urinary tract infection during admission. This compares to a national acute trust average score of 1.56%.

Quality improvements in year and action plan priorities for 2013/14

- Education and training, including ward based training and specific competencies have been improved. Within the Trust there are Nurse Practitioners with well-established practice and competencies for catheter insertion. Further work with the Trust's Professional Development Team and external agencies and healthcare organisations will continue in 2013/14
- Policies for insertion and management of urinary and supra pubic catheters. Workstreams on policy documentation, criteria for urinary tract infections, risk assessments and review/removal procedures have been led by the Infection Control Team. A full review of the Urinary Catheter Management Policy has taken place, and a revised policy approved. The new policy includes the agreed diagnostic criteria and reason for catheter use. Recommendations for review of use and consideration for removal have also been incorporated into the policy. All tenets of the policy are reflected in a new pathway tool, which has also been incorporated into new documentation
- Compliance and documentation. Clinical leadership has been supported by the Continence Group, the Infection Control Directorate Leads and the Clinical Leaders in compliance with the NHS Safety Thermometer scorecard
- Recording. To further improve documentation, and facilitate the audit of compliance, a label to identify information about urinary catheter insertion clearly within the healthcare records has been formatted, and is currently in use. The initial response has been favorable and an audit of use is in progress. Further work is required to gain an overall view of compliance with use of urinary devices

- Recording of urinary tract infection rates. The data that has been provided by the wards as part of the monthly NHS Safety Thermometer data collection is validated by the Infection Control Nurses. The data now provides the Trust with a routine report which will support prevalence of catheter use and infection rates. This also allows further development of Ward to Board reporting, comparison by ward and, also benchmarking with other similar trusts.

Our quality p riorities for 2013/14

In order to identify priorities for quality improvement in 2013/14, we have used a wide range of information sources to help determine our approach. These include gathering the views of patients, public and carers using real-time feedback; collating information from claims, complaints and adverse incidents; and using the results of internal and external clinical audits and patient surveys to tell us how we are doing in relation to patient care, experience and safety. We have also used risk reports and listened to what staff have told us during Executive Director Patient Safety Walkrounds.

We have considered the results of the national staff survey to help us decide where we need to focus our quality improvement efforts and actions. We have also taken on board the national picture for patient safety and collaborated with other acute Trusts (as part of South West networks and NHS QUEST) to look at how joint initiatives may be undertaken and best practice developed together.

The Trust has formally consulted with key stakeholders (general public, governors and commissioners) to help identify quality improvement priorities for 2013/14. Priorities have been considered with clinical staff as part of service delivery and clinical governance meetings.

Following consultation, the Board of Directors have agreed that the priorities for 2013/14 should be further improvement in:

- Reducing Harm from Inpatient Falls
- Reducing Harm from Hospital Acquired Pressure Ulcers
- Reducing Urinary Tract Infections caused by catheters
- Reducing Hospital Acquired Venous Thromoboembolism (VTE blood clots)

The rationale for adopting the same priorities for 2013/14 as 2012/13 has been endorsed by the Board of Directors and Council of Governors and is to ensure effective implementation of all new quality initiatives and to focus on embedding and sustaining change.

A specific objective is to improve on 2012/13 compliance and achieve an average of 95% ‘harm free’ care for 2013/14. A further objective is to reduce the 2012/13 NHS Safety Thermometer baseline number of hospital acquired severe harms from falls and pressure ulcers by 50% in 2013/14.

The Trust will continue to monitor ‘harm free’ care using the Safety Express NHS Safety Thermometer tool across all ward and inpatient areas. All inpatient areas will continue to complete the NHS Safety Thermometer tool each month and this tool will be enhanced to include monthly risk assessment compliance data. Data collection and ‘harm free’ care performance will continue to be reported monthly to the Trust’s Healthcare Assurance Committee and Board of Directors as part of a Quality Dashboard. Where the information is available the Trust will review compliance against published national and local benchmarking.

Statements of Assurance from the Board

This section contains eight statutory statements concerning the quality of services provided by The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust. These are common to all trust quality accounts and therefore provide a basis for comparison between organisations.

Where appropriate, we have provided additional information that provides a local context to the information provided in the statutory statements.

Statement One: Review of Services

During 2012/13 the Trust provided 8 NHS services in accordance with its registration with the Care Quality Commission:

- Management of supply of blood and blood derived products
- Assessment or medical treatment for persons detained under the Mental Health Act 1983
- Diagnostic and screening procedures
- Maternity and midwifery services
- Family planning
- Surgical procedures
- Termination of pregnancies
- Treatment of disease, disorder or injury

The Trust has reviewed all the data available to it on the quality of care in all of these NHS services provided. This has included data available from the Care Quality Commission, external reviews, participation in National Audits and National Confidential Enquiries and internal clinical audits.

The income generated by the NHS services reviewed in 2012/13 represents 100% of the total income generated from the provision of NHS services by the Trust for 2012/13.

Additional Information:

The data reviewed for the Quality Report covers the three dimensions of quality - patient safety, clinical effectiveness and patient experience. Information reviewed included directorate clinical governance reports, risk register reports, clinical audit reports, patient survey feedback, real time monitoring comments, complaints, compliments and adverse incident reports, quality dashboards and quarterly clinical governance data. This information is discussed routinely at Trust clinical governance meetings. There is a clear quality reporting structure where scheduled reports are presented from directorates and specialist risk or quality sub groups to the Clinical Governance and Risk Committee each month. Many of the reports are also reported quarterly to our commissioners as part of our requirement to provide assurance on contract and quality performance compliance

Statement Two: Participation in Clinical Audit

During 2012/13, 31 National clinical audits and 4 national confidential enquiries covered NHS services that the Trust provides.

During 2012/13 the Trust participated in 84% (26/31) of national audits and 100% of national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that the Trust was eligible to participate in during 2012/13 are shown in the tables overleaf.

The national audits and national confidential enquiries that the Trust participated in, and for which data collection was completed during 2012/13, are listed alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

■ - yes ■ - no ■ - not applicable

National Clinical Audits for Inclusion in Quality Report 2012/13	Eligible to Participate	Participated in 2012/13	Data Collection completed in 2012/13	Rate of case ascertainment (%)
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	■	■	■	100%
British Thoracic Society (BTS) Adult Asthma	■	■	■	Local audit in progress
Adult Cardiac Surgery	■	■	■	■
BTS Adult Community Acquired Pneumonia	■	■	■	Local audit undertaken
Adult Critical Care (ICNARC)	■	■	■	100%
Bowel Cancer	■	■	■	100%
BTS Bronchiectasis	■	■	■	■
Cardiac Arrest	■	■	■	79%
Cardiac Arrhythmia	■	■	■	■
Cardiothoracic Transplant	■	■	■	■
Carotid Interventions	■	■	■	93%
Congenital Heart Disease (Paediatric Cardiac Surgery)	■	■	■	■
Comparative Audit of Blood Transfusion	■	■	■	100%
Coronary Angioplasty	■	■	■	100%
Adult Inpatient Diabetes	■	■	■	100%
Diabetes (Paediatric)	■	■	■	■
Emergency Use of Oxygen	■	■	■	100%
Epilepsy 12 (Childhood Epilepsy)	■	■	■	■
Falls And Bone Health	■	■	■	No data collection in 2012-13
Fever in Children	■	■	■	100%
Fractured Neck of Femur	■	■	■	44% (50 cases submitted but only 22 patients eligible)

Head and Neck Oncology	■	■	■	100%
Heart Failure	■	■	■	100%
Health Promotion in Hospitals	■	■	■	The Trust has signed up for health promoting hospital for 2013/14
Heavy Menstrual Bleeding	■	■	■	54%
Hip Fracture Database	■	■	■	■
Inflammatory Bowel Disease	■	■	■	Still open
Lung Cancer	■	■	■	100%
National Joint Registry	■	■	■	100%
Neonatal Intensive and Special Care	■	■	■	■
Non Invasive Ventilation	■	■	■	(8 eligible cases)
Oesophago-Gastric Cancer	■	■	■	100%
Paediatric Asthma	■	■	■	■
Paediatric Intensive Care	■	■	■	■
Paediatric Pneumonia	■	■	■	■
Pain Database	■	■	■	52% (49/95 patients returned both forms)
Parkinson's Disease	■	■	■	100%
Potential Donor	■	■	■	100%
Prescribing Observatory for Mental Health	■	■	■	■
Psychological Therapies	■	■	■	■
Pulmonary Hypertension	■	■	■	■
Renal Colic	■	■	■	100%
Renal Registry	■	■	■	■
Renal Transplantation (NHSBT UK Transplant Registry	■	■	■	■
Schizophrenia	■	■	■	■

Stroke National Audit Pilot Programme (SNAP - combined sentinel and SNAP)	■	■	■	Not involved in pilot
Trauma (TARN)	■	■	■	■
Vascular Surgery Database	■	■	■	100%
National Audit of Dementia	■	■	■	100%

National Confidential Enquiries for Inclusion in Quality Report 2012/13	Eligible to Participate	Participated in 2012/13	Data Collection completed in 2012/13	Rate of case ascertainment (%)
Asthma Deaths (NRAD)	■	■	■	100%
Cardiac Arrest Procedures	■	■	■	100%
Bariatric Surgery	■	■	■	100%
Alcohol Related Liver Disease	■	■	■	100%
Sub Arachnoid Haemorrhage	■	■	■	100%

Centre for Maternal and Child Death Enquiries for Inclusion in Quality Report 2012/13	Eligible to Participate	Participated in 2012/13	Data Collection completed in 2012/13	Rate of case ascertainment (%)
Perinatal Mortality	■	■	■	All relevant cases reported
Maternal Deaths	■	■	■	All relevant cases reported

The reports of 6 National audits published in 2012/13 were reviewed by the Trust in 2012/13 and the Trust intends to take the following actions to improve the quality of healthcare provided:

3rd Round UK Irritable Bowel Disease Audit (UKIBD) Audit

- Following the publication of the 3rd Round UKIBD audit, clinicians will improve the number of patients prescribed bone protection and the use of the Malnutrition Universal Screen Tool (MUST) assessment to inform referral to dietitians as well as increasing the number of patients seen by the IBD nurse specialist

National Outpatients Survey

- The results were positive in that the Trust performed significantly better on 12 questions when compared to its own results from the previous survey in 2009. When compared against other trusts, we performed better than average on 32 questions, average on 4 questions and only below average on 2 questions. The results have been incorporated into the Trust Patient Engagement Strategy

National Confidential Enquiry into Patient Outcome and Death (NCEPOD) Report - Time to Intervene

- In response to the NCEPOD Report Time to Intervene a business case to provide full supporting care has been discussed with the Trust Management Board and Board of Directors and an audit of surgical acuity requirements has been undertaken to inform this

NCEPOD Report - An Age Old Problem

- Following publication of the NCEPOD Report An Age Old Problem a pilot service providing Medicine for the Elderly support for surgical and orthopaedic patients has proved successful. A business case to set up this new service is being written

Confidential Enquiry into Maternal Deaths in the UK (CEMAC) Report 2011 - Saving Mothers' Lives

- Policies and mandatory training programmes have been updated in maternity in line with the recommendations of the Saving Mothers' Lives (CEMAC 2011) report

Confidential Enquiry into Suicide and Homicide by People with a Mental Illness (CISH)

- The report was considered at the Trust's Clinical Governance and Risk Committee and it was concluded that no additional action was required

Additional Information:

The Trust did not participate in the 3 British Thoracic Society (BTS) audits this year as local audits had already been undertaken on these topics. The Trust will, however, be participating in the BTS Bronchiectasis Audit in the coming year as a new service is being set up.

Results of local clinical audits are reviewed within the directorates and at directorate clinical governance committees. A summary of actions noted from clinical audits is reviewed quarterly by the Trust Clinical Governance and Risk Committee and by the Healthcare Assurance Committee.

The Trust has developed a detailed clinical audit plan for 2013/14 to include national, corporate and local clinical audit priorities. Progress is monitored via directorate clinical governance committees and the Trust Clinical Governance and Risk Committee. Progress is also reported quarterly to the Healthcare Assurance Committee, Audit Committee and Board of Directors.

The reports of 286 local clinical audits were reviewed by the Trust in 2012/13 and the Trust intends to take the following actions to improve the quality of healthcare provided:

- On completion of the annual antimicrobial rolling audit, regular antibiotic ward rounds have been established with robust referral practices from ward pharmacists. The results were presented to the Trust Clinical Governance and Risk Committee who supported implementation of an electronic prescribing platform over the next year to improve the quality of antimicrobial prescribing

- Following a Trust-wide health records audit the Health Records Policy has been amended to stop the use of plastic wallets within the health record and the audit tool has been amended to include the standard relating to ALERT notifications in the record. A "new entry" bookmark has also been successfully trialled
- Dysphagia Awareness training sessions have been organised for nurses, healthcare assistants and housekeepers following an audit of lunchtime feeding practices
- Following an audit of adherence to protected mealtimes policy, link nurses have been redefined for each ward to raise awareness of the updated policy and assist in its implementation on wards
- As a result of an audit of Carotid Artery Disease and Endarterectomy in transient ischaemic attack (TIA) and Minor Stroke all patients who have significant artery stenosis should be referred to a vascular surgeon on the same day of the carotid doppler study. A pathway is also being developed to ensure that patients with significant artery disease have surgery performed within 2 weeks
- Pharmacy attendance at post take ward rounds (PTWR) on the Acute Admissions Unit has been implemented to improve patient safety and medicines management
- An audit of the assessment of feet in patients with diabetes showed the quality of feet assessment in these patients could be improved. A note is now added to the Medical Clerking Proforma to remind doctors to complete these assessments and consultants check these on post take ward rounds
- Following an audit of therapy intervention for patients in Phase 1 cardiac rehabilitation, a new cardiac pathway has been implemented on Wards 21, 23, 24 and Intensive Care to guide therapist input for cardiac patients. A new cardiac screening tool is also being developed to identify patients who are appropriate for therapist input
- Pre-operative education booklets have been introduced and are issued to all enhanced recovery and non-enhanced recovery patients. This resulted from an audit of therapy within the enhanced recovery programme
- The Stroke Team have developed an electronic Multidisciplinary Team (MDT) form and set standards for MDTs using the Manchester model following an audit of Stroke MDT Goals
- Patient information leaflets in Endoscopy have been updated following a patient satisfaction survey.

Statement Three: Participation in Clinical Research

The number of patients receiving NHS services provided or sub-contracted by the Trust that were recruited during that period to participate in research approved by a research ethics committee was 1157 (April 2012 - March 2013).

Additional Information:

Data for April 2012 to the end of March 2013 is as follows: Band 1 = 429, Band 2 =266, Band 3 = 377, Commercial = 85. Total 1157. This compares to the 2012/13 value of 1452 and therefore represents a drop in activity for the year. The Trust has taken a number of actions to address this. In addition, we are to be a partner site for Quintiles which we confidently expect will increase commercial activity in 2013/14 despite a predicted global decrease in the UK market over the period.

Statement Four: Use of Commissioning for Quality and Innovation (CQUIN) payment framework

The Trust's income in 2012/13 was not conditional on achieving quality improvement and innovation goals through the Commissioning for Quality and Innovation (CQUIN) payment framework. The Trust agreed a managed contract during 2012/13 to share the risks during the transitional year to the new clinical commissioning groups. As a result the risks of over-performance and the delivery of the CQUIN goals/payments were shared.

Statement Five: Statements from the Care Quality Commission (CQC)

The Trust is required to register with the Care Quality Commission and its current registration status is unconditional.

The Care Quality Commission has not taken any enforcement action against the Trust during 2012/13.

The Trust has participated in 1 review or investigation by the CQC relating to its registration in 2012/13. The CQC did not issue any concerns against the Trust during 2012/13.

Additional Information:

The CQC inspected the Royal Bournemouth Hospital on the 22 and 23 November 2012. On the first day two inspectors carried out the inspection and on the second day two inspectors and an Expert by Experience attended. The inspectors spoke with patients, relatives and clinical staff. They also undertook a SOFI observational on one ward where patients were not able to tell us about their experiences. The inspections reviewed documentation standards and discussed with staff the systems for managing patients' records. Discussions were also held with the Director of Nursing and Midwifery, senior staff representatives from the Estates Department, Human Resources Department and the Board of Directors Commentary from the inspection report (the full details of which are on the CQC website) notes:

"The patients we spoke with had been fully involved in their treatment. Their consent had been obtained for procedures and operations. Signed consent forms were filed within patients' medical records appropriately. Patients reported that they were happy with their treatment and care. No one raised any concerns with us. They told us that they had been well looked after and were very positive about the staff. We found that the Estates Department had developed highly organised and efficient systems for maintaining a safe environment for patients. Overall, we found that there were efficient systems for management of records. Records we viewed were up to date, accurate and stored securely to maintain people's confidentiality."

The CQC inspection report found that the Trust met CQC standards for:

- Consent to care and treatment
- Care and welfare of people who use services
- Safety and suitability of premises
- Requirements relating to workers
- Records

Statement Six: Data Quality

The Trust submitted records during 2012/13 to the Secondary User Service (SUS) for inclusion in the Hospital Episode statistics which are included in the latest published data.

The percentage of records in the published data which included the patients' valid NHS number was 99.6% for admitted patient care: 99.8% for outpatient care; and 97.2% for accident and emergency care.

The percentage of records in the published data which included the valid General Practitioner Registration Code was 100% for admitted patient care: 100% for outpatient care; and 100% for accident and emergency care.

Additional Information:

Collecting the correct NHS number and supplying correct information to SUS (Secondary User Service) is important because:

- It is the only National Unique Patient Identifier
- It supports safer patient identification practices
- It helps create a complete record, linking every episode of care across organisations

This standard covers the specific issue of capture of NHS numbers. The wider data quality measures and assurance on Information Governance are covered under the next standard.

Statement Seven: Information Governance Toolkit Attainment Levels

All NHS Trusts are required to complete an annual Information Governance assessment via the Information Governance Toolkit. The self-assessment must be submitted to Connecting for Health, with all evidence uploaded by 31 March 2013.

The Trust's Information Governance Toolkit Version 10 assessment overall score for 2012/13 was 76% but was graded Not Satisfactory, as the Trust had achieved a score of at least a Level 2 in all but one of the 45 requirements. This overall score includes 14 standards graded at Level 3, which is the maximum score that can be attained on any standard.

Additional Information:

The Trust's overall score of 76% represents an increase in compliance of 4% from its 2011/12 Version 9 submission. However, as noted the Trust's submission was graded Not Satisfactory overall. In order to attain Satisfactory status, organisations are required to achieve a score of at least a Level 2 in all of the 45 requirements. During 2012/13, the Trust did not meet this target in one requirement in relation to Clinical Coding, which was graded at a Level 1. This specific standard required the Trust to evidence a coding error rate based upon the Clinical Coding Audit Methodology set out by the NHS Classifications Service. The Trust has taken the decision to instead adhere to the Charlson Index - the comorbidity coding standards required by Dr Foster. Additional checks have been carried out to confirm that, were the Trust to adhere to the Connecting for Health coding standards, it would be compliant with the requirements of the Information Governance Toolkit. The Trust has contacted the Care Quality Commission and Monitor to explain the reason for this, as well as highlighting the issue with Connecting for Health.

During 2012/13 the Trust has enhanced its Information Governance arrangements by revising all the core policy documents to provide clearer and more practical guidance for staff. The list of Information Asset Owners for the Trust has also been recently updated to ensure that all areas had designated an Information Asset Owner and they were aware of their responsibilities and have undertaken initial/refresher training relevant to the role.

At the same time there has been an increase in the number of Information Governance incidents reported, which demonstrates growing awareness of Information Governance as a result of mandatory training. This included

three serious incidents which have subsequently been reported to the Information Commissioner's Office. This reflects greater awareness of the Information Commissioner's Office thinking on issues of data protection and patient confidentiality following a series of fines of NHS organisations since March 2012.

Further work in 2013/14 will be undertaken to firmly embed the Information Asset Owner roles within the organisation, including a thorough review and risk assessment of flows of data to and from the organisation. Work will also be undertaken to embed and sustain the current 76% compliance with the Information Governance Toolkit.

Statement Eight: Clinical Coding Error Rate

The Trust was subject to a Payment by Results (PbR) clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for that period of diagnosis and treatment coding (clinical coding) were 12.5%.

The results should not be extrapolated further than the actual sample audited; the services that were reviewed within the sample were 100 Finished Consultant Episodes (FCE'S) in Urology 100 FCE'S randomly selected.

Additional Information:

Clinical coding is the process by which medical terminology written by clinicians to describe a patient's diagnosis, treatment and management is translated into standard, recognised codes in a computer system. It is important to note that the clinical coding error rate refers to the accuracy of this process of translation, and does not mean that the patient's diagnosis or treatment was incorrect in the medical record. Furthermore, in the definition to determine the clinical coding error rate, 'incorrect' most commonly means that a condition or treatment was not coded as specifically as it could have been, rather than there was an error. The Trust's error rate in the previous year's audit was 13.7% against a national average of 9%.

