Poole Hospital NHS
NHS Foundation Trust

Annual Report and Accounts

1 April 2009 to 31 March 2010

Delivering excellent clinical services – Care Quality Commission Annual Health Check

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

Poole Hospital NHS Foundation Trust
Annual Report and Accounts 1 April 2009 to 31 March 2010

TABLE OF CONTENTS

CHAIRMAN'S STATEMENT

I am pleased to introduce Poole Hospital NHS Foundation Trust's annual report for the year 2009 to 2010.

It was a year of outstanding performance for improving patient safety and the quality of care. I am delighted to report that we had no hospital acquired MRSA bacteraemia for the whole 12 months of the year and that we were one of just 37 hospitals to receive a double 'excellent' rating in the annual health check ratings. The culmination of this success was that we were named as the safest hospital in the UK 2009. This reflects the high priority given to patient safety by the Board of Directors and our staff, and is an achievement of which we should all be extremely proud.

We know that cleanliness and safety are very important factors that influence the patient's experience of care at the hospital. The success in keeping Poole Hospital MRSA-free has been due to the hard work and commitment of staff across all grades and professional groups and I am extreme grateful for their diligence during a very challenging time for the hospital.

This winter saw one of the busiest periods for emergency admissions on record at Poole Hospital and, again, staff throughout the hospital responded to the additional pressures with dedication and professionalism.

It is extremely disappointing, therefore, that the financial situation suffered a considerable downturn and we ended 2009/10 in deficit for the first time in a number of years. This is a situation which the Board of Directors takes very seriously and as a consequence we will deliver a robust forward looking financial recovery plan that will secure savings of £10 million in 2010/11, whilst maintaining our high quality of care.

The other significant event that took place at the end of the year was the well earned retirement of Sue Sutherland as Chief Executive after 40 years of service to the NHS. Sue was in post for five years and made an enormous contribution to the success of Poole Hospital during that time, notably leading us through to becoming a Foundation Trust. She was a great champion for the quality agenda and patient-centred care, and her enthusiasm and compassion were highly valued.

Following Sue's retirement, we were very pleased to welcome Chris Bown to Poole Hospital as our new Chief Executive. Chris joins the hospital at a time of change and challenge, but brings with him a strong track record of leadership within the NHS, particularly in the acute hospital sector. Chris also has strong local connections and I look forward to working with him to help secure the future for Poole Hospital on behalf of the people we serve.

Peter Harvey, Chairman
Poole Hospital NHS Foundation Trust

Peter Harvey

Peter Harvey

Directors' Report





Background information

Poole Hospital became an NHS Foundation Trust on 1 November 2007 under the National Health Service Act 2006.

As a Foundation Trust, Poole Hospital is run by a Board of Directors, made up of Executive and Non-executive Directors. The Board of Directors is responsible for the day-to-day running of the Hospital and delivering its key objectives and longer term strategic aims.

The Board of Directors works closely with senior clinical and non-clinical managers and with the Council of Governors (CoG). The Council is made of 14 public and four staff Governors, who are democratically elected by members of the Foundation Trust. There are also six appointed Governors from our major partnership organisations. The CoG is involved in the planning and monitoring of services. Full details of the Board of Directors and Council of Governors are contained in separate sections of the annual report.

About us

Poole Hospital is located next to the picturesque Poole Harbour. Several of the Hospital's wards enjoy views over the water and out to the Isle of Purbeck beyond.

Poole Hospital is located on the South Coast, close to stunning areas of natural beauty, such as the Jurassic Coast and Isle of Purbeck, and the golden beaches of Poole and Bournemouth.

We operate across three sites – the main hospital, St Mary's Maternity Hospital and Forest Holme, our palliative care unit.

The main hospital is situated close to the town centre of Poole, within walking distance of local bus and train stations. The main building was opened in 1969 but there has been a hospital on the same site since 1907: Poole Hospital was authorised as an NHS Foundation Trust in its centenary year.

In 1907 the Cornelia Hospital opened with just 14 beds; today's modern hospital has 789 beds, including 74 for day cases. With a 24-hour Accident and Emergency Department, Poole is the major trauma centre for East Dorset. This means that more than 85 % of our inpatients are admitted as emergencies.

We provide a number of core services - ear, nose & throat, child health and maternity for a wider catchment area, including Bournemouth and Christchurch. Poole Hospital also provides specialist services, such as oral surgery and neurological care, for the whole of Dorset and, crucially, is the Cancer Centre for Dorset.

This brings our total catchment population up to 701,000.

Last year Poole Hospital employed more than 3,500 (WTE) staff and had an annual turnover of almost £189 m.

Each year we treat some 44,500 inpatients, 17,500 day cases and see 64,000 new outpatients. Around 57,000 people attend our Accident and Emergency department and 4,500 babies are delivered annually.

Our values

The Poole Approach:

Friendly, professional, patient-centred care with dignity and respect for all

This means we:

- listen to our staff, patients and the public,
- give information that is relevant and accessible,
- safeguard patient privacy, confidentiality and choice,
- welcome and involve families, carers and friends to participate in care,
- treat each other with respect and consideration,
- value and benefit from diversity in beliefs, cultures and abilities,
- continually improve the quality of our services by learning from what we do,
- take responsibility and are accountable for our own actions,
- expect staff and patients to take their share of responsibility for their own health,
- work with and support all organisations that are committed to promoting the health of local people.

Performance

- Safest hospital in the UK 2009
- Double 'excellent' for the quality of services and financial management
- Food rated as excellent
- No hospital acquired MRSA bacteraemias
- Among the top hospitals for patient satisfaction

The financial year 2009/10 was a year of very strong performance against our national targets for improving patient safety and the quality of patient services.

We made exceptional progress in reducing the numbers of MRSA bacteraemia (bloodstream infections) acquired within Poole Hospital, with no hospital acquired MRSA bacteraemia reported for the entire 12 months. We met the 18 week and accident and emergency waiting time targets and all but one for cancer treatment times, narrowly missing the 31 days standard for subsequent surgery.

We improved our annual health check ratings. The Care Quality Commission Annual Health Check scores for 2008 to 2009, published in October 2009, gave Poole Hospital ratings of 'excellent' for the quality of services and 'excellent' for its use of resources. The score put Poole Hospital among just 37 acute hospitals in the country to receive a double 'excellent' rating.

This outstanding performance in providing a safe hospital environment for patients was reflected in the fact that Poole Hospital NHS Foundation Trust was named winner of the

Photograph by Louisa Bentman

Poole Hospital was named the safest in the UK by CHKS in the 2009 Patient Safety Awards, in recognition of our high standards of hygiene, low infection rates and commitment to ensuring our patients' safety at all times.

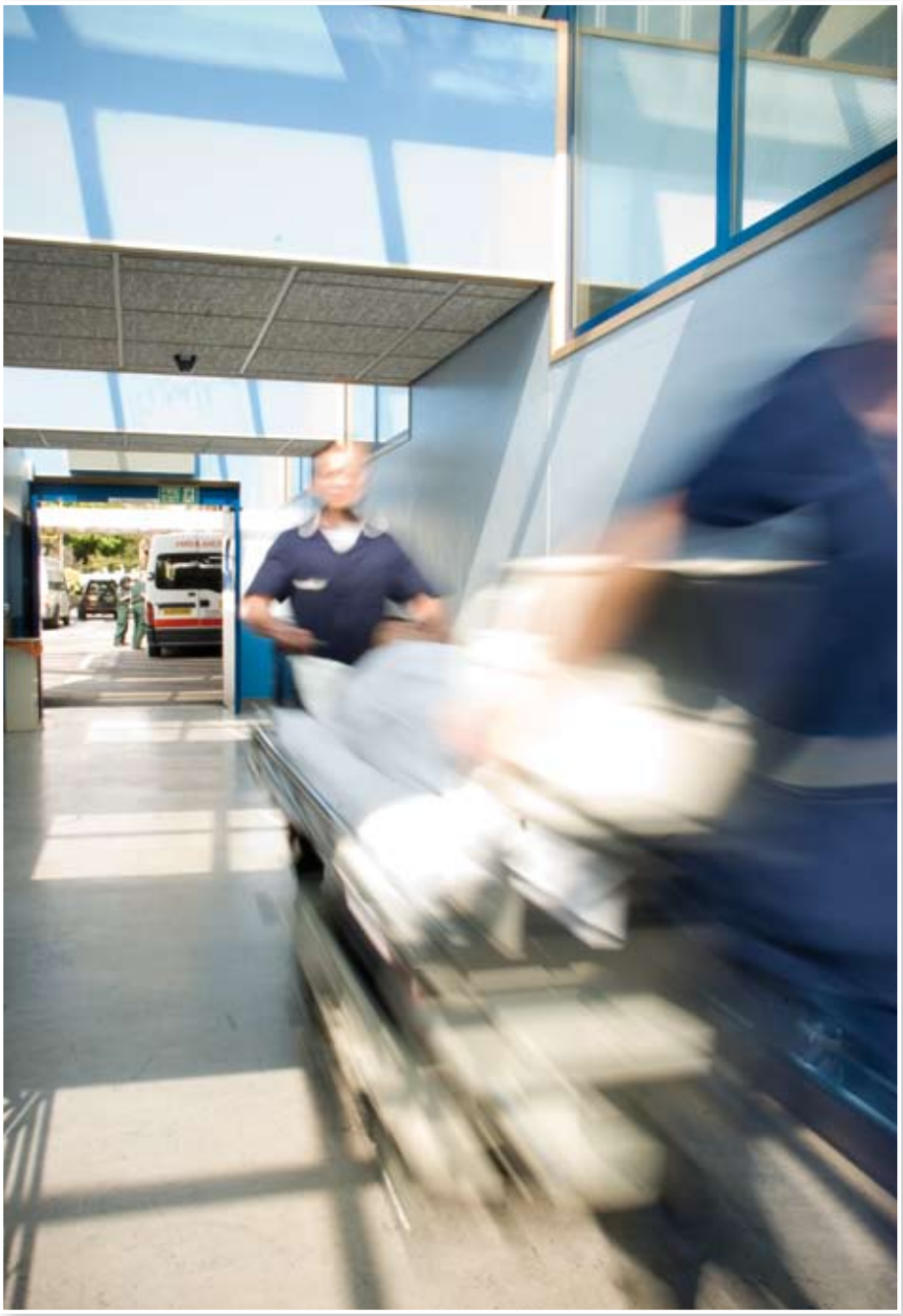
prestigious CHKS Patient Safety Award 2009. The award was based on analysis of all UK hospitals carried out by CHKS, a leading UK independent provider of healthcare intelligence and quality improvement services. It looked at a number of criteria, including rates of hospital-acquired infections such as MRSA and c.difficile, hygiene and cleanliness and the number of patients dying in hospital.