3.0 Review of quality performance 2012/13

The following section provides an overview of the care offered by the Trust based on performance in 2012/13 against key quality indicators selected by the Board of Directors in consultation with stakeholders. The indicators have been selected to demonstrate the Trust's commitment to patient safety, clinical effectiveness and enhancing the patient experience. The indicators have also been selected on the basis of data collection, accuracy and clarity.

Reducing adverse events

The Trust supports an open culture for reporting and learning from adverse events and near miss patient safety incidents. The Trust has an Adverse Incident Policy and standard Adverse Incident Report (AIR) Form.

All reported incidents are graded in terms of the actual severity of the incident. Standard gradings set down by the National Patient Safety Agency (NPSA) are applied. All incidents are fully investigated, including near miss and no harm events, and are used as an opportunity for reflective practice, shared learning and quality improvement.

Table: Patient safety incidents reported to NPSA via the national reporting and learning system - April 2012 to March 2013

Severity of Incident Reported	Total Number Reported 2012/2013	% of Incidents Reported 2012/2013	Total Number Reported 2011/2012	% of Incidents Reported 2011/2012
No Harm	3415	56.8%	3115	60.7%
Minor / Low	2451	40.8%	1834	37.5%
Moderate	115	1.9%	150	2.9%
Major / Severe	30	0.5%	31	0.6%
Catastrophic / Death	0	0	0	0
Total:	6011		5130	

Nationally 0.8 % of patient safety incidents reported to the National Reporting and Learning System are recorded as having caused severe harm or death. The Trust's percentages for both 2011/12 and 2012/13 are much lower at 0.6% and 0.5% respectively.

Examples of changes made as a result of incident investigations this year have included:

- Staffing templates reviewed on wards and increased where required to ensure safe staffing levels are provided for all shifts
- Funding for earlier use of heel protection approved and new clinical guideline implemented to support use
- New protocols for gastrointestinal bleed patients have been developed and an update provided at a medical grand round meeting and in the junior doctors' teaching program
- New system of checking anaesthetic machines implemented and new electronic system of recording and following up on missed checks established
- New standard operating procedures in pharmacy for dispensing of medicines and new training programmes introduced. There are also new posters in pharmacy dispensing area to alert patients to the important process of identity checking prior to dispensing medication

Medication safety

The Trust's Medicines Governance Committee is chaired by the Medical Director and its remit is to enhance and monitor the Trusts strategy to reduce medication errors, compliance with national standards for medicines management and ensuring implementation of safe practice alerts and reports.

The Trust's Medication Incident Review Group is chaired by the Deputy Director of Nursing and Midwifery. It ensures that Directorates take responsibility for reviewing incidents involving medicines, sharing learning and initiatives to improve safety and reduce risk.

In 2012/13 a total of 753 medication related adverse incidents were reported and investigated. This is an increase from 2011/12 (679) and 2010/11 (509) and reflects the Trust's commitment to encouraging open reporting.

Of the 753 adverse incidents reported 73% represented no harm events. This is consistent with previous years' results (2011/12 - 75%, 2010/11 - 73%).

Patient safety and quality improvement Initiatives to support medication safety and medication incident reduction during 2012/13 have included:

- Wards have completed medicines management self-assessment audits and developed action plans to address the issues raised.
- Wards have completed injectables self-assessment audits with their pharmacist and developed action plans to address the issues raised.
- Slam locks have been fitted to all of the medicines trolleys on the wards to reduce the risk of unauthorised access to medicines.
- Following a successful trial, pharmacists have attended post take ward rounds for medical admissions since October 2012. This continues to show benefits in safer prescribing, reduction in missed doses and reduced risk to patients from medicines.
- An audit of prescriptions for treatment doses of Low Molecular Weight Heparins (NPSA RRR014) was completed in October to December 2012. The results and the need to improve documentation and practice is being discussed with the specialties and at educational meetings.
- Introduction of antidote boxes containing flumazenil and naloxone to clinical areas for treatment of therapeutic overdoses of benzodiazepines and opioids. The boxes also contain a reporting form to encourage reporting as an adverse incident and to allow monitoring and encourage greater care in dosing particularly during conscious sedation.
- Introduced mandatory training on injectable medicines for junior doctors starting work in the Trust.
- Pharmacy implemented new processes (pink supply sheets and yellow bags) to ensure that urgent medicines reach the patient to avoid delayed and missed doses.
- Actions taken to avoid unnecessary omission of aspirin in patients at high risk of blood clots and ensuring that patients take the doses as prescribed and given to them.
- Implementation of a Medication Omissions Audit.
- A focused project commenced in the first quarter of 2013 to improve medication administration with specific outcome goals of reduced medication omission and better patient information. This work will continue through 2013/14.

Reducing patient falls

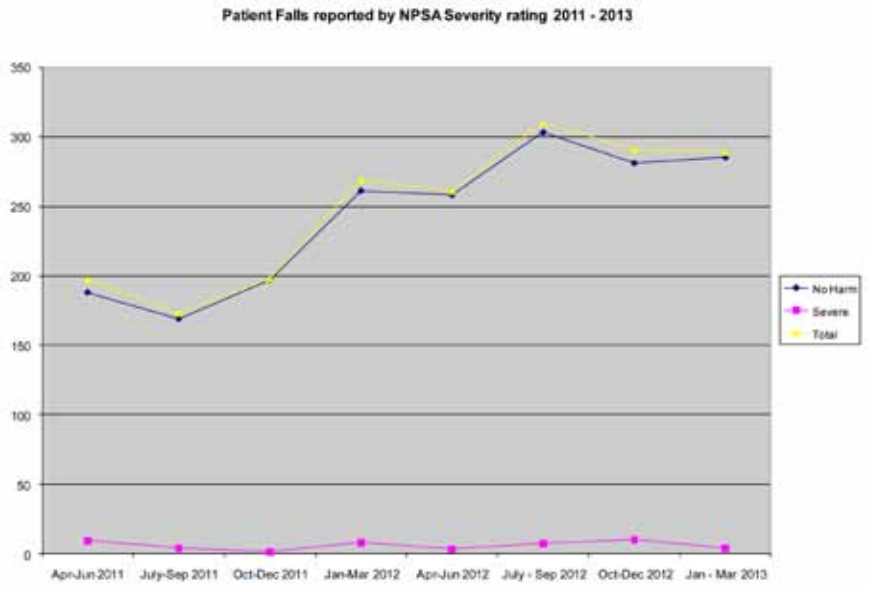
Patient accidents form the largest group of all patient safety incidents reported to the National Patient Safety Agency (NPSA) via the National Reporting and Learning System (NRLS).

The NPSA category “patient accidents” includes any slips, trips or falls by patients. These may be non harm events e.g. a patient has fallen walking along a ward corridor but not sustained an injury, or a harm event when a similar incident has occurred and the patient sustained a bruise, cut or more serious injury.

The Trust has invested heavily in staff training and equipment provision over the past few years in order to reduce the number of patient falls. As previous noted, quality and patient safety initiatives introduced in year to reduce patient falls have included:

- Implementation of falls training as a part of clinical mandatory training and induction
- Production of e-learning and in-house films for falls prevention and falls management
- Implementation of falls risk assessment documentation
- Slippers provided to all patients assessed at high risk of falls
- Walkrounds with dementia lead and estates established. Action plans in place to improve environment for patients at risk

RBCH Reported Patient Falls (all events) - 2011-13



A total of 1,892 patient falls were reported in 2012/13 compared to 1,505 in 2011/12.

In 2012/13 1.2 % of reported incidents resulted in severe harm to a patient, this compares to 1.5% in 2011/12.

The number of patient falls reported as serious incidents in 2012/13 was 21 compared to 24 in 2011/12.

As a year average, the Trust reported 9.18 patient falls/1000 bed days, compared to an acute Trust average (2009, NPSA data) of 5.6/1000 bed days. This is higher than 2011/12 and reflects the focus in year on reporting all adverse events including no harm and near miss events.

In comparison, as a year average, the Trust reported 3.4 inpatient harm event falls/1000 bed days, compared to an acute Trust average (2012 National Audit data) of 2.5/1000 bed days (the overall range was 0.9-5.4).

Ensuring high standards of infection prevention and control

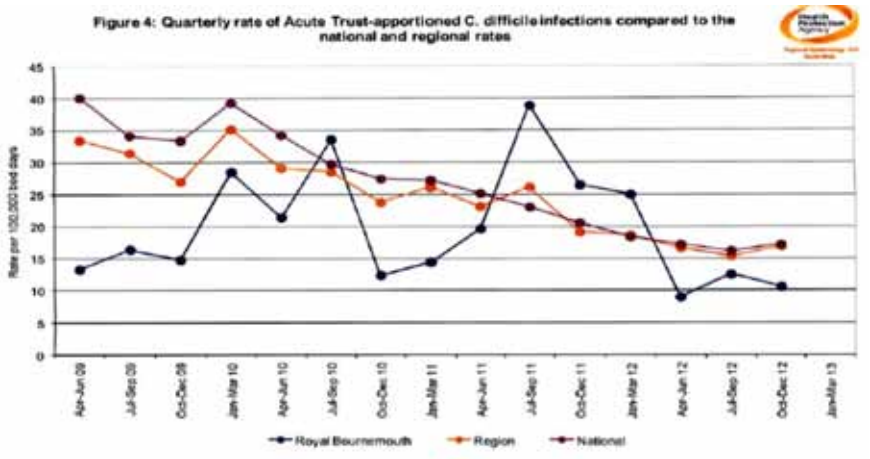
The Trust's Board of Directors is committed to infection prevention and control as a key priority at all levels of the organisation and takes a very active interest in the monitoring of infection control performance. The Director of Nursing and Midwifery, who acts as the Director of Infection Prevention and Control (DIPC), briefs the Board of Directors on a regular basis. The Trust publishes a detailed Infection Control Annual Report which is released publicly and available on the Trust's website.

MRSA Bacteraemia

The Trust has reported no Trust attributed MRSA Bacteraemia for the year 2012/13.

Clostridium difficile

All cases of Clostridium difficile infection at the Trust are reported and investigated. The number of cases reported for 2012/13 was 31; fewer than the annual target of 38, which was set by the Department of Health and was part of the Trust's contract. This year there has been improvement demonstrated by the Trust's clostridium difficile (c.difficile) rate per 1000 bed days which was lower than the national and south west average for 2012/13.



Clean environment

As part of the ongoing Infection Control Team initiatives to provide a safe environment, the Trust has installed eye catching floor and wall poster promoting alcohol gel use. These have been installed in the entrance corridors of all wards. An audit of the use of gels before and after installation showed an increase in usage.

3M Clean-Trace Surface ATP devices have been used in the Trust by the Infection Control and Housekeeping teams, and each directorate, to carry out audit and provide assurance of good standards of cleanliness of the environment and equipment by detecting organic material. The Trust has funded two further hand held devices to support effective audit.

Housekeeping carry out a quality monitoring process which gives compliance percentages monthly to all wards and departments, and work closely with the Infection Control Team and directorate senior nurses. The Infection Control Team, accompanied by representation from housekeeping and governors also undertake regular unannounced inspections.

Housekeeping have taken over some waste removal this year, providing a time efficient service to the wards. They are currently trialling a new method of waste collection from wards using collection bins which will reduce the risks of spillage and be more time-effective. With proposed regular 'trains' the department is working with porters to maintain clear cupboards and reduce the 'road blocks' in the corridors, leaving the areas clear.

The Trust has also approved a business plan, which will enable housekeeping to extend their services to cleaning shared patient equipment, for example hoists, walking aids and weigh scales, which historically has been a nursing task. This will enable nurses to support a high standard of direct patient care and provide agreed standards of cleanliness.

The Infection Control team have led an initiative to improve beverage provision at ward level providing a new light weight and easily cleaned trolley. Trolleys have been purchased with flasks and containers for the benefit of our patients.

Infection control improvements in year

The Trust has seen a measurable decrease in the closure of wards and bays in 2012/13 indicating an improvement in infection control practices across the Trust. Results for 2012/13 compared to the previous year are shown in the table below.

	2012/13	2011/12
Bed closures in days	98	362
Numbers of bays closed and days closed for	14 bays closed - 41 days	69 bays closed -133 days
Number of wards closed and days closed for	12 wards closed - 47 days	34 wards closed -180 days

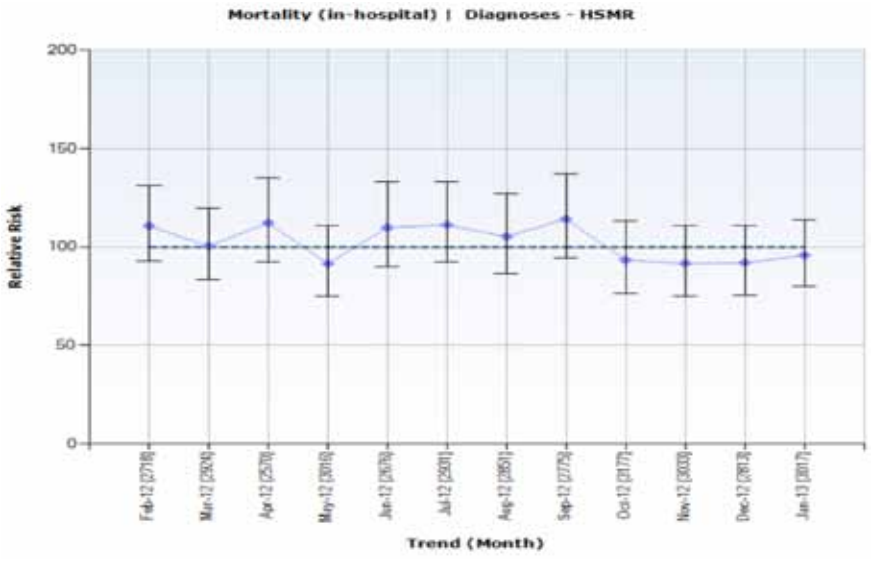
Reducing hospital mortality

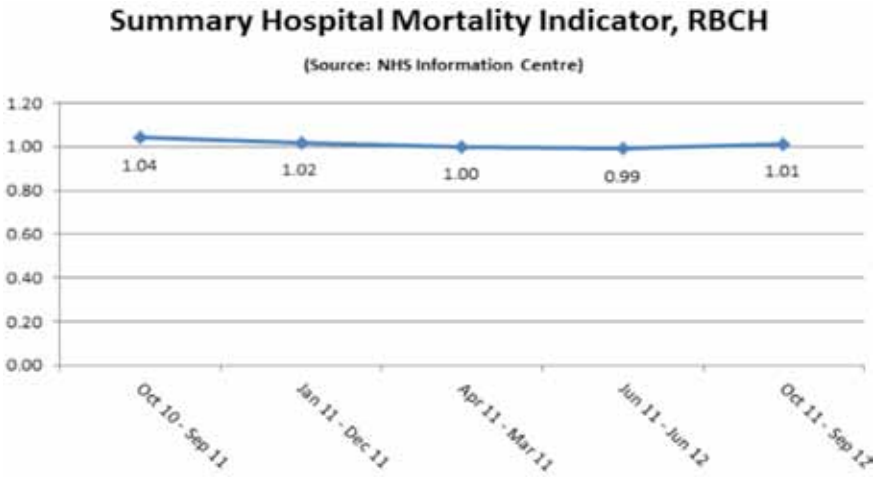
The Trust has a multidisciplinary Mortality Group, chaired by the Medical Director, to review the Trust's HSMR (Hospital Standardised Mortality Ratio) and Dr Foster relative risk reports on a monthly basis. The group also reviews death certification and electronic Immediate Discharge Forms (e-IDF) to ensure accuracy of coding. The group discusses areas of potential concerns regarding clinical care or coding issues and identifies further work, including detailed case note review and presentations from relevant specialties.

Mortality outlier alerts may be triggered by Dr Foster analysis, through Imperial College, or from the Care Quality Commission data analysis. Dr Foster is a leading provider of comparative information on health and social care services. Its online tools and consumer guides are used by both health and social care organisations to inform the operation of their services.

Dr Foster produces an annual hospital guide and one metric within this, known as Hospital Standardised Mortality Ratio (HSMR) has become a recognised way of assessing hospital mortality.

The chart below shows the most recent report available from Dr Foster for the Trust. An HSMR value of 100 represents an average "expected" value and therefore a score below 100 demonstrates a better than average position.





The Department of Health have also recently produced their own equivalent of HSMR - the Summary Hospital Mortality Indicator (SHMI), which includes deaths in the 30 day period following discharge from an acute hospital.

The chart above shows the most recent SHMI report available from the Department of Health for the Trust. A SHMI value of 1 represents an average "expected" value and therefore a score below 1 demonstrates a better than average position.

The Trust has taken the opportunity to widen its review of mortality in 2012/13 and has initiated a Mortality Improvement through Clinical Engagement (MICE) group, chaired by the Director of Nursing and Midwifery. This draws together several significant strands of work including the work of the Mortality Group described above. The other programmes drawn under this umbrella include Seven Day Working, End of Life Care, the Deteriorating Patient and Specialist Mortality Reviews.

The current focus of the latter component has been our work in managing sepsis. A Sepsis Group was formed in early 2012 and has undertaken significant work in a number or areas including:

- Sepsis card introduced
- New fluid chart introduced
- Sepsis added to education programmes for all medical staff

There has been a substantial reduction in mortality attributed to sepsis in 2012/13 in an environment of an increase in the number of patients admitted with sepsis within their diagnosis. To ensure ongoing quality improvement the action plan for the year ahead includes:

- To continue to raise awareness through education and training for clinical staff
- Develop additional continuing multi-professional education and skills lab training
- Audit antibiotic arrangements and sepsis pathway management - with particular focus on Emergency Department procedures
- Development and introduction of a sepsis management pack to support timely patient care
- Arrange a Sepsis Champion forum to enable sharing and dissemination of quality improvement ideas and initiatives
- Undertaken regular audits to review practice

Type of Guidance	Published	Applicable	Compliant	Partially Compliant	Non Compliant	Under Review
Clinical Guidelines	19	13	1	7	1	4
Technology Appraisals	28	22	18	0	1	3
Interventional Procedures	29	3	3	0	0	0
Public Health Guidance	6	4	2	2	0	0
Medical Technology Guidance	4	0	0	0	0	0
Quality Standards	12	11	5	1	0	5
Diagnostics Guidance	4	2	1	0	1	0
Total	**102**	**55**	**30**	**10**	**3**	**12**

Ensuring compliance with National Institute for Health and Care Excellence (NICE) Guidance

The Trust Clinical Governance and Risk Committee (CGRC) reviews compliance with all new NICE Guidance issued each month. For the period from April 2012 to March 2013 the CGRC reviewed a total of 102 newly issued guidance documents. Compliance rates are shown in the table above.

Where non or partial compliance has been identified this is reported to the Trust Clinical Governance and Risk Committee and an appropriate action plan agreed.

Ensuring compliance with safety alerts

A total of 89 Medicines and Healthcare Products Regulatory Agency (MHRA) Medical Device Alerts were issued and received in the year. Of these 27 applied to medical devices used within the Trust. The Trust ensured compliance with all relevant alerts.

In addition, 3 NHS Estates Alerts were issued and received in the year. Of these 3 were applicable to the Trust, 1 required action which was completed and 2 currently have action plans which are being completed within the timescale allowed.

The National Patient Safety Agency (NPSA) did not issue any new alerts in 2012/13.

Patient Reported Outcome Measures (PROMs)

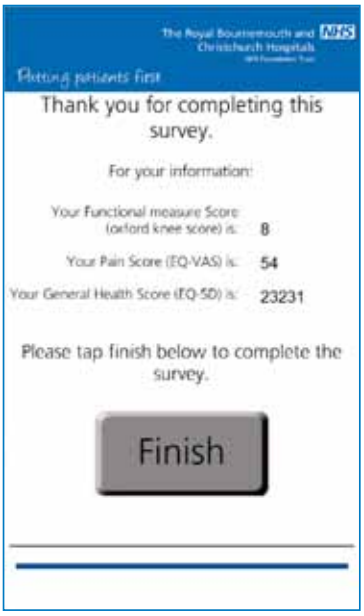
All NHS patients who are having hip or knee replacements, varicose vein surgery or groin hernia surgery are being invited to fill in Patient Recorded Outcome Measure (PROMs) questionnaires. PROMs is a method of measuring the functional activity level of a patient as recorded by the patient. The same questionnaire is sent to the patient 6 months post operation and the two scores are recorded by an external organisation Quality Health (operating on behalf of the Department of Health), with the aim of helping the NHS to measure and improve the quality of the care it provides.

The Trust participates in all 4 National PROMs surveys. All patients who come into hospital for one of the above procedures are asked to fill in a PROMs questionnaire before their operation.

In May 2013, the Trust will become a pilot site for Electronic Data Capture. The PROMs questionnaires will be completed, by patients, through hand-held tablets, similar to iPads. A volunteer has already been recruited to assist patients with the technology and one of the biggest advantages is that patients, on completion of their questionnaire will receive feedback, as shown in the picture.

The paper option will still be available for patients who prefer it and they will have equal access to the services of the volunteer.

The Trust is judged on how well patients are asked and the overall uptake rate. In Orthopaedics reports are published weekly, monthly, quarterly and annually to give regular feedback to the members of staff collecting the scores and to encourage some healthy competition and pride in maintaining high levels of compliance.