It was disappointing that whilst we met these very high quality standards, our financial situation continued to take a downturn during the year. We ended the financial year with an operating deficit of just under £4.5 million, against a planned surplus of £2 million.* The main reasons for this were an inability to meet cash releasing savings in full and non payment for increased activity. During March 2010, the Board of Directors, supported by external consultants, undertook an analysis of the financial situation to support the production of a robust recovery plan. The major focus of attention during 2010/11 will be achieving efficiency savings whilst maintaining high quality standards of care. Improving the Trust's financial performance is critical to ensure that we achieve our ambitions for future service developments.

Our overall performance for the year 2009/10 should be viewed against the background of a very busy year, especially for emergency admissions during the winter months. December 2009 was the busiest month ever recorded for trauma admissions. The total number of trauma admissions (broken bones) for the month was 450 compared with 286 in December 2008 – a 57 per cent increase. The Emergency Department also experienced the highest ever recorded number of attendances during December - 252 people compared with an average of 150/160. A very high proportion of these patients had injuries sustained due to the sudden icy conditions.

The Hospital also suffered from a prolonged outbreak of sickness during the winter, increasing the pressure on beds and increasing length of stay in some areas of the Hospital.

* End of year accounting adjustments due to revaluation of the estate brought the total deficit to £8.134m



Photograph by Louisa Bentman

The winter months were very busy, with December 2009 seeing the highest ever recorded number of trauma admissions at the Trust. Icy conditions meant our emergency care staff dealt with an unprecedented number of broken bones and on 23 December 2009, we had the highest ever recorded number of attendances at our Emergency Department.

HIGHLIGHTS OF THE YEAR

POOLE HOSPITAL NAMED AS THE SAFEST IN THE UK 2009

Poole Hospital NHS Foundation Trust was named winner of the prestigious CHKS Patient Safety Award 2009, which recognises outstanding performance in providing a safe hospital environment for patients.

Analysis of all UK hospitals carried out by CHKS, the UK's leading independent provider of healthcare intelligence and quality improvement services, was based on a number of criteria, including rates of hospital-acquired infections such as MRSA and c.difficile, hygiene and cleanliness and the number of patients dying in hospital.

NEW APPOINTMENT REMINDER SERVICE LAUNCHED

A new service aimed at improving customer care at Poole Hospital was launched during the year. Patients with a pre-booked outpatient appointment now receive a telephone call reminding them about their appointment.

The new telephone reminder service was launched from June 2009. The service automatically reminds patients of the date, time, and location of their appointment and makes it easier for patients to cancel or rebook their appointment.

Appointment reminders are made using either automated telephone calls or calls from call centre staff, which can easily be diverted to the Outpatients appointment office if required. Patients' personal information remains totally confidential at all times.

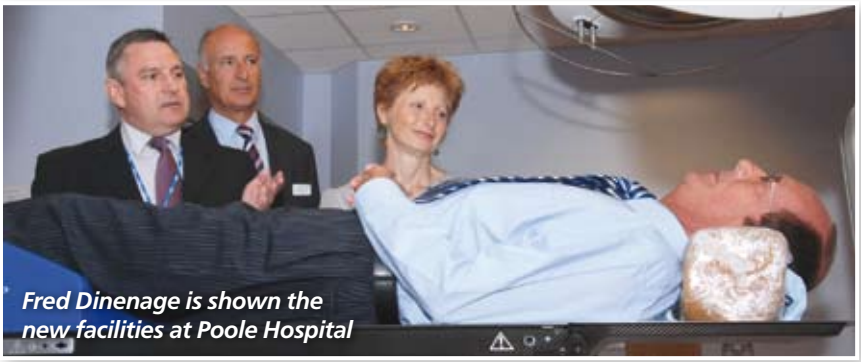
Hospital food at Poole is officially 'excellent'

The food at Poole Hospital was again rated 'excellent' by the National Patient Safety Agency (NPSA).

The quality, choice and availability of food at Poole Hospital were rated 'excellent' for the second year running by the NPSA.

The NPSA's Patient Environment Action Team (PEAT) – which comprises patients, members of the public and NHS staff – awarded the Hospital's food 5 out of 5 and judged the standard to be consistently high, exceeding expectations in every area that was assessed. Initiatives to help patients with their nutritional intake, including protected mealtimes and nutritional screening, were also examined by the PEAT team.

The PEAT assessments look annually at standards across a range of patient services, to give hospitals an overall performance rating. The assessors also examined standards for hygiene and the Hospital's commitment to privacy and dignity, and rated Poole as 'good' in both areas.



Fred Dinenage is shown the new facilities at Poole Hospital

New radiotherapy facilities

The radiotherapy department at Poole Hospital expanded to include a variety of equipment which cut treatment times, improved the precision of treatment, and enhanced patient care. The new facilities – which were officially opened in June by TV star Fred Dinenage - included a High Dose Rate (HDR) Brachytherapy Unit and new state-of-the-art linear accelerator. HDR Brachytherapy allows patients to receive treatment via a radiation source placed directly in the source of a tumour, and has the benefit of delivering a high dose very quickly. This can reduce side effects and means a dramatic reduction in treatment times – from over three days to just 15 minutes. The treatment was initially used for gynaecological cancers.

Other new facilities included the new state-of-the-art linear accelerator, which offers increased precision in treating a range of cancers; a dedicated CT scanner, to help the planning of radiotherapy treatment; and a low-energy X-ray unit, used for treating superficial and shallow lesions.

In addition, the department also now has a new waiting room, which will allow patients to relax in comfortable surroundings whilst visiting the unit.

Funding for the new equipment came from a variety of sources, including generous donations from business and individuals in the local community. The Sunseeker Charitable Trust donated £220,000 to fund the HDR Brachytherapy Unit, local resident Robert Bird raised over £20,000 for the new waiting room in a sponsored cycle ride, and the ex-Mayor and Mayoress of Bournemouth, Bob and Barbara Chapman donated over £12,000 of the charity money they received during their term of office towards the refurbishment of the waiting room.

Staff celebrate achieving PDU status

First for Poole emergency services

The Emergency Care Services at Poole Hospital were the first of their kind to be accredited as a Practice Development Unit (PDU). Emergency Care Services comprise the Emergency Department, Emergency Assessment Unit, and Out-of-Hours Urgent Care Service, and this important accreditation recognises the commitment of all three departments to working together and improving services for patients.

The accreditation means that people needing emergency care at Poole will benefit from a range of initiatives to cut waiting times, improve the quality of care and encourage patient feedback. Bournemouth University awarded the accreditation, and staff from the University worked in collaboration with the Emergency Care Services team to examine the way care is provided and look for ways to improve that care.

Initiatives that have attributed towards PDU accreditation include the introduction of Nurse Practitioners in the Emergency Department and Emergency Assessment Unit. These senior nurses can assess, diagnose, treat, and prescribe for a range of conditions, thereby ensuring that patients are seen promptly and their needs assessed quickly.

The introduction of a new patient record system has also been key to the accreditation process. The new 'Symphony' system was launched in December 2008, and is designed to bring patient information together in one place and reduce admin work.

HEALTH BUSINESS AWARD

Poole Hospital received a commendation in the Outstanding Achievement in Healthcare category in the Health Business Awards 2009.

It was one of just five hospitals in the country to be shortlisted in the top category of the Health Business Awards prestigious awards which recognise excellence in the provision of NHS facilities. This is awarded to an NHS organisation that has achieved success in its role and brought benefits to the wider NHS through the dedication and expertise of its staff.

In order to determine the shortlists for the Health Business Awards, researchers from business events company, PSE, and Health Business Magazine consider a range of factors, using data from a variety of public and private sector sources. This includes the Care Quality Commission, PEAT assessments, DoH statistics, patient experience, and evidence of positive publicity in the local, national, and medical media.

Harry Redknapp meets Roger Cookson, the first patient to be cared for on the newly opened Sandbanks Ward

Improved patient privacy in refurbished cancer ward

Football legend Harry Redknapp officially opened the newly refurbished Sandbanks Ward at Poole Hospital on 9 October.

The Tottenham Hotspur Manager and local resident joined staff and visitors to celebrate the opening of the 22-bed ward, following a £400,000 refurbishment.

The new ward – formerly called Tyneham Ward – now includes more single rooms to improve patient privacy, as well as a greater range of equipment to enhance the care that staff can provide to patients with cancer. New furnishings and décor also mean a brighter, more modern environment for people who have to undergo a hospital stay.

The much-needed refurbishment of the ward was funded through generous donations to the Hospital, including a large legacy and fundraising activities amongst local businesses and individuals. The ward is part of the Dorset Cancer Centre, and is one of two wards providing care for patients with cancer.

CARDIOLOGY SUCCESS

Dr Kim Greaves, Cardiology Consultant at Poole Hospital, was awarded a Visiting Professorship by Bournemouth University following ground-breaking research into the link between heart problems, diabetes, and hypoglycaemia (low blood sugar).

Dr Greaves and his research fellow Dr Omar Rana designed a study to measure blood supply to the heart under low blood sugar conditions in chronically ill hospital patients and people with diabetes.

The results of the study – which was conducted using state-of-the-art echocardiography – indicated that hypoglycaemia causes a 25% reduction in blood supply to the heart, and found that this may be caused by the body's production of a particular chemical. The findings will now be used to aid research into drugs that might inhibit the effect of this chemical and thereby prevent heart problems.