	Compliance Rate 2010/11	Compliance Rate 2011/12	Compliance Rate 2012/13	National Average 2012/13
PROMs for Groin Hernia	90%	59%	117.7%*1	62.9%
PROMs for Varicose Veins	86%	17%	9.8%*2	33.3%
PROMs for Total Knee replacement	79%	95%	96.5%	86.9%
PROMs for Total Hip replacement	76%	97%	96.5%	79.5%

The national average participation rate (as provided by Quality Health for the Department of Health, April 2012) is 72.6%. The Trust's average participation rate for all 4 PROMs is 80.1%.

*1 Participation rates of greater than 100% occur where the numbers of operations which actually take place are greater than that of the denominator. The denominator is determined as an average of the number of operations performed in the previous year.

*2 The Trust compliance rate for 2012/13 for varicose veins is much lower than the national average. The denominator used in the calculation is the number of operations performed in the previous year. The actual number of procedures performed in 2012/13 was significantly lower than the previous 2 years.

Improving patient experience

Measuring patient experience is paramount for the provision of a high quality service. It is important to ensure that patients and the public are given opportunity to comment on the quality of the services they receive.

The Trust undertook a detailed review of patient engagement and patient experience arrangements in July 2012 and presented a report to the Patient Experience and Communications Committee (a sub-committee of the Board of Directors).

The current status of patient experience work at the Trust can be summarised in the following areas:

- **Trust level benchmarking** - e.g. national annual inpatient and outpatient surveys, cancer patient surveys, Patient Reported Outcome Measures (PROMs) collected locally but reported nationally, Commissioning for Quality and Innovation (CQUIN) Payment Framework patient experience questions
- **In year progress on national and local priorities and internal benchmarking** - e.g. patient experience cards, real time patient feedback
- **Rapid identification of emerging issues** - e.g. real-time patient feedback, Adverse Incident Report forms, patient comment cards, trends in formal and informal complaints, issues raised by letters and compliments from patients, carers, relatives and the public, suggestion box feedback, web based free text comments, ward scorecards, staff survey
- **Personal Insights** - e.g. mystery shopper, patient stories, NHS Choices, letters and compliments, video vignettes, patient diaries, experience based design interviews
- **In depth reviews** - e.g. Focus groups, local surveys, stakeholder events, local forums e.g. young persons, learning disability, dementia and carer events
- **Education** - e.g. patient story by patient at induction training, carer story by carer at induction, patient story by patient at Board of Directors' meetings
- **Specific project groups** - e.g. Learning Disabilities, Dementia, Medicine for the Elderly

Patient experience activity embraces diversity in its entirety within all its actions, for example key stakeholder groups for patients and carers and the carers forum. There is a Trust's commitment to the diversity agenda which is also represented in the Trust Strategy and by the Trust through its Staff Health and Wellbeing Group.

National Inpatient Survey

The annual national patient survey is:

- a public determinant of patient experience
- a regulatory measure performance analysed by the CQC
- a local performance measure included in the CQUIN for our commissioners

The Care Quality Commission Inpatient Survey was undertaken in July 2012. The survey, the 10th annual national inpatient survey, included the results from 156 trusts based on 64,500 patients over the age of 16 years surveyed. There were 70 questions in the survey that relate to the patient experience, and 61 are included in the results. The sample was taken in July 2012 of patients who had spent at least one night at the Trust.

The Trust discharged 2,598 patients in July 2012, of which 850 patients were identified as eligible for the survey. 461 patients returned surveys, a response rate of 55% which is against a national average of 48% (aggregated from 69 trusts using the Picker Institute to administer the surveys).

The Trust's overall performance is amber which identifies that in all 10 sections the Trust results are "about the same as other Trusts in the survey" and amber in all 60 questions with one exception.

The results show that in comparison to 2011 there is:

- improvement on 18 questions
- statistically significant improvement on Q26: Doctors not talking in front of patients (2011 8.1; 2012 8.6)
- statistically significant decrease on Q19: patients feeling threatened by other patients or visitors (2011 9.7; 2012 9.5)
- one question categorised as red, being "worse when compared to other Trusts in the survey ". This question was Q37: 'were you given enough privacy when being examined or treated'. The highest result from all 156 trusts was a score of 9.8 and the lowest result was 9.1 which was the Trust's result. Reviewing the national results there is a 0.5 difference between the red and green categories for this question.

Since the July 2012 survey was performed, the Trust has undertaken a number of actions and inititiatives to improve the patient experience. This has included:

- Implementation of a new patient experience governance framework
- Ensuring accountablity within roles for patient experience
- Establishing a Patient Experience Action Group reporting to the Patient Experience Performance Committee
- Developing and implementing a ward scorecard and establishing regular systematic feedback of patient experience data at ward level
- Presenting a monthly patient experience summary Dashboard to the Trust's Healthcare Assurance Committee and Board of Directors
- Developing and implementing a Trust-wide patient feedback template structure

Focus for 2013/14 will include actions to review:

- Response to call bells
- Reduction in noise at night
- Improved privacy and dignity
- Patients being asked to give their views on the quality of their care
- Information at the point of discharge
- Same sex bathrooms/accomodation
- Patients feeling threatened by other patients or visitors

Action plans will be discussed and agreed through the Patient Experience and Communications Committee.

Commissioning for Quality and Innovation (CQUIN) patient experience questions

The Commissioning for Quality and Innovation (CQUIN) payment framework utilises 5 standard questions from the national inpatient survey. The framework ensures quality is part of every commissioner-provider discussion.

The chart below shows the Trust overall score and a breakdown of each CQUIN question score for 2012.

2012 trust score: The trust score at the end of 2012/13 to be used for payments from the 2012/13 CQUIN scheme	**68.8**

	2003	2005	2006	2007	2008	2009	2010	2011	2012
Your scores	66.5	69.4	65.9	68.5	69.9	68.2	67.9	68.8	**68.8**
SHA cluster	68.3	68.7	67.6	66.6	67.7	67.2	68.0	67.4	68.4
National	67.4	68.2	67.0	66.0	67.1	66.7	67.3	67.4	68.1

Your scores on individual questions, and on the overall indicator	**2012 Score:**
***Q32**: Were you as involved as you wanted to be in decisions about your care and treatment?*	72.3
***Q34**: Did you find someone on the hospital staff to talk to about worries and fears?*	57.3
***Q36**: Were you given enough privacy when discussing your condition or treatment?*	81.1
***Q56**: Did a member of staff tell you about medication side effects to watch for when you went home?*	52.4
***Q62**: Did hospital staff tell you who to contact if you were worried about your condition or treatment after you left hospital?*	80.5

averages out to... → **OVERALL INDICATOR 2012 score out of 100: 68.8**

The Trust's overall indicator score for 2012 is 68.8 out of 100, the same score attained in 2011.

Trust's CQUIN results have been above both the national and South West Strategic Health Authority's average since 2010.

The 2012 results showed that the Trust had improved significantly from 2011 in relation to two of the CQUIN questions:

- Q32 Were you as involved as you wanted to be in decisions about your care and treatment?
- Q56 Did a member of staff tell you about your medication side effects to watch for when you went home?

Picker Inpatient Survey July 2012

The Trust participated in the Picker Institute Inpatient Survey 2012. The raw data from the survey is analysed separately by the CQC as part of the National Inpatient Survey 2012.
A total of 850 patients from the Trust were sent a copy of the questionnaire, of which 461 were returned, giving a response rate of 59%. The national average response rate was 48%.

The survey highlighted many positive aspects of the patient experience. The Trust was significantly better than average on 12 questions in comparison with 68 Trusts administered by Picker.

The first table on the following page indicates the survey questions where the Trust was statistically better than the other participating trusts. The second table indicates the two questions where in comparison to other trusts our scores are statistically lower.

The Trust was statistically lower than national average scores when patients reported having to share bath or shower facilities with members of the opposite sex and they did not feel they were offered enough food choices.

Most patients were highly appreciative of the care they receive. However, the survey results did identify some areas for improving the patient experience. Action plans are in place to improve performance.

Your results were significantly better than the 'Picker average' for the following questions:

Lower scores are better

	Trust	Average
Planned admission: should have been admitted sooner	17 %	23 %
Planned admission: admission date changed by hospital	14 %	19 %
Planned admission: not given printed information about condition or treatment	14 %	20 %
Admission: process not at all or fairly organised	23 %	32 %
Admission: had to wait long time to get to bed on ward	26 %	31 %
Hospital: toilets not very or not at all clean	4 %	6 %
Hospital: nowhere to keep personal belongings safely	55 %	63 %
Hospital: food was fair or poor	36 %	43 %
Hospital: did not always get enough help from staff to eat meals	24 %	33 %
Doctors: did not always wash or clean hands between touching patients	9 %	11 %
Nurses: sometimes, rarely or never enough on duty	33 %	40 %
Care: staff contradict each other	27 %	33 %
Care: not always enough emotional support from hospital staff	37 %	44 %
Care: more than 5 minutes to answer call button	12 %	17 %
Surgery: what would be done during operation not fully explained	18 %	25 %
Surgery: questions beforehand not fully answered	17 %	22 %
Discharge: was delayed	33 %	40 %
Discharge: not given any written/printed information about what they should or should not do after leaving hospital	27 %	34 %
Discharge: family not given enough information to help	43 %	50 %

Cancer patient experience

A cancer patient experience survey published in September 2012 demonstrated a wide variety of results in the individual clinical domains. There were 64 questions in the survey across 15 domains. The Trust's performance is summarised below:

- 25 'green' placing us in the top 20% of trusts nationally.
- 5 areas show statistically significant improvement based on the previous survey in 2012.
- 2 'reds' placing the Trust in the lowest scoring 20% of trusts nationally:
  - Patient offered written assessment and care plan
  - Staff explained how the operation had gone in an understandable way

The clinical nurse specialists in each of the specialties have worked with the multi-disciplinary team and made site specific action plans. Key actions to address the two specific areas of concern included:

- Ensuring all clinical nurse specialists and clinicians had attended an 'advanced communication' course. Throughout the autumn individuals were booked and attended the regionally available course and further courses are being provided in 2013/14.
- Identifying a lead and implementing the Information Prescription Programme. This is being led through the cancer nurse practitioner in the Oncology Unit. It is a national programme aspiring to deliver a personalised approach to information giving, based on need. This involves selecting appropriate information from an 'information pathway' relevant for the patient and constructing an individualised 'information prescription'.

The progression of action plans are monitored through the Clinical Nurse Specialist working group and subsequently the Cancer Patient Experience Group chaired by the patient experience lead clinician. A further national Cancer patient experience survey is in progress and another focusing on chemotherapy is being undertaken.

Trust patient survey card Results

Patient experience card (PEC)

In addition to responding to national patient surveys, the Trust has an internal patient experience card which is available for all inpatients and outpatients to complete. The cards are available in all areas for patients, relatives and/or carers to complete. There are 11 questions on one side, chosen in parallel with the CQC and CQUIN questions. The other side is a free text space for qualitative comments. The results are available to all staff and are collated and fed back quarterly to all participating areas.

In 2012/13, 63% of patients completing the patient survey card rated the Trust as "excellent" and 98 % said they felt safe whilst in our care. (The 2012/13 results relate to March 2012 to December 2012 data only as the PEC questions were amended in January 2013).

Friends and Family Test (FFT) using the patient experience cards

The implementation of the Friends and Family Test (FFT) has been rolled out throughout the Trust to meet the compliance requirements from the Department of Health. All patients who attend the Emergency Department and those who stay in a ward overnight within the set criteria are offered a Patient Experience Card to complete the FFT. There is an expectation that all clinical areas will be included from October 2013.

The PEC reporting template has been redesigned to ensure that staff have clear visibility of the FFT score in addition to the survey questions. Training sessions on the FFT has been widely available to staff from large group sessions including induction and preceptorship training, to clinical leaders and senior nurses to small ward based and individual sessions. An implementation plan has been activated and wards are aware on a monthly basis of their compliance data. Each clinical area has been visited daily to provide support and advice.

		Excellent ..... Poor									
		10	9	8	7	6	5	4	3	2	1
How would rate your overall visit?	2010/11	62%	17%	11%	3%	1%	2%	0%	1%	1%	1%
	2011/12	63%	16%	11%	3%	2%	1%	1%	1%	0%	2%
	2012/13	63%	17%	11%	3%	2%	1%	1%	1%	0%	1%
How likely would you be to recommend us?	2010/11	71%	12%	7%	3%	1%	2%	1%	0%	0%	1%
	2011/12	73%	11%	8%	2%	1%	1%	0%	0%	0%	2%
	2012/13	74%	11%	7%	2%	2%	1%	0%	1%	0%	2%

Real time patient feedback (RTPF)

'Real time patient feedback' is an in-house survey with data collected with hand-held terminals. RTPF is facilitated through the Trusts trained volunteers and public governors. Patients are asked a series of standard questions through face to face interviews and patient stories and views collected. The survey data collection process managed by the Head of Patient Engagement and data analysis is provided by an external provider which is currently commissioned to provide the service.

The RTPF surveys are specific to the areas where patients access services including ward inpatient areas, the Emergency Department and outpatient departments. The surveys have been customised for their areas. The results are shared, with access for all clinical areas involved, and will be incorporated into their clinical dashboards which are currently in development. Actions for improvement of these methodologies is currently through directorates and a review of this is currently in progress. This service is also available online.

Working in partnership

During 2012/13 the Trust has developed stronger partnerships with carers forums, local schools and LINks).

The Trust has welcomed the opportunity to work with Bournemouth LINk on a number of quality reviews this year. Bournemouth LINk have undertaken the following projects:

- "A problem has to fit in one box" - Research with young people in Bournemouth. LINk undertook a survey of young people in Bournemouth, including young carers, asking them for comments about healthcare services that they had accessed or were available. The report (issued in January 2013) provided the Trust with some very helpful feedback and the opportunity to widen our understanding of the needs of young people locally. An action plan has been developed around the responses received and implementation will be coordinated through the Trust Safeguarding Committee and Patient Engagement Team.
- "Enter and View" - LINk visited two inpatient wards at the Royal Bournemouth Hospital in January 2013. LINk were able to observe practice and talk to patients, carers and visitors about their care and treatment and gain feedback about their experience of the Trust. The results were fed back to the Director of Nursing and Midwifery and subsequently shared with ward staff. LINk (Healthwatch Dorset from 1 April 2013) have also been invited to come and discuss their report at a Trust Clinical Leaders meeting.
- "People speak out" - LINk undertook a survey in January-February 2013 of the views of hospital leavers. A standard survey form was used and asked patients to comment about their discharge experience. 500 survey forms were given out with a response rate of 16.4%. It was positive to hear that 91% of people responding said they were happy with the information they received on discharge. However a number of actions to further improve patients' experiences were identified and these are currently being progressed as part of the Trust's wider Patient Engagement Strategy.

The Trust has also held a number of stakeholder style events in 2012/13 including a public feedback event in May 2012 and a learning disability feedback event for patients with a learning disability and their carers. A public and staff event was also held in March 2013 on NHS Change Day with feedback from patients about the care they had received and improvement pledges from staff.

Learning from and reducing complaints

Complaints made to the Trust are managed within the terms of the Trust's complaints procedure and national complaint regulations for the NHS. The overriding objective is to resolve each complaint with the complainant through explanation and discussion.

There were 303 formal complaints from patients or their representatives during the year. This represents a decrease of 0.3% (1 complaint) from last year's total of 304 complaints.

Of the 303 formal complaints, 159 (52%) of the 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. At the time of preparing this report, 6 complaint investigations were still to be concluded and a decision on whether they were well founded had not been reached.

Subjects of complaints

The main categories of complaint were as follows:

Subject	Number in 2011/12	Percentage in 2011/12	Number in 2012/13	Percentage in 2012/13
Administrative systems	19	6.3%	19	6.2%
Attitude of staff	32	10.5%	38	12.5%
Bed management	1	0.3%	4	1.3%
Clinical treatment	177	58.2%	172	56.7%
Communication/information	44	14.5%	35	11.5%
Discharge arrangements	14	4.6%	15	4.9%
Environment	2	0.6%	4	1.3%
Equipment/facilities	0	0	1	0.3%
Health and safety	7	2.3%	3	0.9%
Privacy and dignity	2	0.7%	2	0.6%
Medication	0	0	5	1.6%
Availability of staff	1	0.3%	1	0.3%
Policies and procedures	1	0.3%	1	0.3%
Violent/Aggressive behaviour	0	0	0	0
Transport	1	0.3%	0	0
Theatre Management	3	1.0%	3	0.9%
Total	304	100%	303	100%

14 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:

- Reception staff reminded by Deputy General Manager of the standards required in speaking to and advising patients
- Provision of suitable changing facilities for disabled patients and others to be considered by Dementia and Learning Disability Group (Dignity in Care)
- Multi-disciplinary action group led by the Clinical Leader set up to change support to patients at mealtimes
- Review of pharmacy waiting area to provide better service to patients
- Plan in place to provide alternative storage for mobility equipment instead of in open ward area. Complaint used as case study with ward team to improve communication.
- Training need identified on the use of specific equipment to transfer patients back to their bed following a fall. Additional equipment and training implemented.
- Protocol introduced to prevent data loss from 24 hour cardiac monitors
- Staff to have conflict resolution training to manage stressful situations
- Education of medical staff on history taking with HIV+ patients
- New cardiology protocol implemented for pathways of post procedure patients
- Appropriate risk assessment of patients requiring escort raised with ward staff
- Patient information leaflet regarding risk of polyhyramnios and cord prolapse to be devised with leaflet for expectant mothers on this subject.

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, 10 people chose to refer their concerns to the Parliamentary and Health Service Ombudsman during 2012/13 compared to 19 in 2011/12. The Ombudsman declined to investigate four complaints, referred three back for further local resolution, and is undertaking one investigation of a complaint which has not concluded. Two complaints are still being assessed by the Ombudsman.

Compliance against national priorities

The Trust measures many aspects of its performance and this data is regularly reviewed throughout the organisation. At Board level patient safety, quality and performance dashboards are reviewed each month and these include key measurements (metrics) for all national and local priorities.

In accordance with statutory reporting requirements, the following section provides an overview of the Trust's performance in 2012/13 against the key national priorities from the Department of Health's Operating Framework. The table includes performance against the relevant indicators and performance thresholds set out in Appendix B of Monitor's Compliance Framework.

National Priority	2009/10	2010/11	2011/12	2012/13 Target	2012/13 Actual
Clostridium difficile year on year reduction	44	46	62	38	31
MRSA - hospital acquired	3	0	2	6	0
Maximum cancer waiting time of 31 days from decision to treat to start of treatment	97.71%	99.56%	96.7%	96%	96.4%
Maximum cancer waiting time of 31 days from decision to treat to start of subsequent treatment: Surgery	99.2%	99.6%	99.2%	94%	98.8%
Maximum waiting time of 31 days from decision to treat to start of subsequent treatment: Anti cancer drug treatment	100%	100%	100%	98%	100%
Maximum waiting time of 62 days from urgent referral to treatment for all cancers	88.26%	89.71%	87.3%	85%	88.6%
Maximum waiting time of 62 days following referral from an NHS Cancer Screening Service	96.30%	97.00%	94.6%	90%	98.6%
Maximum waiting time of two weeks from urgent GP referral to first outpatient appointment for all urgent suspect cancer referrals	94.11%	93.60%	94.2%	93%	93.6%
Two Week Wait for Breast Symptoms (where cancer was not initially suspected)	86.26%	98.58%	99.1%	93%	97.0%
Maximum waiting time of four hours in the Emergency Department from arrival to admission, transfer or discharge	99%	99%	97%	95%	97.2%
18 week referral to treatment waiting times - admitted	n/a *	n/a *	17.7 weeks	90%	94.5%
18 week referral to treatment waiting times - non admitted	n/a *	n/a *	14.2 weeks	95%	98.9%
18 week referral to treatment waiting times - patients on an incomplete pathway	n/a *	n/a *	14.2 weeks	92%	97.1%
Certification against compliance with requirements regarding access to healthcare for people with a learning disability	n/a	n/a	Compliance certified	n/a	Compliance certified

*__Note__ - In 2011/12 the Department of Health set percentile thresholds for 18 week referral to treatment waiting times monitoring but reverted back to percentages in 2012/13.

Compliance against new Quality Account Core Standards 2012/13

In addition to the above national priorities, for 2012/13 all trusts are required to also report against a set of core standards, using a standardised statement set, identified in the NHS (Quality Accounts) Amendment Regulations 2012.

Quality Indicator	Data Source	percentage/proportion/ score/rate/number for at least the last 2 reporting periods	National average value	Highest value	Lowest value
Summary hospital level mortality indicator (SHMI)	Health and Social Care Information Centre (HSCIC)	Oct 11 - Sep 12: 1.01 Jul 11 - Jun 12: 0.99 Apr 11 - Mar 12: 1.00	1.00	1.21 (Oct 11- Sep 12)	0.6849 (Oct11 - Sep 12)
The percentage of patient deaths with palliative care coded at either diagnosis or speciality level for the Trust	HSCIC	Palliative Care coding by speciality and/or diagnosis Oct 11- Sep 12: 24.28% Jul 11- Jun 12: 22.26% Apr 11- Mar 12: 21.5%	19% (Oct 11 - Sep 12)	43.3% (Oct 11 - Sep 12)	0.2% (Oct 11- Sep 12)

The Trust considers that the above data is as described for the reason of provenance as the data has been extracted from available Department of Health information sources.

Patient Reported Outcome Measure Scores

Quality Indicator	Data Source
Patient reported outcome measure score for groin hernia surgery	The Trust considers that the data below is as described for the reason of provenance as the data has been extracted from the Department of Health Information Centre HESonline - PROMs. The time periods presented are: 2010-11 - April 2010-March 2011, published August 2012 2012 - April 2012-December 2012, published May 2013 The data compares the post-operative (Q2) values, data collected from the patients at 6 months post-operatively by an external company. The data is not case mix adjusted and includes all NHS Trusts, Foundation Trusts, PCT and NHS Treatment Centre data. Private hospital data is omitted.
Patient reported outcome measure score for varicose vein surgery	
Patient reported outcome measure score for hip replacement surgery	
Patient reported outcome measure score for knee replacement surgery	

Data Definitions and Outcome Measure descriptions used

EQ-VAS

Is a 0-100 scale measuring a patient's pain, with scores closest to 0 representing least pain experienced by the patient.

EQ-5D

Is a scale of 0-1 measuring a patient's general health level and takes into account anxiety/depression, pain/discomfort, mobility, self-care and usual activities. The closer the score is to 1.0 the healthier the patient believes themselves to be.

Oxford Hip and Oxford Knee Score

Measures of a patient's experience of their functional ability specific to patients who experience osteoarthritis. The measure is a scale of 0-48 and records the patient's ability to perform tasks such as kneeling, walking without a limp, shopping and stair climbing. The closer the score is to 48 the more functionally able the patient perceives themselves to be.

	VEINS							
	RBCH 2010-11	National Average	Highest Outcome	Lowest Outcome	RBCH 2012	National Average	Highest Outcome	Lowest Outcome
EQ-VAS	82.630	79.155	69.974	86.075	Data set too small for reporting	78.481	70.194	84.350
EQ-5D	0.862	0.855	0.939	0.716	Data set too small for reporting	0.834	0.903	0.717

	HERNIA							
	RBCH 2010-11	National Average	Highest Outcome	Lowest Outcome	RBCH 2012	National Average	Highest Outcome	Lowest Outcome
EQ-VAS	78.087	79.159	72.200	85.163	81.032	79.505	71.250	85.773
EQ-5D	0.848	0.874	0.934	0.787	0.906	0.874	0.943	0.736

	HIP							
	RBCH 2010-11	National Average	Highest Outcome	Lowest Outcome	RBCH 2012	National Average	Highest Outcome	Lowest Outcome
EQ-VAS	75.668	74.550	64.691	81.672	75.637	75.074	62.308	82.548
EQ-5D	0.782	0.762	0.899	0.583	0.798	0.767	0.899	0.599
Oxford Hip Score	38.358	37.977	43.079	31.307	38.381	38.060	43.837	32.250

	KNEE							
	RBCH 2010-11	National Average	Highest Outcome	Lowest Outcome	RBCH 2012	National Average	Highest Outcome	Lowest Outcome
EQ-VAS	72.771	70.913	60.387	78.246	71.983	71.827	64.094	79.182
EQ-5D	0.727	0.705	0.810	0.539	0.694	0.709	0.822	0.526
Oxford Knee Score	34.208	33.724	38.351	25.531	34.433	33.863	39.225	28.672

Quality Indicator	Data Source	Results for reporting period Oct-Dec 2012	Results for reporting period Jan - Mar 2013	National average value	Highest value	Lowest value
% of patients readmitted to hospital within 28 days of being discharged	HSCIC	Q3 2012-2013 28279 admits 1752 readmits 6.2% readmit rate	Q4 2012-2013 27779 admits 1586 readmits 5.7% readmit rate	Not available	Not available	Not available
% of patients admitted to hospital who were risk assessed for venous thromboembolism	HSCIC	Q3 2012-2013 No. Assessed 26291 Admitted 27827 94.5% Assessed	Q4 2012-2013 No. Assessed 25801 Admitted 27440 94.0% Assessed	Not available	Not available	Not available
C difficile infection rate per 100,000 bed days	HSCIC	Q3 2012-2013 52326 bed days 6 C difficile Rate =11.5	Q4 2012-2013 53939 bed days 13 C difficile Rate = 24.1	Not available	Not available	Not available

The Trust considers that this data is as described for the reason of provenance as the data has been extracted from available Department of Health information sources.

Patient safety incidents

This year is the first time that patient safety incidents resulting in severe harm or death have been required to be included within the Quality Report alongside comparative data provided, where possible, from the Health and Social Care Information Centre (HSCIC). The National Reporting and Learning Service (NRLS) was established in 2003. The system enables patient safety incident reports to be submitted to a national database on a voluntary basis designed to promote learning. It is mandatory for NHS trusts in England to report all serious patient safety incidents to the Care Quality Commission as part of the Care Quality Commission registration process. To avoid duplication of reporting, all incidents resulting in death or severe harm should be reported to the NRLS who then report them to the Care Quality Commission. Although it is not mandatory, it is common practice for NHS trusts to report patient safety incidents under the NRLS's voluntary arrangements.

As there is not a nationally established and regulated approach to reporting and categorising patient safety incidents, different trusts may choose to apply different approaches and guidance to reporting, categorisation and validation of patient safety incidents. The approach taken to determine the classification of each incident, such as those 'resulting in severe harm or death', will often rely on clinical judgement. This judgement may, acceptably, differ between professionals. In addition, the classification of the impact of an incident may be subject to a potentially lengthy investigation which may result in the classification being changed. This change may not be reported externally and the data held by a trust may not be the same as that held by the NRLS. Therefore, it may be difficult to explain the differences between the data reported by the trusts as this may not be comparable.

The following table and charts provide the results from the most recent NRLS report. The report provides comparative data for April 2012 to September 2012. Full year data is not currently available.

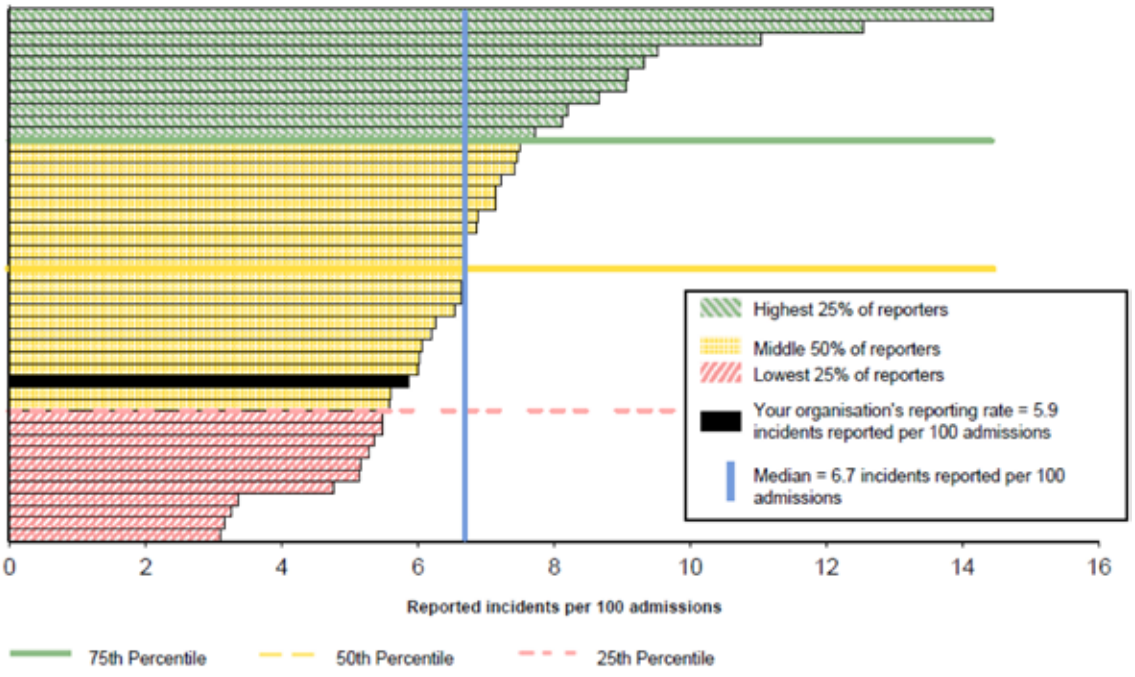
Quality Indicator	Data Source	Trust Results April - Sept 2012	National medium acute Trust average value April-Sept 2012	Highest value April-Sept 2012	Lowest value April-Sept 2012
Number of patient safety incidents reported during the reporting period	NRLS	2876	2603	4552	843
Rate of patient safety incidents reported during the reporting period	NRLS	5.86/100 admissions	6.7/100 admissions	14.44/100 admissions	3.11/100 admissions
Number of patient safety incidents reported during the reporting period that resulted in severe harm or death	NRLS	12	19	95	0
% of total number of patient safety incidents reported during the reporting period that resulted in severe harm or death	HSCIC	0.4%	0.8%	3.1%	0

NRLS Report on reporting rate - NRLS Data April 2012 - September 2012

Are you actively encouraging reporting of incidents?

The comparative reporting rate summary shown below provides an overview of incidents reported by your organisation to the National Reporting and Learning System (NRLS) between 1 April 2012 and 30 September 2012. 2,876 incidents were reported during this period.

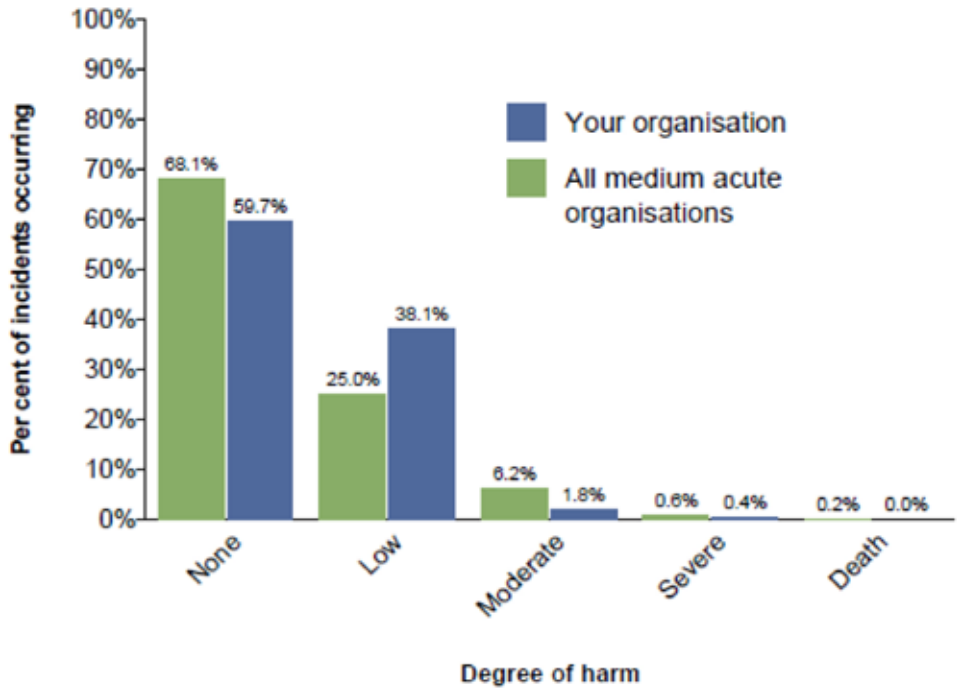
Figure 1: Comparative reporting rate, per 100 admissions, for 45 medium acute organisations.



The Trust is in the middle quartile for reporting when compared to all other medium acute trusts.

The Trust has a similar reporting profile to other medium acute Trusts.

Figure 3: Incidents reported by degree of harm for medium acute organisations



	None	Low	Moderate	Severe	Death
Your figures:	1,718	1,095	51	12	0

Nationally 0.8 % of NRLS patient safety incidents were reported as severe harm or death. The Trust percentage was much lower than this at 0.4%.

The Trust considers that this data is as described for the reason of provenance as the data has been extracted from available Department of Health information sources.

The Trust intends to maintain this position, and so the quality of its services, by continuing to support an open culture for incident reporting and investigation.

Annex A - Statements from commissioners, local Healthwatch organisations and scrutiny committees

The following groups have had sight of the Quality Report and have been offered the opportunity to comment:

- Health and Social Care Overview and Scrutiny Committee, Borough of Poole
- Bournemouth Borough Council's Health Overview and Scrutiny Committee
- The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust Council of Governors
- Healthwatch Dorset
- NHS Dorset Clinical Commissioning Group.

Comments received were as follows:

Councillor The Revd. Charles K. Meachin

Borough of Poole, Alderney Ward
7 Hewitt Road, Poole BH15 4QB
Tel: (01202) 682405 Fax: (01202) 681838
Minicom Tel: (01202) 743636
Email: c.meachin@poole.gov.uk

Health and Social Care Overview and Scrutiny Committee response to The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust's Quality Account 2012/13

Members of Borough of Poole's Health and Social Care Overview and Scrutiny Committee would like to thank the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust for the opportunity to comment on their impressive and comprehensive account of activities undertaken to improve services over the 2012/13 financial year. Demonstrating a clear commitment to quality improvement and patient safety

The HSCOSC are encouraged to see that the Trust's quality programme has been enhanced by wide ranging patient safety initiatives and that it continues to be part of a Foundation Trust Patient Safety Collaborative "NHS Quest" combining the shared experiences and learning from 13 Acute Foundation Trusts across the country to promote and improve patient safety.

We note that in addition to patient safety, re-admissions and reducing mortality, the NHS Quest work has concentrated on improving Harm Free Care in particular the delivery of harm free care as defined by "the absence of pressure ulcers, harm from falls, catheter acquired urinary tract infection and veno-thrombosis." We acknowledge the Trust's performance in 2012/13 and the decision to continue with the "Harm free care" programme as a priority in 2013/14 with a view to ensuring at least 95% harm free care across all 4 types of harm in line with the national target as well as a reduction in hospital acquired severe harms from falls and pressure ulcers by 50%. The HSCOSC members would be interested to receive an update on progress in these areas in due course.

We commend the Trust for using a wide range of information sources to help determine their approach in terms of

priorities for the year ahead including gathering the views of patients, public and carers using real time feedback; collating information from claims, complaints and adverse incidents and using the results of internal and external clinical audits and patient surveys to inform performance in relation to patient care, experience and safety.

It is pleasing to see that a recent Care Quality Commission re-inspection found the Trust compliant in outcome standards for areas such as consent, care and welfare, safety and estates and that the Trust was rated the second best hospital in England on quality in an independent report.

Thank you once again for the opportunity to comment on a well researched and comprehensive Quality Account.

Yours sincerely

Councillor the Rev. Charles Meachin
Chairman Health and Social Care Overview and Scrutiny Committee
Poole Borough Council

Bournemouth Borough Council's Health Overview and Scrutiny Committee

The Scrutiny Panel would like to thank the Trust for giving them the opportunity to comment on the Trust's Quality Audit, and in so doing engage with them over the future delivery of quality services to the local population.

The Panel would also like to congratulate the Trust on it's achievements in 2012 - 13, and endorse the quality improvement priorities identified for 2013- 14. Through setting out the series of changes that they have put in place during the course of the year, and by listing their detailed action plans for 2013 - 14 the Trust demonstrates that they are an organisation keen to put things right and, are continuing to strive to make improvements to the patient experience.

The Panel was asked to comment on the report content and any omissions that should be included. The response that the Panel is able to give is limited as the draft document contained a number of omissions, and the time given for response was very limited not allowing for time to receive a presentation from, or have any discussions directly with the Trust.

Comments are as follows:

- The document would benefit from having a clear executive summary which gives an overview of how the Trust performed against the areas for improvement they set themselves for 2012 / 13, and then states the outcomes they will be striving to achieve in 2013 / 14. This would also serve as a frame of reference for the rest of the document, giving context to the wealth of information later presented.
- The document might also benefit from having some sort of index.

- At times abbreviations are used and explanations are not close to hand making the text hard to follow.
- The document presents the reader with a wealth of information, at times complex, and it would be helpful if there was more explanatory narrative clarifying how well the Trust was performing against their objectives. At times the comparators are local and at others national, and again this makes the document difficult to interpret, and makes it hard for the reader to assess how well the Trust is performing.
- The language is also quite technical in places and perhaps could be tempered in order to make the document more accessible and easy to read.

The Panel will be giving thought as to how better to engage with the Trust over the course of the year, and will have the Trust's Quality Account as an agenda item at its Autumn meeting. In preparation for that the Panel requests the following:

- To be provided with a final version of the Quality Account 2012-13 as there are a number of gaps in information in the draft version.
- To be appraised of the success of the measures the Trust will be, and has, implemented as a result of the national and local clinical audits they report on in this Quality Audit 2012 - 13, in 6 months time.
- To be informed of the outcome of the Trust's contact with the CQC and Monitor in respect of their decision to adhere to the Charlson Index for the coding standard that caused them to be non compliant when their Information governance assessment was completed.
- To be informed of the outcome of the reports to the Information Commissioner's Office of the 3 serious incidents that are referred to in the Quality Account 2012 -13.
- To be informed as to the number of complaints that were upheld in 2011-2012 and in 2012 - 2013.
- To be informed of the outcome of the complaint that is being investigated by the Ombudsman and of the two currently being assessed.

The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust Council of Governors

The Council of Governors has appreciated that its views on the quality priorities for the Trust and the Quality Report itself are being requested at an earlier stage so that it has greater opportunity to make a meaningful contribution through the consultation process. This year the process also involved a short questionnaire which was sent to the Council of Governors which asked for the Governors' views on the consultation process for setting the 2012/13 quality priorities for the Trust and the Trust's performance and reporting against these. The survey also asked for the Governors' views on potential quality objectives for 2013/14. The Council of Governors supports the quality priorities which have been set and the focus on a smaller number of key priorities. The results of the survey identified that reporting on performance relating to urinary tract infections could be improved and this was referred to the Infection Control Team and also a need for greater awareness of the Trust's performance on implementing an end of life care strategy and this is being developed through training for the Council of Governors in 2013.

However, the Council of Governors was slightly disappointed that the ability of the Council of Governors to set a local indicator to be included in the independent assurance report on the Quality Report to the Council of Governors was been replaced by an indicator mandated by Monitor. The Council of Governors recognised the

importance of gaining assurance on incidents resulting in severe harm to patients with the ability to benchmark data with other foundation trusts, as all foundation trust would be using the same mandated indicator, but did not want to impose the additional administrative burden or cost of selecting a second local indicator.

The Council of Governors, through its Scrutiny Committee, has also contributed to the quality assurance process at the Trust through its own audits and was pleased to gain the support of the Board of Directors for the recommendations following its audit on patient discharge letters presented during 2012/13.

NHS Dorset Clinical Commissioning Group

Over the past year Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust has striven to maintain its focus on improving the quality of care provided to individuals. The key priorities identified for 2012/13 focussed upon delivering harm free care. During the year there was a recorded reduction in the number of catheter associated urinary tract infections, with improvement initiatives taking place to reduce harm from falls, pressure ulcers and venous thromboembolism.

The CCG has not been actively engaged in the development of the Quality Improvement Priorities that the Trust has set for 2013/4; these priorities have been agreed following discussion with Governors and Directors. The CCG supports the decision to consolidate upon the quality improvement work undertaken in 2012/13 and looks forward to working with Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust over the coming year.

LINks Your voice on local health and social care

Bournemouth LINks Comment for Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust Quality Account 2012

Bournemouth LINks are pleased to comment on their work with the Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust over the last year.

LINks welcomed the Trusts commitment to improving the feedback that it received about the Patient Experience, through its own endeavours and by working with the LINk and other organisations, and using this feedback to help it make informed decisions about changes to its services.

In 2011, the LINk encouraged the Trust to be more pro-active about gathering service user feedback and using it to plan and design services.

In 2011 - 2012, the Trust has implemented a program of real time monitoring and targeted patient surveys in relation to high priority issues and areas. We note that the information that has been gathered to date, has been used to as supporting evidence to change the way that services are delivered within the Trust. We feel that by displaying the feedback at the entrance of each ward/ department, shows the transparency of the process and the Trusts commitment to listening and acting upon, the patient's voice.

Working with the Trust

In the 2011 Quality Account - the LINk expressed an interest in undertaking a "leaving hospital survey". This piece of work was successfully undertaken in 2012. The full report can be viewed by visiting **www.makesachange.org.uk** The LINk was very impressed with the Trusts response and action plan.

In 2012 - the Bournemouth LINk undertook an “Enter & View” visit to the Royal Bournemouth Hospital. The report can be found at **www.makesachange.org.uk**

The visit was very well received by both patients and hospital staff. The Trust were very responsive to the recommendations in the report and expressed a desire for Healthwatch to undertake a similar visit in 2012 - 2013.