Dr Greaves and Dr Rana worked with Bournemouth University, Southampton University, Imperial College, and the Poole Diabetes Centre on the study.

Dignity in Care Award

James Abel, Inpatient Diabetes Nurse Specialist at Poole Hospital, won an award for Dignity in Care in the NHS Dorset Health and Social Care Awards.

James received his award plus £450 to re-invest in patient services at a ceremony held at Kingston Maurward, near Dorchester on 14 January.

James provides advice and support for patients admitted to Poole Hospital who also have diabetes as an underlying condition and to non-specialist doctors and nurses involved in their care. When necessary, he acts as advocate for these patients. James also liaises with primary care to ensure continuity of care when patients leave hospital.

Diabetes Nurse Specialist James Abel receives his Dignity in Care award

Before James developed this role four and a half years ago, patients' self management of diabetes invariably got worse when they were admitted to hospital for treatment of other conditions. Now James helps diabetic patients get much better control of their condition – both while with us and when they go home. This has led to improved recovery, shorter stays in hospital and better patient experience. He has also improved confidence and understanding of the management of diabetes amongst both patients and non specialist staff.

NEW STATE-OF-THE ART LAPAROSCOPIC OPERATING THEATRE

A new state-of-the art laparoscopic operating theatre was officially opened at Poole Hospital on 29 September 2009 by the Mayor of Poole, Cllr Charles Meachin.

The Mayor of Poole formally opens the new laparoscopic theatre

The new integrated theatre is equipped with the very latest high-definition imaging equipment. It will provide surgeons with the scope to perform sophisticated keyhole surgery on patients with conditions such as bowel cancer, and will also facilitate minimally invasive surgery on benign conditions such as inflammatory bowel disease, pelvic floor problems, and hernias.

The new theatre boasts four high-tech manoeuvrable screens, each equipped with touch-screen technology and voice-activated controls. Images are displayed in high definition, giving surgeons a clearer and more comprehensive picture, and the multiple screens can be quickly and easily adjusted, meaning a safer operating environment for both patients and staff.

The integrated theatre is also equipped with multimedia facilities, allowing simultaneous link-up with other sites. Medical professionals and students will be able to observe operations in real-time, and surgeons will benefit from the ability to communicate instantly with other medical professionals from within the operating theatre.

Laparoscopic surgery – also known as keyhole surgery – is a minimally invasive technique which can dramatically reduce hospital stay and recovery time for patients.

Future developments

Our future developments are set out in our annual plan.

The major focus of attention during 2010/11 will be achieving efficiency savings whilst maintaining high quality standards of care. Improving the Trust's financial performance is critical to ensure that we achieve our ambitions for future service developments.

The delivery of a £10 million financial recovery plan is a major priority and the 2010/11 annual plan reflects a major change programme to achieve this level of savings.

Trends and factors

Poole Hospital operates from a firmly established base which includes:

- high standards of emergency, elective and outpatient care;
- low waiting times;
- unusual case mix;
- excellent reputation with patients;
- growing catchment population
- positive working relationships with our PCTs, local stakeholders and primary care providers;
- a strong track record of performance.

Factors underpinning our performance last year included:

- increased activity throughout the year, but especially during winter months when an unpredicted cold spell and unprecedented and prolonged levels of winter sickness put the Hospital into an extended period of escalation;
- continued financial challenges relating to uncertainty concerning future public sector funding levels, an inability to meet savings in full and non payment for increased activity due to financial challenges in the local health economy.

Photograph by Louisa Bentman

Poole Hospital enjoys an excellent reputation with patients. We pride ourselves on providing friendly, professional, patient-centred care with dignity and respect for all

Risk

Poole Hospital has a well developed risk management and safety structure with a designated executive director lead. The executive lead chairs a Risk Management and Safety Committee that reports into the Hospital Executive Committee and is scrutinised by the Audit and Governance Committee.

We have a risk management team with leads for clinical risk, health and safety and emergency planning. Across the Trust there are risk management leads in each clinical care group and directorate. There is a robust assessment of risks to the organisation, which are recorded on a live risk register which is reviewed regularly. The key corporate risks are reported to the Board of Directors regularly. All new risks to the organisation are reviewed by a high level risk review group and, once validated, are reported to the Audit and Governance Committee, and the Risk Management and Safety Committee. Risks to our corporate objectives are highlighted in the Assurance Framework and any gaps in assurance identified.

The main risks to the Poole Hospital last year outlined in our Annual Plan related to:

- pandemic influenza;
- infection outbreak;
- trauma surgery waits;
- delayed discharges;
- high activity due to demand;
- waiting times for admission;
- workforce recruitment and retention;
- achievement of challenging savings targets;
- non payment for 'over' activity;
- capital expenditure exceeding budgets;
- activity lower than contracted levels.

Staff sickness

Last year we had an overall sickness absence rate of 3.92% against a target of 3.9%. This out-turn is marginally lower than 2008-09, 3.93%.