The LINk undertook a piece of engagement with Young People from 2009 - 2012. Some of the comments that we received were relevant to the Royal Bournemouth Hospital. The report was shared with the Trust who immediately put together a very detailed action plan to deal with the concerns expressed by the young people. The report and action plan can be viewed on the Bournemouth LINks web site **www.makesachange.org.uk**

These three pieces of work are mentioned in this Quality Account on pages 59 & 60.

As we mentioned in the 2011 Quality Account we believe that the Trust should produce an easy read version of the Quality Account, thus improving access to this information for service users, carers and the public. We note that the Trust chose not to do this with the 2010 account and hope that they will produce one for 2012.

In 2011 the LINk suggested that the Trust should engage at an early stage with Healthwatch Dorset. We note that there has been a real effort by the Trust to support Healthwatch Dorset and engage with them as they develop their Healthwatch Champion networks. **www.healthwatchdorset.co.uk**

The Bournemouth LINk has had a good working relationship with the Trust during the last 5 years and is confident that this will continue as it develops its links with Healthwatch Dorset in 2013 and beyond.

For more information about the Bournemouth LINks, please go to: **www.makesachange.org.uk**

Annex B - **Statement of directors' responsibilities in respect of the Quality Report**

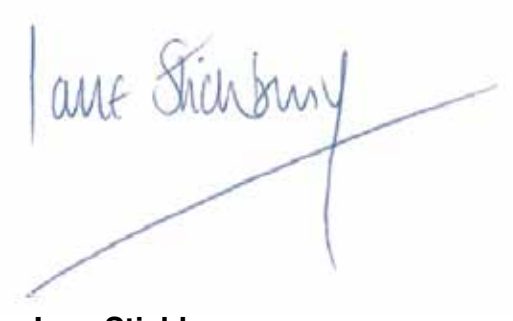
The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports (which incorporate 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:

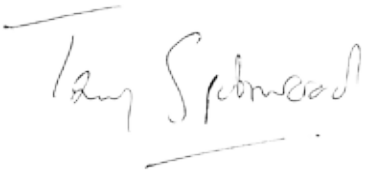
- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2012/13
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - Board minutes and papers for the period April 2012 to June 2013
  - Papers relating to quality reported to the Board over the period April 2012 to June 2013
  - Feedback from commissioners dated 21/05/2013
  - Feedback from governors dated 21/05/2013
  - Feedback from Local Healthwatch organisations dated 22/05/2013
  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 20/05/2013
  - The latest national inpatient survey
  - The latest national staff survey
  - The Head of Internal Audits annual opinion over the Trusts control environment dated 24/05/2012
  - CQC quality and risk profiles published April 2012, June 2012, July 2012, August 2012, October 2012, November 2012, December 2012, February 2013, March 2013.
- the Quality Report presents a balanced picture of the 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 Monitor's annual reporting guidance (which incorporates the Quality Account regulations) (published at **www.monitor-nhsft.gov.uk/annualreportingmanual**) as well as the standards to support data quality for the preparation of the Quality Report (available at **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



Jane Stichbury
Chairman
24 May 2013



Mr A Spotswood
Chief Executive
24 May 2013

Annex C - Independent Auditor's Report to the Council of Governors of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2013 (the "Quality Report") and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust as a body, to assist the Council of Governors in reporting The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2013, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2013 subject to limited assurance consist of the national priority indicators as mandated by Monitor are as follows:

- C Difficile; and
- 62 day cancer wait times from urgent referral until treatment.

We refer to these national priority indicators collectively as the "indicators".

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;

- the Quality Report is not consistent in all material respects with the sources specified in the Detailed Guidance for External Assurance on Quality Reports; and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Detailed Guidance for External Assurance on Quality Reports.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the documents specified within the detailed guidance. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the "documents"). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) - "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board ("ISAE 3000"). Our limited assurance procedures included:

- Evaluating the design and implementation of the key processes and controls for managing and reporting the indicators.
- Making enquiries of management.
- Testing key management controls.
- Analytical procedures.
- Limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation.
- Comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report.
- Reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2013:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual;
- the Quality Report is not consistent in all material respects with the sources specified in the Detailed Guidance for External Assurance on Quality Reports; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual.

Deloitte LLP

Deloitte LLP
Chartered Accountants
Southampton
24 May 2013

6. Governance Report

6.1 Board of Directors

The Board of Directors is made up of executive and non-executive directors. The Board of Directors is responsible for the day-to-day running of the Trust and the delivery of the Trust's objectives and wider strategy. Much of this work is done by the executive directors who work closely with the clinical directors, clinical leaders and managers throughout the organisation. The Board of Directors also works closely with the Council of Governors.

The Board of Directors meets on the second Friday of every month except August and at other times as necessary. Part 1 of the meeting is open to the public. Against each name in the table below is shown the number of meetings at which the director was present and in brackets the number of meetings that the director was eligible to attend. The number of meetings includes both scheduled and special/extraordinary meetings.

Attendance at Meetings of the Board of Directors

Name	Title	Attendance
Karen Allman	Director of Human Resources	13 (14)
Mary Armitage	Medical Director	11 (14)
David Bennett	Non-Executive Director	11 (14)
Pankaj Davé	Non-Executive Director	12 (14)
Brian Ford	Non-Executive Director	14 (14)
Stuart Hunter	Director of Finance (formerly Director of Finance and IT)	14 (14)
Helen Lingham	Chief Operating Officer	13 (14)
Steven Peacock	Non-Executive Director	12 (14)
Alex Pike	Non-Executive Director (Deputy Chairman and Senior Independent Director)	8 (14)
Richard Renaut	Director of Service Development	14 (14)
Paula Shobbrook	Director of Nursing and Midwifery	13 (14)
Tony Spotswood	Chief Executive	12 (14)
Jane Stichbury	Chairman	14 (14)
Ken Tullett	Non-Executive Director	12 (14)

Non-Executive Director	When appointed	Term of office
David Bennett	01.10.2009	4 years
Pankaj Davé	01.02.2011	3 years
Brian Ford	01.04.2005 (reappointed 01.10.2009, 01.04.2012 and 01.04.2013)	1 year
Steven Peacock	01.10.2009	4 years
Alex Pike	22.06.2006 (reappointed as a Non-Executive Director on 21.06.2010 and as Senior Independent Director on 09.10.2011)	3 years as Non-Executive Director 2 years as Senior Independent Director
Jane Stichbury	01.04.2010	4 years
Ken Tullett	01.04.2005 (reappointed 01.10.2009, 01.04.2012 and 01.04.2013)	1 year

All of the non-executive directors are considered to be independent by the Board of Directors. This includes Brian Ford and Ken Tullett who have served on the Board of Directors for more than six years from the date of their first appointment and have been reappointed by the Council of Governors for a further period of one year beginning on 1 April 2013. The reappointment of Brian Ford and Ken Tullett for a further period of one year was made as these reappointments were viewed as necessary in order to provide continuity for the Board of Directors due to the proposed merger. The decision also recognised the difficulty there would be in recruiting new individuals to non-executive director roles for a potentially short period and to allow sufficient time for them to begin to operate at full effectiveness, given the merger was scheduled to take effect in November 2013 at the time the reappointments were made.

In determining their independence, the Board of Directors considered whether their previous tenure as non-executive directors of the Trust might affect their independence. The Board's conclusion, based on a number of factors including their experience and knowledge from other senior executive and non-executive roles and the fact that they have always exercised a strongly independent judgment during the preceding period of tenure as non-executive directors, was that the independence of their character and judgement was not compromised.

The terms of office and the period of appointment of the non-executive directors is set out in the table above and are approved by the Council of Governors.

The Board of Directors has given careful consideration to the range of skills and experience required for the running of a foundation trust and 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 the process of evaluation of the non-executive directors and the senior independent director undertook the evaluation of the performance of the Chairman. The outcome of both processes was shared with the Council of Governors and the governors also contributed to the appraisal of the

Chairman. The Chief Executive undertook performance appraisals of the executive directors and the Chief Executive's performance was appraised by the Chairman.

The Board of Directors, and each of its committees, evaluates its own performance annually and undertake a more formal evaluation every three years.

Each director has declared their interests at a public meeting. 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 during the year under report.

The Board of Directors 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 A1.3, A3.2 and C2.2 where there are other arrangements in place.

6.2 Audit Committee

The Trust's Audit Committee meets at least quarterly and representatives of external audit, internal audit and the counter fraud service attend these meetings. The Director of Finance, Director of Nursing and Midwifery and representatives from the risk management teams also regularly attend meetings at the request of the chairman. The Chief Operating Officer will also regularly attend meetings going forward and the Chief Executive, Director of Human Resources and Director of Service Development have attended meetings at the request of the Chairman. The Audit Committee met five times during the year. The committee members are all non-executive directors and include the Chairman of the Healthcare Assurance Committee. During 2012/13 the members were:

Meetings of the Audit Committee	
Name	**Meetings attended**
Steven Peacock (Chairman)	5
David Bennett	3
Pankaj Davé	4

The Audit Committee's duties cover the following areas:

Internal control risk management and corporate governance

The committee reviews the establishment and maintenance of an effective system of internal control, risk management and corporate governance, with particular reference to the Trust's Assurance Framework.

In particular, the committee reviews 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 those related to fraud and corruption and economy, efficiency and effectiveness in the use of resources
- the scope, maintenance and use of the Assurance Framework
- the Trust's clinical audit programme

Internal audit

The committee:

- appoints the internal auditors, sets the audit fee and resolves any questions of resignation and dismissal
- ensures that the internal audit function is adequately resourced and has appropriate standing within the organisation

- reviews the internal audit programme, considers major findings of internal audit investigations (and management's response), and ensures co-ordination between the internal and external auditors
- reports non-compliance with, or inadequate responses to, internal audit reports to the Board of Directors
- utilises internal audit reports to provide assurance to the Board of Directors on the governance of the Trust's Healthcare Assurance Committee. The Healthcare Assurance Committee provides assurance to the Board of Directors on the quality and safety of services which the Trust provides

External audit

The committee:

- considers the appointment of the external auditors, the audit fee and any questions of resignation and dismissal before making a recommendation to the Council of Governors
- discusses with the external auditors, before the audit commences, the nature and scope of the audit, and ensures co-ordination, as appropriate, with internal audit and the representative from the counter fraud service
- reviews external audit reports, together with the management response
- reports non-compliance with, or inadequate responses to, external audit reports to the Board of Directors
- determines the policy on which the external auditors may provide non-audit services to the Trust

Counter fraud service

The committee:

- appoints the counter fraud service, sets the fee and resolves any questions of resignation and dismissal
- ensures that the counter fraud function has appropriate standing within the organisation
- reviews the counter fraud programme, considers major findings of investigations (and management's response) and ensures co-ordination between the internal auditors and counter fraud
- reports non-compliance with, or inadequate responses to, counter fraud reports to the Board of Directors

Financial reporting

The committee reviews the annual financial statements before recommendation to the Board of Directors, focusing particularly on:

- changes in, and compliance with, accounting policies and practices
- major judgemental areas
- significant adjustments resulting from the audit
- the impact of the Trust's cost improvement programme on clinical risk

Whistleblowing

The committee will review arrangements by which staff of the Trust may raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

In carrying out its duties the committee is authorised by the Board to:

- recommend actions to the Board
- oversee the investigation of any activities within its terms of reference
- seek any information it requires from any employee of the Trust which may include requiring attendance at its committee meetings and all employees have been directed to cooperate with any requests
- obtain outside legal or other professional advice on any matter within its terms of reference

The Audit Committee has approved a policy which governs the provision of any non-audit services by the external auditors. The policy sets out limits on the services which may be provided by the external auditors so as not to impair their objectivity or independence when reviewing the Trust's financial statements but does not restrict the Trust from purchasing other services from the external auditors where this is in the best interests of the Trust. Any non-audit services provided by the external auditors are reported to the Audit Committee which is responsible for reviewing the objectivity and independence of the external auditors.

6.3 Remuneration Report

Remuneration Committees

The Trust operates two separate committees to make decisions or recommendations relating to the remuneration of executive and non-executive directors.

The remuneration of executive directors is considered by a committee consisting of all seven non-executive directors. The Remuneration Committee determines the final salaries of the executive directors and makes recommendations to the Board of Directors on annual pay awards and remuneration policies for all other staff. Details of the membership, number of meetings and attendance at meetings of the Remuneration Committee are shown in the table on the right.

The remuneration of non-executive directors is considered by a committee comprised of four governors who have been elected by their fellow governors. The Non-Executive Director Remuneration Committee monitors the performance of the non-executive directors and makes recommendations to the Council of Governors on the total level of remuneration to be paid to non-executive directors. Details of the membership, number of meetings and attendance at meetings of the Non-Executive Director Remuneration Committee are shown in the table on page 111.

The Non-Executive Director Remuneration Committee is advised by the Director of Human Resources on market rates and relativities (based on research commissioned by the Trust and carried out and reported upon by NHS partners). The Remuneration Committee is advised by the Chief Executive on performance aspects, by the Director of Finance on the financial implications of remuneration or other proposals and by the Director of Human Resources on personnel and remuneration policy. John Langran of John Langran Human Resources Consulting also prepared a report for the Remuneration Committee on the remuneration of the Trust's executive directors relative to the external market for similar posts taking into account the size and nature of the Trust. The Trust Secretary attends meetings of both committees to record the proceedings.

Attendance at meetings

Against each name is shown the number of meetings of the committees at which the non-executive director or governor was present and in brackets the number of meetings that the non-executive director or governor was eligible to attend as a member of the committee during 2012/13.

Meetings of the Executive Director Remuneration Committee	
Name	**Meetings attended**
Jane Stichbury (Chair)	2 (2)
David Bennett	2 (2)
Pankaj Davé	2 (2)
Brian Ford	2 (2)
Steven Peacock	2 (2)
Alex Pike	2 (2)
Ken Tullett	1 (2)

Meetings of the Non-Executive Director Remuneration Committee	
Name	**Meetings attended**
Sue Bungey (Chair)	2 (2)
Sharon Carr-Brown	2 (2)
Lee Foord	2 (2)
Alf Hall	2 (2)

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

Executive directors

Information relating to executive directors is included in the notes to the table on page 112.

There are no provisions in place for termination payments, other than through legal compromise agreements.

Non-executive directors

Arrangements for the termination of the appointment of a non-executive director are set out in the Trust's constitution. In relation to the most recent reappointments of non-executive directors, the terms of appointment have incorporated a notice period of three months during the one year term of appointment in the event that the proposed merger takes place within the current year.

The remuneration of executive and non-executive directors is not included within Agenda for Change. When reviewing the remuneration of executive and non-executive directors, the Remuneration Committees review pay awards and increases made to staff within the Trust and nationally alongside information on remuneration for directors at other comparable NHS organisations, taking account of overall and individual performance, with the aim of ensuring that their remuneration is fair and appropriate.

Expenses

The expenses of directors and staff governors are reimbursed in accordance with the Trust's policy on expenses for all staff. Travel and other costs and expenses for all other governors are reimbursed in accordance with a separate policy approved by the Remuneration Committee, which is comprised of non-executive directors. Governors are volunteers and do not receive any remuneration for performing their role.

Senior manager remuneration (subject to audit)							
Name	Title	2012/13			2011/12		
		Salary	Other Remu-neration	Total	Salary	Other Remu-neration	Total
		(bands of £5000) £'000	(bands of £5000) £'000	(bands of £5000) £'000	(bands of £5000) £'000	(bands of £5000) £'000	(bands of £5000) £'000
Executive Members							
Mr A Spotswood	Chief Executive (see note 5)	190-195	5-10	195-205	170-175	0	170-175
Mrs H Lingham	Chief Operating Officer	130-135	0	130-135	120-125	0	120-125
Mr S Hunter	Director of Finance and Commercial Services	130-135	0	130-135	115-120	0	115-120
Mrs M Armitage	Medical Director (see note 3)	115-120	65-70	180-190	115-120	90-95	205-215
Mr R Renaut	Director of Service Development	110-115	0	110-115	95-100	0	95-100
Mrs K Allman	Director of Human Resources	110-115	0	110-115	100-105	0	100-105
Mrs P Shobbrook	Director of Nursing and Midwifery (see note 1)	110-115	0	110-115	55-60	0	55-60
Miss B Atkinson	Director of Nursing and Midwifery (see note 2)	0	0	0	40-45	0	40-45
Board Member							
Mr P Gill	Director of Informatics (see note 4)	20-25	0	20-25	0	0	0
Non-Executive Members							
Mrs J Stichbury	Chairman	50-55	0	50-55	45-50	0	45-50
Mr P Davé	Non-Executive Director	15-20	0	15-20	10-15	0	10-15
Mr B Ford	Non-Executive Director	15-20	0	15-20	15-20	0	15-20
Mrs A Pike	Non-Executive Director	15-20	0	15-20	15-20	0	15-20
Mr D Bennett	Non-Executive Director	10-15	0	10-15	10-15	0	10-15
Mr S Peacock	Non-Executive Director	10-15	0	10-15	10-15	0	10-15
Mr K Tullett	Non-Executive Director	10-15	0	10-15	15-20	0	15-20
Band of highest paid director		190-195			170-175		
Median Total Remuneration		25,040			23,215		
Ratio		7.7			7.4		

Notes:

1. Mrs P Shobbrook commenced her post as Director of Nursing and Midwifery on 5 September 2011.
2. Miss B Atkinson retired from her post as Director of Nursing and Midwifery on 31 August 2011.
3. The salary shown against Mrs M Armitage represents her Medical Director post for the Trust; the 'Other Remuneration' represents her post as a medical consultant.
4. Mr P Gill holds a joint Director of Informatics post with Poole Hospital NHS Foundation Trust (employing body) from 19 November 2012, and was recharged to the Trust on a half-time basis.
5. The 'Other Remuneration' for Mr A Spotswood relates to payment for annual leave which was not taken during the financial year and was made in accordance with the Trust's policy for staff.
6. All other senior manager remuneration arrangements are determined through a documented job evaluation policy, in line with the NHS Agenda for Change pay terms and conditions.
7. Senior manager remuneration does not include performance components.
8. No individual named above received any benefit in kind during the financial year ended 31 March 2013.

Summary of policy in relation to the duration of contracts; notice periods; and termination payments:

- All Executive Directors are required to provide six months' written notice, however in appropriate circumstances this could be varied by mutual agreement.
- All senior manager contracts are permanent.
- All senior managers appointed on a permanent contract are required to provide three months' written notice.

Median Total Remuneration:
The HM Treasury FReM requires disclosure of the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director. The calculation is based on full-time equivalent staff of the reporting entity at the reporting period end date on an annualised basis.

Senior manager pension entitlements (subject to audit)

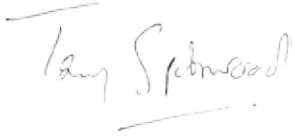
Name	Title (as at 31 March 2013)	Real Increase in Pension and Related Lump Sum at age 60	Total accrued Pension and Related Lump Sum at age 60 at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2013	Cash Equivalent Transfer Value at 31 March 2012 (Inflated)	Real Increase in Cash Equivalent Transfer Value	Employer-Funded contribution to growth in CETV for the year
		(Bands of £2500)	(Bands of £5000)	£'000	£'000	£'000	£'000
Mr A Spotswood	Chief Executive	27.5-30	290-295	1,367	1,197	170	96
Mrs H Lingham	Chief Operating Officer	12.5-15	140-145	670	594	76	43
Mr S Hunter	Director of Finance and Commercial Services	15-17.5	200-205	936	837	99	56
Mr R Renaut	Director of Service Development	15-17.5	85-90	284	226	58	33
Mrs K Allman	Director of Human Resources	7.5-10	50-55	250	202	48	27
Mrs P Shobbrook	Director of Nursing and Midwifery	7.5-10	130-135	491	421	70	39
Mrs M Armitage	Medical Director	-	305-310	1,574	1,574	-	-

Notes:
1. Non-Executive Directors do not receive pensionable remuneration, and as such, there are no entries in respect of pensions for Non-Executive Directors.
2. Mr P Gill holds a joint Director of Informatics post with Poole Hospital NHS Foundation Trust (employing body) the accounts of which include his pension entitlement.

Further details on the Trust's accounting policies for pensions are set out in note 1 to the accounts.

Cash Equivalent Transfer Values
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 2004/5 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
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 periiod.



Mr A Spotswood, Chief Executive
24 May 2013

6.4 Council of Governors

There are 30 members of the Council of Governors. The Council of Governors' principal responsibilities are:

- to appoint or remove the Chairman and the other non-executive directors
- to approve an appointment (by the non-executive directors) of the Chief Executive
- to decide the remuneration and allowances, and the other terms and conditions of office, of the non-executive directors
- to appoint or remove the Trust's auditors
- to be presented with the annual accounts, any report of the auditors on them and the annual report
- to provide their views to the Board of Directors during the Trust's forward planning process
- to determine whether it is satisfied that the carrying on of activities other than the provision of goods and services for the purposes of the health service in England proposed in the forward plan will not to any significant extent interfere with the fulfilment by the Trust of its principal purpose or the performance of its other functions
- to approve the implementation of any increase of 5% or more in the proportion of the Trust's total income in any financial year attributable to activities other than the provision of goods and services for the purposes of the health service in England
- to respond as appropriate when consulted by the Board of Directors in accordance with the constitution
- to undertake such functions as the Board of Directors shall from time to time request
- to prepare and from time to time to review the Trust's membership strategy and its policies for the composition of the Council of Governors and non-executive directors and make recommendations

The role and principal responsibilities of the Council of Governors have been further extended with effect from 1 April 2013 as a result of the provisions of the Health and Social Care Act 2012. The Council of Governors now has two statutory duties to hold the Non-Executive Directors to account for the performance of the Board of Directors and to represent the interests of members and the public. Additional responsibilities include:

- to approve the application for any merger, acquisition, separation, dissolution or the entering into of any significant transaction by the Trust
- to approve changes to the constitution
- to vote on whether to approve the referral of a question to any panel appointed by Monitor as to whether the Trust has failed or is failing to act in accordance with the constitution
- to require one or more of the directors to attend a general meeting of the Council of Governors for the purpose of obtaining information about the Trust's performance of its functions or the directors' performance of their duties
- to decide whether to propose a vote on the Trust's or directors' performance

In 2012/13 the Council of Governors was made up as follows:

Public governors - Bournemouth and Poole constituency (elected)
Judith Adda
Jayne Baker
David Bellamy
Glenys Brown
Sharon Carr-Brown
Carole Deas
Derek Dundas
Keith Mitchell
David Triplow

Public governors - Christchurch and Dorset County constituency (elected)
Sue Bungey, Lead Governor and Deputy Chairman of the Council of Governors
Derek Chaffey
Michael Desforges
Eric Fisher
Alf Hall
Doreen Holford

Public governors - New Forest, Hampshire and Salisbury constituency (elected)
Mike Allen
Bob Gee
Graham Swetman

Staff governors (elected)
David Dickson
Dean Feegrade (re-elected from October 2012)
Richard Ford (until December 2012)
Claire Stalley
Emma Willett (formerly Emma Vickers) (from July 2012)

Nominated governors (appointed by their respective organisations)
John Adams, Bournemouth Borough Council
Lee Foord, Internal Hospital Volunteers (re-appointed from January 2013)
David Fox, Dorset County Council (until February 2013)
Ken Hockey, NHS Bournemouth and Poole and NHS Dorset cluster
Jenny Hodges, Borough of Poole (appointed June 2012 until July 2012)
Colin Jamieson, Dorset County Council (from February 2013)
Carol Linnard, NHS Bournemouth and Poole and NHS Dorset cluster (appointed June 2012)
Gail Thomas, Bournemouth University

There were the following vacancies on the Council of Governors at the end of the year under report.

Staff Governor	Estates and Ancillary
Appointed Governor	Borough of Poole

Public and staff governors are elected by secret ballot of the relevant public constituency or staff class using the first past the post system. Each governor is elected for a term of three years. Lee Foord's most recent appointment was for a term of six months pending the outcome of the proposed merger.

At each meeting of the Council of Governors, a declaration of any interests held which may conflict with the role of any governor is recorded. A copy of the declaration of interest is included in the papers for each meeting of the Council of Governors which are available on the Trust's website and can be inspected by arrangement with the Trust Secretary.

Executive and non-executive directors attend the public meetings of the Council of Governors both to report on matters and take questions from the governors and to develop a deeper understanding of the views of governors and members. Governors also attend the public meetings of the Board of Directors and have the opportunity to ask questions of the Board of Directors at the end of these meetings. The Council of Governors and Board of Directors also have joint seminars to consider and discuss issues of concern to the directors and governors.

The Council of Governors met seven times in 2012/13 and attendance at these meetings is set out in the table (on next page). Against each name is shown the number of meetings of the Council of Governors at which the governor or director was present and in brackets the number of meetings that the governor or director was eligible to attend during 2012/13. The number of meetings includes both scheduled and special/ extraordinary meetings.

Attendance at meetings of the Council of Governors

Name	Title	Constituency/class/appointing organisation	Attendance
Jane Stichbury	Chairman		7 (7)
John Adams	Appointed Governor	Bournemouth Borough Council	3 (7)
Judith Adda	Public Governor	Bournemouth and Poole	5 (7)
Mike Allen	Public Governor	New Forest, Hampshire and Salisbury	3 (7)
Jayne Baker	Public Governor	Bournemouth and Poole	6 (7)
David Bellamy	Public Governor	Bournemouth and Poole	5 (7)
Glenys Brown	Public Governor	Bournemouth and Poole	6 (7)
Sue Bungey	Public Governor	Christchurch and Dorset County	7 (7)
Sharon Carr-Brown	Public Governor	Bournemouth and Poole	7 (7)
Derek Chaffey	Public Governor	Christchurch and Dorset County	7 (7)
Carole Deas	Public Governor	Bournemouth and Poole	6 (7)
Michael Desforges	Public Governor	Christchurch and Dorset County	5 (7)
David Dickson	Staff Governor	Registered Medical Practitioners and Registered Dentists	3 (7)
Derek Dundas	Public Governor	Bournemouth and Poole	6 (7)
Dean Feegrade	Staff Governor	Administrative and Clerical/ Management	4 (7)
Eric Fisher	Public Governor	Christchurch and Dorset County	5 (7)
Lee Foord	Appointed Governor	Royal Bournemouth and Christchurch Hospitals Volunteers Group	7 (7)
Richard Ford (until December 2012)	Staff Governor	Hotel Services and Estates	4 (5)
David Fox (until February 2013)	Appointed Governor	Dorset County Council	1 (6)
Bob Gee	Public Governor	New Forest, Hampshire and Salisbury	7 (7)
Alf Hall	Public Governor	Christchurch and Dorset County	7 (7)
Ken Hockey (until 31 March 2013)	Appointed Governor	NHS Bournemouth and Poole and NHS Dorset cluster	4 (7)
Jenny Hodges (from June 2012 until July 2012)	Appointed Governor	Borough of Poole	0 (1)
Doreen Holford	Public Governor	Christchurch and Dorset County	6 (7)
Colin Jamieson (from February 2013)	Appointed Governor	Dorset County Council	0 (1)
Carol Linnard (from June 2012)	Appointed Governor	NHS Bournemouth and Poole and NHS Dorset cluster	3 (6)
Keith Mitchell	Public Governor	Bournemouth and Poole	5 (7)
Claire Stalley	Staff Governor	Allied Health Professionals	0 (7)
Graham Swetman	Public Governor	New Forest, Hampshire and Salisbury	7 (7)

Name	Title	Constituency/Class/Appointing Organisation	Attendance
Gail Thomas	Appointed Governor	Bournemouth University	2 (7)
David Triplow	Public Governor	Bournemouth and Poole	6 (7)
Emma Willett (from July 2012)	Staff Governor	Nursing and Midwifery (including Healthcare Assistants)	4 (5)
Directors:			
Karen Allman	Director of Human Resources		1 (4)
Mary Armitage	Medical Director		0 (4)
David Bennett	Non-Executive Director		0 (4)
Pankaj Davé	Non-Executive Director		0 (4)
Brian Ford	Non-Executive Director		1 (4)
Stuart Hunter	Director of Finance		4 (4)
Helen Lingham	Chief Operating Officer		4 (4)
Steven Peacock	Non-Executive Director		0 (4)
Alex Pike	Non-Executive Director and Vice Chairman		3 (4)
Richard Renaut	Director of Service Development		1 (4)
Paula Shobbrook	Director of Nursing and Midwifery		3 (4)
Tony Spotswood	Chief Executive		2 (4)
Ken Tullett	Non-Executive Director		2 (4)

Elections

Elections were held in two staff classes during the year. Efforts to maximise nominations included articles in staff publications and on the Trust's intranet and meetings prior to nomination. Both elections were uncontested. The elections to the Council of Governors were held in accordance with the Constitution.

Date of election	Staff Class	Number of members in constituency	Number of seats contested	Number of contestants	Election turnout (%)
Uncontested	Nursing and Midwifery (including healthcare assistants)	533	1	1	Uncontested
Uncontested	Administrative and Clerical/ Management	201	1	1	Uncontested

6.5 Nomination Committee

The Nomination Committee is a committee of the Council of Governors with responsibility for:

- reviewing the number of, and skills required, for the non-executive directors in the context of the overall Board composition and making recommendations to the Council of Governors on any changes
- developing succession plans for non-executive directors, taking into account the challenges and opportunities facing the Trust
- selecting candidates to fill vacancies among the non-executive directors and recommending them to the Council of Governors for appointment
- making recommendations to the Council of Governors concerning the re-appointment of any non-executive directors at the conclusion of their specified term of office

The Nomination Committee met twice in 2012/13 to consider the re-appointment of three non-executive directors: two for an additional period of one year from March 2013 and one for an additional period of up to one year from June 2013. There were no new appointments of non-executive directors in 2012/13; however candidates for non-executive directorship are identified in a number of ways including advertisements in relevant publications and external search agencies.

The table on the right shows the number of meetings of the committee at which the non-executive director or governor was present and in brackets the number of meetings that the non-executive director or governor was eligible to attend as a member of the committee during 2012/13.

Name	Meetings attended
Jane Stichbury (Chairman)	2 (2)
Judith Adda	1 (2)
Derek Dundas	2 (2)
Ken Hockey	1 (1)

6.6 Membership

During 2012/13 the governors have continued to develop their existing membership strategy using health talks, constituency events and the quarterly membership newsletter to engage with existing members and recruit new members. The strategy has also been developed to focus on recruitment of members from groups which have historically been under-represented in the Trust membership: younger people and minority ethnic groups. Through presentations and attendance at careers events at local schools, the Trust has begun to recruit younger members and is seeking to engage with local authorities in its public constituencies to reach minority ethnic groups. The membership strategy set a recruitment target of 250 new public members for 2012/13 and the performance against that target is shown in the table on page 119.

Over the next 12 months the governors will:

- continue local constituency meetings and set up a programme of other meetings with interest groups across the constituencies
- provide more information in the FT Focus quarterly publication about governors' activities
- incorporate membership development in the Trust's Annual Plan for 2013/14
- try to increase the awareness and understanding of members and the local community of the NHS and foundation trusts and the benefits of foundation trust membership.

As at 31 March 2013 there were 12,610 members in the following constituencies:

Public constituency	Last year (2012/13)	Next year (2013/14) (estimated)
At year start (1 April)	11,227	11,255
New members	668	300
Members leaving	640	200
At year end (31 March)	11,255	11,355

Staff constituency	Last year (2012/13)	Next year (2013/14) (estimated)
At year start (1 April)	872	1,355
New members	799	50
Members leaving	316	200
At year end (31 March)	1,355	1,205

Analysis of membership in constituencies (as at 31 March 2013)

Public		Staff	
Bournemouth and Poole	9,014	Medical and Dentistry	163
Christchurch and Dorset County	1,686	Allied Healthcare Professionals, Scientific and Technicians	222
New Forest, Hampshire and Salisbury	555	Nursing and Midwifery	554
		Administrative, Clerical and Management	288
		Estates and Ancillary	128

Notes:

- Members of staff on fixed term or temporary contracts who have been continuously employed by the Trust for at least 12 months and who commenced employment from 1 January 2010 are eligible to become members of the staff constituency. It is not possible to identify all these staff and therefore there may be more staff members than are included in the table.

Analysis of current public membership (as at 31 March 2013)

Public constituency	Number of members	Eligible membership
Age (years):		
0-16	67	247,275
17-21	263	90,290
22+	9,448	1,030,803
Ethnicity:		
White	10,701	1,256,864
Mixed	55	10,405
Asian or Asian British	49	13,705
Black or Black British	25	4,410
Other	44	8,023
Socio-economic groupings:		
ABC1	6,768	445,461
C2	1,966	153,064
D	1,902	144,762
E	619	38,020
Gender analysis:		
Male	4,751	669,672
Female	6,504	698,696

Notes:

- The analysis above excludes 1,477 public members with no stated date of birth and 381 members with no stated ethnicity.
- Socio-economic data should be completed using profiling techniques (e.g. postcode) or other recognised methods. Socio-economic data is only collected for working age individuals as it is a classification based on occupation. To the extent socio-economic data is not already collected from members, it is not anticipated that NHS foundation trusts will make a direct approach to members to collect this information.
- The population data used to calculate Eligible membership in the table above may differ as a result of using the most reliable source for this data. This may lead to variations in the total of eligible members provided under each section of the table, primarily due to the currency of the data.

Members who wish to communicate with their governors should contact:

Governor Co-ordinator (B28)
The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust
Castle Lane East, Bournemouth BH7 7DW

or email: **ftmembers@rbch.nhs.uk**

Financial Statements

For the year ended 31st March 2013

Contents

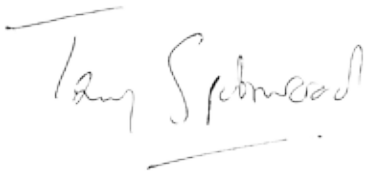
Financial Accounts

The Foundation Trust

NHS Foundation Trust Code:	**RDZ**	
Registered Office:	**Royal Bournemouth Hospital** Castle Lane East Bournemouth BH7 7DW	
Executive Directors:	**Mr A Spotswood**	Chief Executive
	Mrs H Lingham	Chief Operating Officer
	Mr S Hunter	Director of Finance and Commercial Services
	Mr R Renaut	Director of Service Development
	Mrs K Allman	Director of Human Resources
	Mrs P Shobbrook	Director of Nursing and Midwifery
	Mrs M Armitage	Medical Director
Non-Executive Directors:	**Mrs J Stichbury**	Chairman
	Mr B Ford	Non-Executive Director
	Mrs A Pike	Non-Executive Director
	Mr K Tullett	Non-Executive Director
	Mr S Peacock	Non-Executive Director
	Mr P Davé	Non-Executive Director
	Mr D Bennett	Non-Executive Director
Trust Secretary:	**Ms K Flaherty**	Trust Secretary
Bankers:	**NatWest (The Royal Bank of Scotland)** Chandlers Ford	
Solicitors:	**DAC Beachcroft LLP** Winchester	
Internal Auditors:	**PricewaterhouseCoopers LLP** Southampton	
External Auditors:	**Deloitte LLP** Southampton	

Foreword to the accounts

These accounts for the year ended 31 March 2013 for The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (the "Foundation Trust") have been prepared in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, and comply with the annual reporting guidance for NHS Foundation Trusts within the NHS Foundation Trust Financial Reporting Manual (FT FReM) for the financial year.



Mr A Spotswood
Chief Executive
24 May 2013

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 NHS 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 NHS Foundation Trust Accounting Officer Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

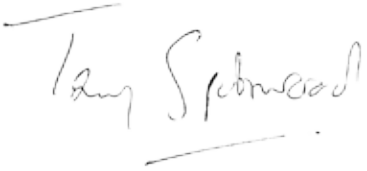
Under the National Health Service Act 2006, Monitor has directed The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis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

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust 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 judgments 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.



Mr A Spotswood
Chief Executive
24 May 2013

Annual Governance Statement

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, whilst safeguarding 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 NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of The Royal Bournemouth and Christchurch Hospitals NHS 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 Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts.

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 Monitor in respect of governance. The executive with specific responsibility for risk is the Director of Nursing and Midwifery. However, the requirement to manage risk more effectively is a responsibility affecting all staff in every part of the Foundation Trust, from the control of finance, through all the disciplines supporting and delivering the environment of care, to the direct delivery of clinical care itself, risk management is everyone's responsibility. The Foundation Trust's Risk Management Strategy clearly defines these responsibilities and provides guidance for the fulfilment of these roles.

The Trust has an accredited IOSH risk management training course in place and it is mandatory for all managers and staff in a managerial role to attend. The Board of Directors has undertaken IOSH Directing Safely training. The training provides staff with the skills required to recognise, manage and monitor risk within their areas of responsibility. Risk management and health and safety training is also including on induction and mandatory training programmes for all staff. 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 Committee produce a quarterly Clinical Governance report which highlights patient safety, patient experience and patient outcome trends for the period. The report includes the results of complaints, claims and adverse incident investigations and notes examples of, and recommendations for, quality improvement and safe practice. These recommendations are fed through for discussion at directorate clinical governance groups, senior nurses and clinical leader meetings.

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 and Procedures). Under the Strategy, General Managers and Directors are responsible for maintaining Directorate Risk Registers and for bringing significant risks to the attention of the Clinical Governance & Risk Committee and/or appropriate sub-committees of the Foundation Trust's Board of Directors. 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.

There is a strategic co-ordinated approach to the Trust's clinical audit activities to ensure that the clinical audit cycle is complete and therefore leads to improvement in patient care. There is a Consultant lead for Clinical Audit, a Clinical Effectiveness Manager who is part of the Clinical Governance Team, and Clinical Audit leads in each directorate. An annual audit plan is developed within each directorate with audits prioritised in relation to national requirements, Trust objectives, contractual and statutory duties and local requirements. To provide focus on the audit priorities and completion of the plan the directorates have identified a clinical audit lead consultant, which has a role profile. This approach has been approved by the Trust Management Board. The committee for coordinating the Trust's strategy for clinical effectiveness and clinical audit is the Clinical Governance & Risk Committee, which provides oversight that systems are in place and used to support, monitor and disseminate audit within the Trust. The Clinical Governance and Risk Committee formally reports to the Healthcare Assurance Committee and recommends approval of the Clinical Audit Programme prior to submission to the Trust Management Board and the Board of Directors. Directorates review their progress against the audit plan on a quarterly basis and provide a report for the Clinical Governance and Risk Committee. Progress against the annual audit plan is reviewed quarterly and a clinical audit report presented to the Healthcare Assurance Committee and the Trust's Board as part of the Clinical Governance Quarterly report. A quarterly report is also provided to the Audit Committee. The Trust has recognised over the last year that the processes can be further improved through securing more senior clinical time within the leadership of clinical audit and is currently implementing this new process.

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, quality, 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 Monitor and the Care Quality Commission. Within the Assurance Framework, principal risks are identified and key risk controls put 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, 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 Healthcare Assurance Committee, Finance Committee, Information Governance Committee, Infection Control Committee, Clinical Governance & Risk Committee and Health & Safety Committee. All risks entered onto the Risk Register are categorised according to the Trust's Risk Management Strategy using a standard risk matrix. The risk rating value is a combination of likelihood and consequence. All risks are assigned a current risk score and a target risk score following action plan and mitigation. All action plans have a responsible lead and timeframe noted. All significant and corporate level are also assigned an Executive Director lead.

Significant risks on the Foundation Trust Risk Register which feeds the Assurance Framework are reviewed by the Healthcare Assurance Committee monthly. Membership of the Healthcare Assurance Committee includes representation from the Board of Directors and the Council of Governors. The Clinical Governance & Risk Committee also reviews all new clinical risks monthly, providing feedback to directorates as appropriate. The Assurance Framework dashboard "Heat Map" is reviewed monthly by the Healthcare Assurance Committee and Board of Directors. The full Assurance Framework is reviewed at least annually. An annual review is also incorporated within the Internal Audit programme and approved by the Audit Committee. New, closed and significant risks are reported to the Board of Directors each month.

In line with Monitor's guidance, risks to data security are being managed and controlled through the Information Governance infrastructure established by the Foundation Trust's Information Governance Strategy. The Information Governance Toolkit is used to assess how well the Foundation Trust complies with the relevant legal and regulatory requirements and guidance. The Foundation Trust achieved at least Level 2 on all but one of the standards in the Information Governance Toolkit self-assessment for 2012/13 and was therefore rated as "Unsatisfactory" in terms of compliance with the Information Governance Toolkit. On the remaining standard the Foundation Trust achieved Level 1 as it failed to meet the percentage accuracy scores required in the clinical coding audit using the Clinical Coding Audit Methodology set out by the NHS Classifications Service. A decision was taken by the Foundation Trust to code co-morbidities according to the Charlson index rather than the methodology specified in the relevant standard of the Information Governance Toolkit in order to meet the requirements for coding of co-morbidities used by Dr Foster. The level of error recorded as attributable to this decision would mean that the Foundation Trust would meet the percentage accuracy scores required if the decision was reversed. As well as aiming to continually improve the accuracy of all clinical coding which should assist in addressing this area of non-compliance, the Foundation Trust is also highlighting the issue of the discrepancy between the various coding methodologies with relevant regulators since this has resulted in the Foundation Trust failing this particular standard despite having high levels of accuracy in relation to clinical coding.

There has been an increase in the number of Information Governance incidents reported, which demonstrates growing awareness of Information Governance as a result of mandatory training. This included three serious incidents which have subsequently been reported to the Information Commissioner's Office. The Information Commissioner's Office has decided to take no further action at this time in relation to two of these incidents and has not yet concluded its investigation of the third incident.

At the end of the financial year, the Trust was in the process of recalling a number of patients who had previously been treated at the Royal Bournemouth Hospital. This was due to the concerns raised by the consultants who run the breast clinic regarding a junior doctor, who is no longer working in the Trust, and the way in which an initial assessment of some patients may have been carried out. This assessment potentially did not meet the Trust's usual high standards and a subsequent external review of processes has been commissioned.

The organisation's major risks are categorised below in terms of current and future risks:

Current risks:

Control of Exposure to Legionella risk on two Medicine for the Elderly wards. Positive sample results continue to be detected in samples pre and post chlorination. The risk to patients and staff is very low due to current controls in place. However the results are above the 1000 action limit therefore in accordance with the Trust's Safe Water Policy the risk assessment will remain "High" until a sufficient number of negative results are obtained. Re-piping of the affected area is planned for summer 2013.