The table below shows the rates experienced month by month during 2009-10. Peak rates were recorded throughout the autumn and winter which follows the normal pattern. However the Trust was also significantly affected by the pandemic influenza outbreak in July and August. Had normal summer sickness levels been recorded the annual out-turn would have been well within the Trust's target

Apr-09	May-09	Jun-09	July-09	Aug-09	Sept-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Year End
%	%	%	%	%	%	%	%	%	%	%	%	%
3.83	3.76	3.34	4.07	3.81	3.53	3.99	4.06	4.01	4.43	4.22	3.98	3.92

Going concern

After making enquiries, the Directors have reasonable expectation that the NHS Foundation Trust has adequate resources to continue to operate for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing its accounts.

Audit information

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. The Directors have taken all of the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Relationships

Poole Hospital has robust working relationships with each of its two main commissioning Primary Care Trusts (PCTs): NHS Bournemouth and Poole, which commissions services for approximately 74% of our patients, and NHS Dorset, which commissions services for around 24% of our patients.

We enjoy good relationships with NHS South West, other local NHS organisations, the voluntary sector and our local politicians. The Trust relates to three local authorities – the Borough of Poole, Bournemouth Borough Council and Dorset County Council. Each authority has a health Overview and Scrutiny Committee and the Hospital has established good relationships with each. We also have a strong network of patient interest groups particularly for cancer, cardiac and respiratory care, child health and diabetes.

Poole Hospital has a close working relationship with Bournemouth University, which supports our education and research functions. Each of the three local authorities, two PCTs and Bournemouth University have nominated a governor to the Foundation Trust.

Last November staff at Poole Hospital worked with NHS Bournemouth and Poole and the Local Involvement Network (LINks) on a new 'Clean Your Hands' campaign.

According to Ipsos Mori research, hospital-acquired infections are still one of the main healthcare concerns for people in Bournemouth and Poole – even though our levels of infection are very low. To find out what we could do to raise people's confidence and maintain our high standards of cleanliness, a campaign project team tested out key messages with volunteers from LINks and Infection Control Matrons from Poole and Bournemouth Hospitals. Using ideas from the group, the team then created a clear blue hand-washing logo so that the message would reach people who did not read English and used yellow and black hazard lines to alert people to the dangers of infections.

The campaign also featured life-sized cardboard cut outs of hospital matrons which were strategically positioned in the hospitals to remind visitors of how they can help with infection control. This was backed up by a series of posters and a film which is being show in GP and hospital waiting rooms and on websites.

Our Emergency Care Team worked with the Brief Intervention Team, funded by NHS Bournemouth and Poole and the local authority, on a health promotion imitative aimed at reducing harmful levels of alcohol consumption. Scratch cards designed to help people assess their alcohol intake were given out in our Emergency Department during December. The 'Rethink Your Drink' cards were the latest initiative in the hospitals' work with the local Brief Intervention Team who talk to over 1,000 Emergency Department visitors every month in a bid to help people understand and control their alcohol consumption.

As part of a joint project with the Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust and NHS Bournemouth and Poole, the Trust introduced life-size cut-outs of matrons next to hand gels to encourage patients and visitors to wash their hands.

Consultation

No formal consultations were held last year.

Governance and Membership Report





Introduction

As a Foundation Trust, Poole Hospital is run by a Board of Directors, made up of Executive and Non-executive Directors. The Board of Directors is responsible for setting and achieving the long term strategic goals and key objectives of the Foundation Trust and ensuring that it meets its terms of authorisation.

The Council of Governors (CoG) is made up of 14 public and four staff Governors, who are democratically elected by members of the Foundation Trust. There are also six appointed Governors from our major partnership organisations. The CoG is responsible for ensuring that the Foundation Trust responds to the needs and preferences of stakeholders. Whilst not involved in the day-to-day running of the Trust, Governors provide an essential link between our Board of Directors, which is responsible for overseeing the delivery of services; its members (who are the local owners of the Trust) and the community served by the Trust.

Dorset resident Harry Redknapp showed his support for Poole Hospital when he signed up as a Foundation Trust member during a visit to open the newly refurbished Sandbanks Ward.

Board of Directors

The Board of Directors is made up of full-time Executive Directors and part-time Non-Executive Directors. The Board meets once a month and its role is to determine the overall corporate direction of the Trust and ensure delivery of our goals.

The Board has reserved powers to itself covering:

- regulation and control;
- appointments;
- strategy, business plans and budgets;
- direct operational decisions;
- financial and performance reporting arrangements;
- audit arrangements;
- general enabling provision to determine any matter within its statutory powers.

The Board delegates certain of its powers to its sub-committees (not including executive powers unless expressly authorised). The schedule of delegation for the Board sub-committees and for the executive committee of the Trust is set out in Standing Orders.

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

The performance of individual Directors is evaluated by annual appraisal. Evaluation of the Board and its committees is undertaken annually and by external review regularly.

During the year external assessors presented to the Board of Directors a Board Evaluation and Governance Review which focused on; Board working practices, Board skills, stakeholder views and the Board's legal constitution. The Board agreed the report was very helpful and that all members should be involved in developing an action plan to take it forward.

Following a Board Seminar in June the Chief Executive presented a paper, for approval, to the Board of Directors which set out the action plan arising from the Review. The July minutes note that the action plan was approved by the Board of Directors.