Risk that the Competition Commission may not grant approval for merger resulting in financial instability. A detailed action plan is in progress monitored by the Joint Programme Board.

High levels of Emergency Activity. Action plans are in place and reviewed weekly by the Chief Operating Officer. A detailed risk assessment against the CQC Outcomes has been developed and will be reviewed regularly at the Trust's Performance Management Group. Detailed action plans are in place with Executive Director leadership provided by the Chief Operating Officer.

Loss of Cellular Pathology CPA Accreditation status resulting in potential loss of contractual work and income. The Trust is currently appealing the CPA decision to downgrade and is actively working with them to re-establish accreditation status and all relevant parties have been informed. No risk to clinical care.

18 week admitted Referral to Treatment Performance - Risk of breaching 90% contracted required per speciality. Significant risk in Upper GI and Urology. The action plan includes further additional Waiting List Initiative lists to increase capacity in Urology and Upper GI, job planning in relation to a new theatre timetable, a new theatre timetable/ increase in theatre capacity and consideration of outsourcing.

Nursing skills in the Acute Medical Unit fall below the Society for Acute Medicine recommendations and current staffing levels restrict the unit's ability to train staff. All vacancies are currently being advertised. The staffing template now includes supervisory time for the clinical leader and the nurse resource pool is being used to support shortfalls. Mentorship is being provided to the unit Clinical Leader and Senior Nurse support has been initiated.

Future risks:

Control of Exposure to Legionella risk. The risk assessment will remain "High" until a sufficient number of negative results are obtained. As indicated in the current risk identified above, re-piping of the affected area is planned for summer 2013.

Risk that delays to the proposed merger could lead to delayed decisions on the required changes to inpatient service configuration, meaning that the Trust is not able to respond in a timely way to the need for centralisation, more 24/7 consultant delivered care and associated savings. An action plan is in place to agree with Monitor and the Competition Commission, that allows the Integrated Business Plan to be considered by the Council of Governors. A robust support mechanism is in place to support a granular Cost Improvement Plan, identifying the requisite savings.

Potential for the demand for unscheduled care exceeding projected levels set out in the commissioning contract, resulting in implications for meeting key targets, including the 62 day cancer standard, the 4 hour wait time in the Emergency Department and the 18 week referral to treatment time. In addition to these targets there is the potential risk to patients through treatment delays, escalated beds and delays to discharge. The other element of risk relates to the ability to live within financial parameters. The Trust monitors activity monthly through the commissioning process and performance targets are rigorously managed weekly through the Performance Management Group. The Trust has agreed with the Clinical Commissioning Group a non-recurrent funding source, whereby if non-elective activity continues, health economy actions will be funded outside of the main contract.

Risk of financial instability through tariff reduction. As the tariff will reduce year on year, the Trust needs to meet the national mandated efficiency assumptions. Plans are place for 2013/14 and will be monitored monthly through the Finance Committee and work is ongoing to identify plans for the following two years. The cost improvement schemes are also robustly scrutinised through a quality impact assessment process to identify any adverse impact on quality.

Further risk of financial instability through the Clinical Commisioning Group's ambitions to move care out of the hospital setting and into the community, potentially leaving unviable services at the Trust. The Trust is monitoring the implications of the proposals closely through the various committees and exploring other opportunities.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. There is a monitoring framework in place that sets out each of the CQC outcomes and the individuals and committees that are responsible for monitoring the Trusts compliance with them. The Director of Nursing and Midwifery chairs a quarterly review meeting with CQC outcome leads to monitor progress. The terms of reference for the monitoring committees include responsibilities for monitoring and reviewing CQC compliance. Provider Compliance Assessments are completed at least annually for each outcome and reviewed via the respective monitoring committee. A six monthly compliance report is presented to the Healthcare Assurance Committee and Audit Committee. An annual review is also incorporated within the Internal Audit programme and approved by the Audit Committee. Compliance with CQC outcomes is also reviewed at a directorate level at the executive-led directorate performance reviews.

The Trust is in dialogue to actively manage risks with public stakeholders. Examples of this dialogue include the Chief Operating Officer attending the health economy urgent care board to ensure stakeholders are involved in managing the risks of rising emergency activity at the trust. The merger process is being overseen by the Joint Programme Board which also incorporates stakeholders from other organisations. The Director of Nursing and Midwifery also presents to the Council of Governors the quarterly significant risks and discusses mitigating actions. The trust also undertakes monthly contract

monitoring meetings with the Clinical Commissioning Group where quality, activity, performance, finance and risk management are presented and discussed.

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.

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.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are complied with. 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 the Foundation Trust meets its obligations.

Data is used throughout the trust's governance processes and is largely handled by the Trust's information department and finance function. The trust utilises a data warehouse, which incorporates daily feeds from the patient administration system and other clinical and operational systems. Information reporting is therefore largely from a single point of reference providing a greater degree of assurance. In addition to the data warehouse there are also the standard internal and external quality checking and control processes.

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 Board of Directors 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 A1.3, A.3.2 and C2.2 where there are other arrangements in place.

The Foundation Trust achieved a financial risk rating of 3, demonstrating 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 funding from the Strategic Health Authority during 2012/13, to support the costs incurred in relation to the merger and for specific pressures in relation to the significant level of non-elective patients experienced during the winter period.

The Head of Internal Audit provides an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. This is achieved through a risk-based plan of work, agreed with the management and approved by the Audit Committee which should provide a reasonable level of assurance. The Head of Internal Audit opinion states that 'There is generally a 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/or inconsistent application of controls, puts the achievement of particular objectives at risk. Using the terminology set out in the Department of Health guidance to Heads of Internal Audit, this opinion would equate to 'Significant Assurance'. Internal Audit identified 3 high risk reports to improve weaknesses in the design of controls and /or operating effectiveness. The first item relates to Information Governance and this has been set out earlier in the statement and the second item related to the governance of software asset management and while there is a general awareness within the IT function of the requirements for appropriately managing software licensing and the associated risks, policies and procedures are generally informal and immature in nature. The Director of Informatics is addressing this shortfall. The other area of risk, relates to the patient experience and the lack of a formal mechanism for reporting and monitoring completion of the actions and appropriateness of the plans at Committee level. The opinion also suggests that further improvement can be made to the Board dashboard to include targeted focus on areas taken from the real time patient feedback. The Trust will implement the recommendations.

As part of their role, 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 conclude their overall work through their annual report and present this to the Audit Committee for recommendation to the Board of Directors.

A non-executive director chairs the Audit Committee. It met five 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. The Audit Committee also met separately with representatives of external audit and internal audit without any executive management present.

A non-executive director chairs the Healthcare Assurance Committee. The Committee met twelve times during the year and 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 fourteen 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
- Infection Control Committee
- Finance Committee
- Patient Experience and Communications Committee
- Workforce Strategy Committee

Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) 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 in the NHS Foundation Trust Annual Reporting Manual.

The production of the Quality Report is overseen by the Director of Nursing and Midwifery 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 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. 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, Risk Management Department and the Clinical Effectiveness Department, all of which are subject to internal and external quality checking and control.

Review of effectiveness of the system of internal control

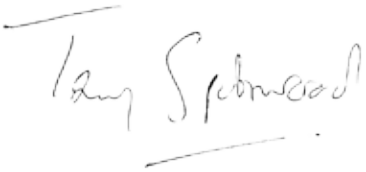
As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Healthcare Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Both the Assurance Framework and the Trust Risk Register are reviewed on a regular basis through the committee structure outlined above. The Trust currently holds full registration with the Care Quality Commission and the Quality and Risk Profile is reviewed on a monthly/bi-monthly basis as published by the Care Quality Commission. The most recent issue (March 2013) indicates a low risk of non-compliance with the Essential Standards.

The effectiveness of the system of the internal control has been reviewed by 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

The Head of Internal Audit states in his report that significant assurance can be given that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are being applied consistently. Although this provides a high level of assurance there were four significant internal control issues, three of which were identified through Internal Audit. As discussed earlier in the report, the three risk areas related to information governance, software asset management and the patient experience all of which are in the process of being resolved. The other item of risk identified in the 'risk and control framework' section of the report above, sets out the concerns regarding a junior doctor and the way in which an initial assessment of some patients may have been carried out. The Trust is undergoing a recall of those patients who had been treated at the hospital where, potentially the quality of treatment did not meet the Trust's usual high standards and has subsequently commissioned an external review.



Mr A Spotswood
Chief Executive
24 May 2013

Auditors' Report

Independent Auditors' Report to the Council of Governors and Board of Directors of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust.

We have audited the financial statements of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust for the year ended 31 March 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Cash Flow Statement and the related notes 1 to 33. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor - Independent Regulator of NHS Foundation Trusts.

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code of NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 March 2013 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by Monitor - Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls;
- proper practices have not been observed in the compilation of the financial statements; or
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts.

Susan Barratt, BA, ACA
(Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Southampton, UK
24 May 2013

Statement of Comprehensive Income

	Notes	2012/13	2011/12
		£'000	£'000
Operating income from continuing operations	4	**249,180**	239,763
Operating expenses of continuing operations	7	**(241,482)**	(231,180)
OPERATING SURPLUS		**7,698**	8,583
FINANCE COSTS			
Finance income: interest receivable	12	**391**	539
Finance expense: Finance lease interest	13	**(57)**	(62)
Finance expense: Unwinding of discount on provisions	24	**(11)**	(11)
Public Dividend Capital: Dividends payable		**(4,387)**	(4,533)
SURPLUS FOR THE YEAR		**3,634**	4,516
Other comprehensive income			
Impairment losses on property plant and equipment		**(2,250)**	0
Revaluation gains on property, plant and equipment		**454**	289
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**1,838**	4,805

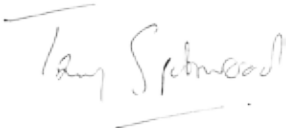
The notes on pages 21 to 50 form part of these accounts.

Statement of Financial Position

	Notes	31 March 2013	Restated 31 March 2012
		£'000	£'000
Non-current assets			
Intangible assets	14	**628**	734
Property, plant and equipment	14	**144,424**	148,256
Total non-current assets		**145,052**	148,990
Current assets			
Inventories	17	**4,106**	3,870
Trade and other receivables	18	**10,862**	8,015
Cash and cash equivalents	19	**54,200**	45,510
Total current assets		**69,168**	57,395
Current liabilities			
Trade and other payables	20	**(25,208)**	(19,707)
Borrowings	21	**(433)**	(423)
Provisions	24	**(2,190)**	(152)
Total current liabilities		**(27,831)**	(20,282)
Total assets less current liabilities		**186,389**	186,103
Non-current liabilities			
Trade and other payables	20	**(1,113)**	(1,142)
Borrowings	21	**(1,191)**	(1,620)
Provisions	24	**(524)**	(1,618)
Total non-current liabilities		**(2,828)**	(4,380)
Total Assets Employed:		**183,561**	181,723
Taxpayers' Equity			
Public Dividend Capital		**78,674**	78,674
Revaluation reserve		**64,488**	68,500
Income and expenditure reserve		**40,399**	34,549
Total Taxpayers' Equity:		**183,561**	181,723

The notes on pages 21 to 50 form part of these accounts.

The financial statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers' Equity, and Statement of Cash Flows were approved by the Foundation Trust Board on 24 May 2013 and signed on its behalf by:



Mr A Spotswood, Chief Executive 24 May 2013

Statement of Changes in Taxpayers' Equity

	Public Dividend Capital	Revaluation Reserve	Income and Expenditure Reserve	Total Reserves
	£'000	£'000	£'000	£'000
Taxpayers' equity at 1 April 2012	**78,674**	**68,500**	**34,549**	**181,723**
Surplus for the year	0	0	3,634	3,634
Impairment losses on property, plant and equipment	0	(2,250)	0	(2,250)
Revaluation gains on property, plant and equipment	0	454	0	454
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(2,216)	2,216	0
Taxpayers' equity at 31 March 2013	**78,674**	**64,488**	**40,399**	**183,561**
Prior Year				
Taxpayers' equity at 1 April 2011	**78,674**	**70,933**	**27,311**	**176,918**
Surplus for the year	0	0	4,516	4,516
Revaluation gains on property, plant and equipment	0	289	0	289
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(2,722)	2,722	0
Taxpayers' equity at 31 March 2012	**78,674**	**68,500**	**34,549**	**181,723**

The notes on pages 21 to 50 form part of these accounts.

Statement of Cash Flows

	Notes	2012/13		Restated 2011/12	
		£'000		£'000	
Cash flows from operating activities					
Operating surplus			**7,698**		8,583
Non-cash income and expense					
Depreciation and amortisation	14	**7,824**		8,831	
Impairments	14	**214**		923	
Loss on disposal		**147**		185	
Non-cash donations/grants credited to income		**(1,313)**		(429)	
Interest accrued and not paid		**1**		6	
Dividends accrued and not paid or received		**(481)**		346	
Increase in Trade and Other Receivables		**(2,847)**		(2,545)	
(Increase)/Decrease in Inventories		**(236)**		320	
Increase in Trade and Other Payables		**6,107**		106	
Increase in Provisions		**944**		1,164	
Other movements in operating cash flows		**(11)**		(11)	
			10,349		8,896
Net cash generated from operations			**18,047**		17,479
Cash flow from investing activities					
Interest received		**390**		533	
Purchase of intangible assets	14	**(171)**		(106)	
Purchase of Property, Plant and Equipment		**(5,194)**		(7,307)	
Net cash flow from investing activities			**(4,975)**		(6,880)
Cash flow from financing activities					
Capital element of finance lease rental payments		**(419)**		(481)	
Other capital receipts		**0**		1,004	
Interest element of finance lease	13	**(57)**		(62)	
PDC Dividend paid		**(3,906)**		(4,879)	
Net cash flow used in financing activities			**(4,382)**		(4,418)
Net increase in cash and cash equivalents			**8,690**		6,181
Cash and cash equivalents at beginning of year			**45,510**		39,329
Cash and cash equivalents at end of year	19		**54,200**		45,510

The notes on pages 21 to 50 form part of these accounts.

Notes to the accounts

1 Accounting policies

1.1 Accounting policies

Monitor has directed that the financial statements of the NHS Foundation Trust 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 2012/13 NHS Foundation Trust Annual 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. The Foundation Trust is a single entity, therefore no consolidation is required in these accounts.

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 certain financial assets and financial liabilities.

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. The Foundation Trust has no acquisitions or discontinued operations to report within these accounts.

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.

Details of key accounting judgements and estimations are contained within Note 31 to these accounts.

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.

Recently issued IFRS Accounting Standards

The following standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) but have not yet been adopted in the Annual Reporting Manual. Monitor does not permit the early adoption of accounting standards, amendments and interpretations that are in issue at the reporting date but effective at a subsequent reporting period.

- IAS 27 Separate Financial Statements
- IAS 28 Associates and Joint Ventures
- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IFRS 13 Fair Value Measurement
- IPSAS 32 Service Concession Arrangements

The directors do not expect that the adoption of these standards and interpretations will have a material impact on the financial statements in future periods. All other revised and new standards have not been listed here as they are not considered to have an impact on the Foundation Trust.

Prior year restatements

Each year, the reporting requirements of Foundation Trusts are refreshed, and as a result, some income and expenditure classifications may be updated to improve transparancy. In these instances, both the current year and the prior year disclosures are updated. In addition, if in preparing the accounts, corrections are identified to prior year classifications, these will be updated and clearly marked as “restated”.

1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Foundation Trust is contracts with commissioners in respect of healthcare services.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Patient related revenue

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

Education and training

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

Non patient care services

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

Interest

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

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.

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 and are usually received in cash.

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.

1.3 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave 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 leave into the following period.

Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at **www.nhsbsa.nhs.uk/pensions**. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2013, is based on the valuation data as 31 March 2012, updated to 31 March 2013 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and

employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

1.4 Expenditure on other goods and services

Expenditure on goods and services is 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 a non-current asset such as property, plant and equipment.

1.5 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- 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 of the item can be measured reliably;
- the item individually has a cost of at least £5,000; or
- collectively, a group of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they have 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, then these components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. They are subsequently measured at fair value.

Non-current assets are stated at the lower of replacement cost and recoverable amount. 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.

All land and buildings are revalued using professional valuations in accordance with IAS 16 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. A full asset valuation (excluding Assets Under Construction/ Work In Progress) has been undertaken as at 31 March 2013 and is 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 operational property. The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Assets in the course of construction are valued at current cost. Larger schemes are valued by the District Valuer on completion or when 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

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is derecognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

The estimated useful lives of assets are summarised below:

	Minimum Life (years)	Maximum Life (years)
Buildings and Dwellings	10	90
Furniture / Fittings	10	10
Set-up Costs	10	10
Medical and other Equipment	5	10
Vehicles	7	10
Radiology Equipment	5	7
IT Equipment	3	5

Property, plant and equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon this reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses 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'.

Impairments

In accordance with the Foundation Trust Annual Reporting Manual, impairments that are due to a loss of economic benefits or service potential in the assets are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;

- the sale must be highly probable, for example:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within twelve months of the date of the classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/ grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/ grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.6 Intangible assets

Recognition

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

- the product is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Foundation Trust intends to complete the asset and sell or use it;
- the Foundation Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits;
- adequate financial, technical and other resources are available to the Foundation Trust to complete the development and sell or use the asset; and
- the Foundation Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware (for example, an operating system) is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral

to the operation of hardware (for example, application software) is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently, intangible assets are measured at fair value. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. The estimated useful live of assets are summarised below:

	Minimum Life (years)	Maximum Life (years)
Software	3	5

1.7 Revenue government and other grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. Due to the high turnover of stocks within the Foundation Trust, current cost is used as a fair estimate of current value.

1.9 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 Trust's 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.

Financial assets and financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

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'. 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 exactly 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 asset.

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 incurred, and are measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly 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 liability.

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 and the carrying amount of the asset is reduced directly.

1.10 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 asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

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

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.

1.11 Provisions

The Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources 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 discount rates published by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Foundation Trust is disclosed at note 24 but is not recognised in the Foundation Trust's accounts.

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.

1.12 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, but are disclosed by note where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed by note unless the probability of a transfer of economic benefits is remote. 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 future 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.

1.13 Public Dividend Capital (PDC) and PDC Dividend

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of 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 cost of capital utilised by the Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the 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 all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) net cash balances held with the Government Banking Services (GBS), excluding cash balances held in GBS accounts that relate to short-term

working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.14 Value added tax

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

1.15 Corporation tax

Under current legislation, Foundation Trusts are not liable for corporation tax.

1.16 Foreign exchange

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

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

1.17 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 within Note 19 to the accounts in accordance with the requirements of HM Treasury's FReM.

1.18 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature, they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

However, the losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.19 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.

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 Foundation Trust's business from a services perspective as "Healthcare" and only one segment is therefore reported.

The segment information provided to the Finance Committee for the reportable segments for the year ended 31 March 2013 is as follows:

	Healthcare 2012/13	Healthcare 2011/12
	£'000	£'000
Segment revenue	**249,180**	239,763
Patient and other income	**249,180**	239,763

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 Foundation Trust does not undertake any other income generation activities with an aim of achieving profit.

4 Operating income

4.1 Income from patient related activities

	Continuing Operations 2012/13	Restated Continuing Operations 2011/12
	£'000	£'000
Foundation Trusts	**3,726**	3,619
Primary Care Trusts	**223,474**	216,213
Non NHS:		
- Private Patients	**3,166**	2,335
- NHS Injury Scheme income	**501**	715
- Other	**0**	52
	230,867	222,934

The NHS Injury Scheme income above is reported net of a 12.6% doubtful debt provision (2011/12 10.5%).

4.2 Other operating income

	Continuing Operations 2012/13	Restated Continuing Operations 2011/12
	£'000	£'000
Research and development	**1,988**	1,559
Education and training	**5,268**	5,207
Charitable and other contributions to capital expenditure	**1,313**	398
Non-patient care services to other bodies	**5,379**	5,002
Income from operating leases	**675**	721
Other:		
NHS Drug sales	**113**	155
Car Parking	**1,405**	1,071
Catering Services	**896**	848
Miscellaneous other	**1,276**	1,868
	18,313	16,829
Total (note 4.1 & note 4.2)	**249,180**	239,763

5 Private patient cap

The statutory limitation on private patient income as set out within Section 44 of the National Health Service Act 2006 was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. As a result, the financial statements disclosures that were provided previously are no longer required.

The Foundation Trust has met the requirement in section 43(2A) of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012) which requires that the income from the provision of goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes.