Members of the Board of Directors are:

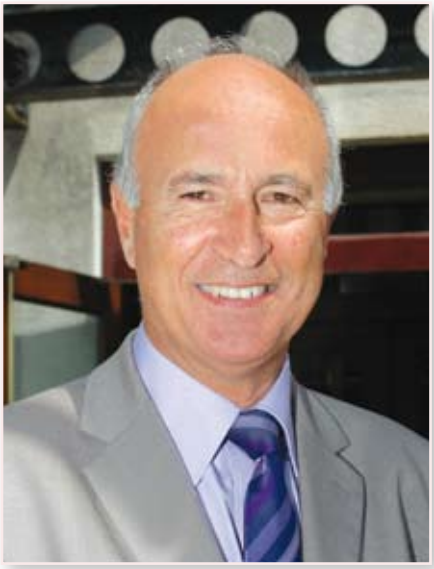
- Peter Harvey - Chairman

Non-Executive Board Members:

- Elizabeth Hall
- John Knowles (Senior Independent Director and Vice Chairman)
- Dame Yvonne Moores
- Charles Cunningham
- Jean Lang
- Guy Spencer

Executive Members:

- Sue Sutherland (Chief Executive) until 31 March 2010
- Chris Bown (Chief Executive) from 1 April 2010
- Philip James (Director of Human Resources) from 1 December 2009
- Heather Hauschild (Director of Operations)
- Robert Talbot (Medical Director)
- David Taylor (Director of Finance and Information) until 19 March 2010
- Martin Smits (Director of Nursing and Patient Services)
- Andrew Goodwin (Acting Director of Finance and Information) from 20 March 2010.



Peter Harvey DL
Chairman

Peter has been Chairman of Poole Hospital NHS Trust since November 2000 and was re-appointed for a further four year term in 2004 and a further three year term in November 2008. A qualified solicitor, Peter was Chief Executive of Dorset County Council from 1991 to 1999. He then served on the Dorset Health Authority and was appointed Chairman of the Poole Bay PCT in April 2000 prior to taking up his appointment at Poole Hospital.

Peter lives in Wimborne.

Date of Appointment: November 2000
Date of Expiry: November 2011

Elizabeth Hall
Non-Executive Director

Elizabeth was a Chartered Accountant and tax specialist before she stopped working full time to bring up her family. Subsequently over a period of 14 years she served as Chair of Finance, Deputy Chairman and Responsible Officer at a large grant-maintained comprehensive school. She is a magistrate, acts as co-ordinating appraiser for the East Dorset Bench and prior to its dissolution, served for several years on the Magistrates' Courts Committee for Dorset.

Elizabeth lives in Broadstone.

Date of Appointment: 1 February 2003
Date of Expiry: 31 March 2011

John Knowles
Senior Independent Director and Vice Chairman

John is Chairman of DEK Printing Machines Ltd, Weymouth, a global supplier of capital equipment used in the electronics assembly industry. DEK employ over 800 staff in some 17 offices around the world. Before joining DEK over 30 years ago he worked for Shell Mex & BP Ltd and following that completed a Short Service Commission with the Royal Artillery. He has attended Leeds and Stanford Universities and was Deputy Chairman of the Bournemouth University Board. He remains a member of a number of unlisted companies.

John lives in Witchampton, near Wimborne.

Date of Appointment: 1 February 2006
Date of Expiry: 31 January 2013

Charles Cunningham
Non-Executive Director

Charles was the Finance Director of P&O Ferries from 1990 to 2002, having previously been Finance Director of the Earls Court and Olympia Group. He has extensive experience in commercial negotiations, corporate governance and managing major IT projects.

Charles lives in Poole. Many of his close relatives including his wife and daughter are doctors.

Date of Appointment: 1 December 2006
Date of Expiry: 30 November 2010

Dame Yvonne Moores
Non-Executive Director

Yvonne was the Chief Nursing Officer for Wales from 1982 to 1987 and of Scotland from 1988 to 1991. From 1992 to 1999, she was the Chief Nursing Officer for England and a Director of the NHS Executive with particular responsibility for quality issues. She chaired the Council of Southampton University for a six year period, and is currently Pro-Chancellor of Bournemouth University. A Non-Executive Director of the National House Building Council, she is also Patron of the Association of Continence Advisers, an International Adviser to Thailand's Princess Srinagarindra Foundation and Patron of the AIDS Research Centre at the University of Southampton.

Yvonne lives in Ferndown.

Date of Appointment: 1 November 2006
Date of Expiry: 31 October 2010

Jean Lang DL
Non-Executive Director

Jean is a solicitor in private practice in Dorchester. She was a Non-Executive Director of the South West Dorset Primary Care Trust from 2001 to 2006. She was also a member of the Dorset Police Authority between 1996 and 2007 and Chairman of its Audit and Performance Review Committee since 1998. Jean is a part-time Tribunal Judge and Chairman of the governors of a large comprehensive school.

Jean lives in Dorchester.