6 Mandatory and non-mandatory income from activities

	2012/13	2011/12
	£'000	£'000
Mandatory	**236,135**	228,141
Non-mandatory	**13,045**	11,622
	249,180	239,763

7 Operating expenses

	Continuing Operations	
	2012/13	Restated 2011/12
	£'000	£'000
Services from NHS Foundation Trusts	**2,463**	2,963
Services from other NHS Bodies	**1,334**	1,402
Employee Expenses - Executive directors	**1,158**	1,163
Employee Expenses - Non-executive directors	**147**	160
Employee Expenses - Staff	**141,836**	139,215
Employee Expenses - Redundancy paid (see note)	**132**	0
Drug costs	**23,477**	23,380
Supplies and services - clinical (excluding drug costs)	**32,290**	31,437
Supplies and services - general	**3,984**	3,468
Establishment	**1,902**	1,817
Research and development	**448**	373
Transport	**727**	703
Premises	**12,828**	9,472
Decrease in bad debt provision	**(383)**	(650)
Increases in other provisions	**44**	0
Inventories written down	**86**	208
Operating lease payments	**231**	346
Depreciation on property, plant and equipment	**7,464**	8,430
Amortisation on intangible assets	**360**	401
Impairments of property, plant and equipment	**214**	923
External audit services - financial statement audit	**46**	62
External audit services - audit-related assurance services	**13**	6
External audit services - other non-audit services	**35**	0
Clinical negligence premium	**2,163**	1,879
Loss on disposal of land and buildings	**35**	185
Loss on disposal of other property, plant and equipment	**112**	0
Legal fees	**241**	309
Consultancy costs (including internal audit services)	**2,990**	1,432
Training, courses and conferences	**782**	495
Other services, e.g. external payroll	**540**	187
Losses, ex gratia & special payments	**8**	115
Other	**3,775**	1,299
Total	**241,482**	231,180

Other restructuring amounts provided in the year are disclosed in note 24.

8 Operating leases

8.1 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:

	2012/13	2011/12
	£'000	£'000
Total operating leases	**231**	346
The future aggregate minimum lease payments under non-cancellable operating leases are as follows:		
No later than one year	**59**	99
Between 1 and 5 years	**201**	60
Over 5 years	**43**	0
Total	**303**	159

8.2 Operating leases as lessor

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:

	2012/13	2011/12
	£'000	£'000
Accommodation operating leases	**675**	721
The future aggregate minimum lease payments under non-cancellable operating leases are as follow:		
No later than one year	**673**	686
Between one and five years	**420**	420
Over 5 years	**445**	494
Total	**1,538**	1,600

9 Staff costs and numbers

9.1 Staff costs

	2012/13	2011/12
	£'000	£'000
Salaries and wages	**119,362**	117,205
Social security costs	**8,873**	8,727
Employer's contributions to NHS Pensions	**13,216**	12,876
Termination benefits	**132**	0
Agency/contract staff	**1,543**	1,570
Total	**143,126**	140,378

9.2 Average number of persons employed

	2012/13	2011/12
	Number	Number
Medical and dental	**408**	414
Administration and estates	**1,116**	1,081
Healthcare assistants and other support staff	**606**	580
Nursing, midwifery and health visiting staff	**1,065**	1,063
Scientific, therapeutic and technical staff	**396**	383
Bank and agency staff	**109**	112
Total	**3,700**	3,633

This note excludes Non-Executive Directors, in line with national guidance.

9.3 Staff exit packages

	2012/13	**2012/13**
	Number	**£'000**
Less than £10,000	**1**	**5**
£10,001 - £25,000	**3**	**45**
£25,001 - £50,000	**2**	**82**
Over £50,000	**0**	**0**
Total	**6**	**132**

There were no staff exit packages in 2011/12.

10 Retirements due to ill-health

There were three early retirements from the Foundation Trust agreed on the grounds of ill-health (2011/12: three). The estimated additional pension liabilities of these ill-health retirements will be £169,000 (2011/12: £640,000). 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.

12 Investment revenue

	2012/13	2011/12
	£'000	£'000
Interest receivable	**391**	539
Total	**391**	539

13 Finance costs

	2012/13	2011/12
	£'000	£'000
Finance leases	**57**	62
Total	**57**	62

14 Intangible assets, property, plant and equipment

	Intangible	Tangible								TOTAL
	Software Licences (incl Work in progess)	Land (Freehold)	Buildings excluding dwellings (Freehold)	Dwellings (Freehold)	Assets Under Construction / Work In Progress	Plant and Machinery	Transport Equipment	Information Technology	Furniture and fittings	Non Current Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Gross cost at 1 April 2012 as previously stated	4,311	27,792	112,346	4,073	689	32,098	187	3,103	639	185,238
Additions - purchased	171	0	1,678	200	238	2,175	17	143	108	4,730
Additions - donated	0	0	0	0	0	1,193	0	120	0	1,313
Impairments	0	(2,250)	0	0	0	0	0	0	0	(2,250)
Reclassifications	83	0	469	0	(656)	91	0	13	0	0
Revaluations	0	0	(9,366)	(107)	0	0	0	0	0	(9,473)
Adjustments	0	0	123	35	(2)	(151)	5	(87)	(5)	(82)
Disposals	0	0	(33)	0	0	(1,166)	(13)	(3)	0	(1,215)
Cost or valuation at 31 March 2013	**4,565**	**25,542**	**105,217**	**4,201**	**269**	**34,240**	**196**	**3,289**	**742**	**178,261**
Accumulated depreciation at 1 April 2012 as previously stated	3,577	0	4,935	141	0	24,383	87	2,820	305	36,248
Provided during the year	360	0	4,534	147	0	2,592	14	131	46	7,824
Impairments	0	0	214	0	0	0	0	0	0	214
Revaluations	0	0	(9,639)	(288)	0	0	0	0	0	(9,927)
Adjustments	0	0	(8)	0	0	12	(6)	(3)	0	(5)
Disposals	0	0	(7)	0	0	(1,128)	(7)	(3)	0	(1,145)
Accumulated depreciation at 31 March 2013	**3,937**	**0**	**29**	**0**	**0**	**25,859**	**88**	**2,945**	**351**	**33,209**
Net book value										
Purchased	734	27,792	102,816	3,932	689	4,181	81	283	325	140,833
Finance lease	0	0	0	0	0	2,103	0	0	0	2,103
Donated	0	0	4,595	0	0	1,431	19	0	9	6,054
NBV total at 31 March 2012	**734**	**27,792**	**107,411**	**3,932**	**689**	**7,715**	**100**	**283**	**334**	**148,990**
Purchased	628	25,542	100,618	4,201	269	4,643	91	236	383	136,611
Finance lease	0	0	0	0	0	1,672	0	0	0	1,672
Donated	0	0	4,570	0	0	2,066	17	108	8	6,769
NBV total at 31 March 2013	**628**	**25,542**	**105,188**	**4,201**	**269**	**8,381**	**108**	**344**	**391**	**145,052**
The asset classifications are as follows:										
- Protected	0	22,200	100,538	0	0	0	0	0	0	122,738
- Unprotected	628	3,342	4,650	4,201	269	8,381	108	344	391	22,314
	628	**25,542**	**105,188**	**4,201**	**269**	**8,381**	**108**	**344**	**391**	**145,052**

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

	2012/13	2011/12
	£'000	£'000
Cost	**4,490**	4,490
Accumulated depreciation	**2,818**	2,387
Net book value	**1,672**	2,103

The reclassification of software licences of £83,000 relates to assets brought into use during the year which were held under tangible assets under construction as at 1 April 2012.

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

The above includes £920,000 of restricted use of the Heart Club, which is leased to the Bournemouth Heart Club until the year 2046.

15 Impairment of property, plant and equipment

	31 March 2013	31 March 2012
	£'000	£'000
Changes in market price (as advised by the District Valuer)	214	923
Total	214	923

16 Capital commitments

	31 March 2013	31 March 2012
	£'000	£'000
Property plant and equipment	1,698	1,391
Total	1,698	1,391

17 Inventories

	31 March 2013	31 March 2012
	£'000	£'000
Drugs	1,232	1,347
Consumables	2,874	2,523
Total	4,106	3,870

17.1 Inventories recognised in expenses

	31 March 2013	31 March 2012
	£'000	£'000
Inventories recognised as an expense in the period	31,351	32,059
Write-down of inventories (including losses)	86	208
Total	31,437	32,267

18 Trade and other receivables

18.1 Amounts falling due within one year:

	31 March 2013	31 March 2012
	£'000	£'000
NHS Receivables - Revenue	**6,799**	4,992
Other receivables with related parties - revenue	**0**	4
Provision for impaired receivables	**(819)**	(1,602)
Prepayments	**1,458**	1,234
Accrued income	**1,421**	1,036
PDC dividend receivable	**13**	494
VAT Receivable	**130**	216
Other receivables - Revenue	**1,860**	1,641
Total	**10,862**	8,015

18.2 Age analysis of trade and other receivables

	31 March 2013	Restated 31 March 2012
	£'000	£'000
Age of impaired receivables:		
0 - 30 days	**134**	1,266
31 - 60 days	**261**	0
61 - 90 days	**36**	66
91 - 180 days	**126**	42
over 180 days	**262**	228
Sub Total	**819**	1,602
Age of non-impaired receivables:		
0 - 30 days	**8,956**	6,038
31 - 60 days	**811**	246
61 - 90 days	**28**	129
91 - 180 days	**99**	0
over 180 days	**149**	0
Sub Total	**10,043**	6,413
Total	**10,862**	8,015

18.3 Provision for impairment of receivables

	31 March 2013	31 March 2012
	£'000	£'000
At 1 April	**1,602**	3,112
Increase in provision	**670**	1,108
Amounts utilised	**(400)**	(860)
Unused amounts reversed	**(1,053)**	(1,758)
At 31 March	**819**	1,602

19 Cash and cash equivalents

	31 March 2013	31 March 2012
	£'000	£'000
Balance 1 April	**45,510**	39,329
Net movement in year	**8,690**	6,181
Balance at 31 March	**54,200**	45,510
Made up of:		
Cash at commercial banks and in hand	**48**	(2,161)
Cash with the Government Banking Service	**54,152**	47,671
Cash and cash equivalents	**54,200**	45,510

The patient monies amount held on trust was £3,990 (2011/12 £1,923) which is not included in the above figures.

20 Trade and other payables

	31 March 2013	Restated 31 March 2012
	£'000	£'000
Amounts falling due within one year:		
NHS payables - revenue	**2,522**	2,611
Other Trade payables - capital	**814**	1,449
Other trade payables - revenue	**10,110**	9,264
Accruals (restated)	**11,762**	6,383
Total	**25,208**	19,707
Amounts falling due over one year:		
Other trade payables	**1,113**	1,142
Total	**26,321**	20,849

This includes outstanding pensions contributions at 31 March 2013 of £1,796,000 (2011/12 £1,620,000).

21 Borrowings

Finance lease liabilities	**31 March 2013**	31 March 2012
	£'000	£'000
- Current	**433**	423
- Non current	**1,191**	1,620
Total	**1,624**	2,043

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	Gross lease payments	
	31 March 2013	31 March 2012
	£'000	£'000
Within one year	**529**	476
Between one and five years	**1,250**	1,567
After five years	**0**	158
Less future finance charges	**(155)**	(158)
Total	**1,624**	2,043

23 Prudential borrowing limit

	31 March 2013		31 March 2012	
	£'000		£'000	
	Limit	**Utilised**	Limit	Utilised
Total long-term borrowing limit	**45,600**	**1,624**	43,200	2,043
Working capital facility	**0**	**0**	0	0
Prudential borrowing limit set by Monitor	**45,600**	**1,624**	43,200	2,043

Ratios	2012/13		2011/12	
	Approved	**Actual**	Approved	Actual
Minimum dividend cover	**> 1x**	**3.7x**	> 1x	4.2x
Minimum interest cover	**> 3x**	**284x**	> 3x	307x
Minimum debt service cover	**> 2x**	**40x**	> 2x	48x
Maximum debt service to revenue	**< 2.5%**	**0.0%**	< 2.5%	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 Foundation Trusts' Prudential Borrowing Code and Compliance Framework can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

24 Provisions for liabilities and charges

					31 March 2013
		£'000	£'000	£'000	**£'000**
	Early Retirement	Legal claims	Re-structuring	Other	**Total**
At 1 April 2012, as restated	162	531	1,077	0	**1,770**
Change in the discount rate	0	(35)	0	0	**(35)**
Arising during the year	16	71	504	755	**1,346**
Utilised during the year - cash	(18)	(87)	(132)	0	**(237)**
Reversed unused	0	0	(141)	0	**(141)**
Unwinding of discount	4	7	0	0	**11**
At 31 March 2013	164	487	1,308	755	**2,714**
Expected timing of cashflows:					
Within one year	18	109	1,308	755	**2,190**
Between one and five years	72	65	0	0	**137**
After five years	74	313	0	0	**387**
	164	487	1,308	755	**2,714**

Legal claims

Liability to Third Party and Property Expense Schemes:

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

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

Injury Benefit

The provision for permanent injury benefit has been created as at 31 March 2004 and is calculated using the award value and life tables discounted over the period.

£11,749k is included in the provisions of the NHS Litigation Authority at 31 March 2013 in respect of clinical negligence liabilities of the Foundation Trust (£11,272k at 31 March 2012).

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.

During the year the Foundation Trust has had a number of material transactions with public organisations together with other government bodies that fall within the whole of the government accounts boundary. Entities are listed below where the transaction total (excluding recharges) exceeds £500,000:

	£'000	£'000	£'000	£'000
	Income	Expenditure	Receivables	Payables
Bournemouth and Poole PCT	**113,028**	**33**	**117**	**0**
Dorset PCT	**65,912**	**137**	**498**	**102**
Hampshire PCT	**28,548**	**64**	**259**	**2**
Bristol PCT (South West SCG)	**13,361**	**0**	**2,211**	**0**
Wiltshire PCT	**1,033**	**0**	**0**	**256**
Poole Hospital NHS FT	**5,496**	**3,390**	**2,776**	**1,672**
University Hospitals of Bristol NHS FT	**1,322**	**13**	**0**	**5**
Dorset Healthcare University NHS FT	**830**	**503**	**250**	**13**
South West Ambulance Service NHS FT	**116**	**765**	**3**	**47**
South Central Strategic Health Authority	**621**	**6**	**86**	**4**
South West Strategic Health Authority	**4,712**	**4**	**0**	**1**
National Insurance Fund	**0**	**8,873**	**0**	**0**
NHS Pensions Agency	**0**	**13,216**	**0**	**0**
NHS Litigation Authority	**0**	**2,104**	**0**	**0**
NHS Blood and Transplant Agency	**4**	**1,393**	**6**	**45**
Bournemouth Borough Council	**0**	**1,277**	**0**	**0**
HM Revenue and Customs (taxes and duties)	**1,705**	**0**	**130**	**0**
NHS Business services Authority	**0**	**3,919**	**0**	**6**
Other entities with transaction total less than £500,000	**1,752**	**2,174**	**606**	**369**
	238,440	**37,871**	**6,942**	**2,522**

The Foundation Trust is an agent on behalf of employees and below are material transactions exceeding £500,000:

	£'000	£'000	£'000	£'000
	Income	Expenditure	Receivables	Payables
NHS Pensions Agency	**0**	**7,668**	**0**	**661**
HM Revenue and Customs	**0**	**18,404**	**0**	**1,594**
National Insurance Fund	**0**	**7,538**	**0**	**646**
	0	**33,610**	**0**	**2,901**

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

- **The Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust Charitable Fund**
  The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust is the Trustee of the above fund.
- **Macmillan Caring Locally**
  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 within these accounts.

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 23.

All other financial instruments are held for the sole purpose of managing the cash flow 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 its ability to earn additional interest on its short-term investments.

The Foundation Trust earned interest of £391,000 during 2012/13, therefore if the interest rate should change by 0.5%, then this would affect the amount earned by approximately £261,000.

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 and all payments are made in sterling.

Other risk
The inflation rate on NHS service level agreements is based on the NHS funded inflation and therefore there is a small risk of budgetary financial pressure.

The majority of pay award inflation is based on the national agreed rate for Agenda for Change bands and although funding through the Payment by Results (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. It actively progresses debts and uses an external company to support it on selective older debts.

The majority of the Foundation Trust's payables are short term and it participates 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 has provided £213,000. A further £79,000 has been provided for in relation to the NHS Injury Scheme in accordance with scheme guidance.

The Foundation Trust has also reviewed any significant NHS receivables and have provided for doubtful debt to a total of £527,000. This represents either its maximum or probable risk in specific areas and reflects the uncertainty of the financial climate of the healthcare market.

Liquidity risk

Loans
The Foundation Trust has no loans to repay.

Creditors
The Foundation Trust has a surplus in the current financial year and on the retained earnings reserve. The Foundation Trust has a cash and investment balance of £54.2m and an authorised borrowing limit of £45.6m. Therefore it is at minimal risk to its payables.

28 Financial instruments

28.1 Financial assets

	31 March 2013	31 March 2012
	£'000	£'000
	Loans and receivables	Loans and receivables
Assets as per the Statement of Financial Position		
Trade and other receivables excluding non financial assets	**9,391**	6,287
Other Financial Assets	**1,458**	1,234
Cash and cash equivalents at bank and in hand	**54,200**	45,510
Total	**65,049**	53,031
Assets held in £ sterling	**65,049**	53,031

The above amount excludes PDC receivables of £13k (2011/12 £494k).

28.2 Financial liabilities

	31 March 2013	Restated 31 March 2012
	£'000	£'000
	Other financial liabilities	Other financial liabilities
Liabilities as per the Statement of Financial Position		
Obligations under finance leases	**1,623**	2,043
NHS Trade and other payables excluding non financial assets	**2,522**	2,611
Non-NHS Trade and other payables excluding non financial assets	**19,030**	14,797
Provisions under contract	**2,714**	1,770
Total	**25,889**	21,221
Liabilities held in £ sterling	**25,889**	21,221

The above figures excludes statutory / non contracted payables of £4,769k (2011/12 £ 4,518k).

28.3 Financial assets / liabilities - fair values

	31 March 2013	
	£'000	£'000
	Book Value	Fair Value
Financial assets		
Receivables over one year	**0**	**0**
Investments	**0**	**0**
Other	**0**	**0**
Total	**0**	**0**
Financial liabilities		
Non current trade and other payables excluding non financial liabilities	**1,113**	**1,113**
Provisions under contract (Early Retirement)	**2,714**	**2,714**
Loans	**0**	**0**
Total	**3,827**	**3,827**

29 Intra-Government and NHS balances

	31 March 2013	
	Receivables: amounts falling due within one year	Payables: amounts falling due within one year
	£'000	£'000
Foundation Trusts	**3,149**	**1,851**
NHS and Department of Health	**3,663**	**671**
Local Government	**0**	**0**
Central Government	**130**	**0**
Total	**6,942**	**2,522**

	31 March 2012	
Foundation Trusts	2,300	2,130
NHS and Department of Health	2,692	481
Local Government	4	3
Central Government	216	4,563
Total	5,212	7,177

30 Losses and special payments

There were 140 cases of losses and special payments totalling £238,000 approved during 2012/13 (2011/12: 74 cases, £116,000).

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

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

31 Judgement and estimations

Key sources of estimation uncertainty and judgements

In the application of the Foundation Trust's accounting policies, the Foundation Trust has made estimates and assumptions in a number of areas, as the actual value is not known with certainty at the Statement of Financial Position date. By definition, these estimations are subject to some degree of uncertainty; however in each case the Foundation Trust has taken all reasonable steps to assure itself that these items do not create a significant risk of material uncertainty. Key areas of estimation include:

- Expenditure 'accruals' are included within the total expenditure reported with these financial statements. These accruals represent estimated costs for specific items of committed expenditure for which actual invoices have yet to be received, together with the estimated value of capital works completed, but not formally valued as at 31 March 2013. Estimates are based on the Foundation Trust's current understanding of the actual committed expenditure.
- An estimate of £1,324,000 is made in relation to the income due from incomplete patient spells as at 31 March 2013 as the true income in relation to these episodes of care will not be know with certainty until the patient is discharged. This estimate is based on historic trend analysis, together with other relevant factors.
- An estimate of £433,000 is made in relation to the value of unpaid annual leave outstanding as at 31 March 2013 for which the Foundation Trust has a current liability. This estimate is based on completed returns received from each Directorate within the Foundation Trust.
- An estimate is made for depreciation/ amortisation of £7,823,000. Each capital or donated asset is added to the asset register and given a unique identifier. The value and an estimated life is assigned (depending on the type of asset) and value divided by the asset life (on a straight-line basis) is used to calculate an annual depreciation charge.
- An estimate is made for the impairment of land and buildings of £2,010,000 of which £214,000 has been included within operating expenditure. This was advised by the District Valuer under the Modern Equivalent Valuation method.
- An estimate is made for provision for doubtful receivables of £819,000. NHS and Non-NHS receivables are reviewed, together with guidance for specific areas of income, which reflect the uncertainty of the financial climate of the healthcare and commissioning market.
- The Foundation Trust has made provision within the 2012/13 annual accounts for restructuring costs as a result of the proposed merger with Poole Hospital NHS Foundation Trust.

32 Senior manager remuneration

Directors' remuneration totalled £1,305,000 in 2012/13 (2011/12: £1,323,000). Full details are given in the Remuneration Report.

33 Senior manager pension entitlements

There were benefits accruing to six of the Foundation Trust's Executive Directors under the NHS Pensions Scheme in 2012/13. Full details are given in the Remuneration Report.

The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust

The Royal Bournemouth Hospital
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Bournemouth
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Christchurch Hospital
Fairmile Road
Christchurch
BH23 2JX

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