Date of Appointment: 1 December 2006
Date of Expiry: 30 November 2010

Guy Spencer
Non-Executive Director

Guy was Environmental Services Director at Dorset County Council 1996-2001. He has been a Board Member of Bournemouth and Poole College since 1999 and an Independent Transportation Consultant since 2001.

Date of Appointment: 25 April 2008
Date of Expiry: 24 April 2011

Sue Sutherland, OBE
Chief Executive

Before joining Poole Hospital, Sue was the Chief Executive of UK Transplant, a Special Health Authority responsible for transplantation services in the UK. Her career has spanned 34 years both in the NHS and with a major health charity. She worked as a nurse and midwife in London, Cheshire and Surrey before embarking on a career in NHS management during which she gained postgraduate qualifications in Human Resource Management. Prior to becoming a Chief Executive Sue held a number of executive director posts in the acute sector including Director of Nursing, Director of Human Resources and Director of Operations.

Sue was awarded the OBE in the Queen's Honours List in June 2006.

Date of Appointment: 1 August 2005 to 31 March 2010

Heather Hauschild
Director of Operations

Heather has worked at Poole since 1990, holding a number of directorate manager posts, before taking up the post of Director of Operations in 2005. She qualified as a nurse before undertaking a degree in Social Administration and re-entered the Health service via the NHS Management Training Scheme with the former West Midlands Regional Health Authority.

Date of Appointment: 25 April 2008

Philip James
Director of Human Resources

Philip joined the Trust in December 2009 having previously been Associate Director of Human Resources at Hinchingbrooke Health Care NHS Trust, assisting with the financial turnaround, and Assistant Director of Human Resources at Peterborough and Stamford Hospital NHS Foundation Trust. His experience comprises 20 years in a number of operational HR and OD roles in the NHS working across a number of Acute District General Hospitals after commencing his career in the private sector.

Over the last 10 years, Philip has worked with the Local Education Authority as a nominated Governor with the last eight years as Chairman and Vice-Chairman for the governing body of a local Church of England Primary School.

Date of Appointment: 1 December 2009

Martin Smits
Director of Nursing and Patient Services

Martin trained as a nurse in London following completion of a degree in Geology and Economics. He was 'sister' of a large medical ward at St George's Hospital and then moved to St Thomas' Hospital as a Senior Nurse. He completed his Master's degree in 1984 and published his first book in 1988. He then moved south to work as Assistant Chief Nurse in Brighton, becoming Director of Nursing there in 1990.

Martin moved to Worthing as Matron/Deputy Chief Executive in 1994 followed by a secondment to Eastbourne Hospitals in 2001 to re-establish nursing after a period of difficulty.

Date of Appointment: 6 January 2003

Robert Talbot
Medical Director

Robert is a Consultant Colorectal Surgeon, who established the Department of Colorectal Surgery at Poole Hospital. Robert was visiting scientist at the Mayo Clinic, Rochester, Minnesota and a fellow at St Mark's Hospital for Diseases of the Colon and Rectum. He was Medical Director of the Dorset Cancer Network from 2003 until 2008.

Date of Appointment: 1 April 2008

David Taylor
Director of Finance and Information

David has been a qualified accountant for more than 25 years and has worked in and with the NHS for 14 years, mostly as a permanent or interim Finance Director. Prior to joining the NHS he had significant experience in commerce and local Government. He has also successfully run his own management consulting and contracting companies.

Date of Appointment: 1 October 2006 to 19 March 2010

Andrew Goodwin
Acting Director of Finance and Information

Andrew is a qualified accountant. He undertook his training with GEC and has 20 years' post qualification experience in industry, the public sector and the NHS. He has been South West Branch Secretary of the Healthcare Finance Managers' Association (HFMA) since 2000 and received the HFMA Special Recognition Award in 2009.

Andrew lives in Bournemouth

Date of Appointment: 20 March 2010

New Chief Executive

Chris Bown joined Poole Hospital as Chief Executive on 1 April 2010, following Sue Sutherland's retirement.

Chris brings a wealth of experience in the management of NHS acute hospitals. Prior to taking up his new appointment, he was Chief Executive at West Suffolk Hospital NHS Trust in Bury St Edmunds.

Previously Chris worked as Director of Operations at Birmingham Children's Hospital. He has Board level experience in the management and development of Clinical Services, Facilities and Estates, Business, Strategic and Capital Planning, Commissioning and Human Resource Management.

Chris was born in the Dorset and has strong family ties here. His appointment was approved by the Council of Governors in September 2009.

Register of Board of Directors' Interests

As at 1 November 2009, the following interests were declared by the directors of Poole Hospital NHS Foundation Trust:

Charles Cunningham Non-Executive Director	Poole Harbour Commissioner Wife is a Trustee of Dorset Scope (to be renamed Diversability Plus)
Elizabeth Hall Non-Executive Director	Nil
Peter Harvey Chairman	Daughter is a nurse at Poole Hospital
Heather Hauschild Director of Operations	Nil
Philip James Interim Director of Human Resources	Nil
John Knowles Non-Executive Director	Chairman - DEK Printing Machines Ltd Non-Executive Director & Shareholder – Halifax Fan Ltd Non-Executive Director & Shareholder – Promedica UK Ltd Non-Executive Director & Shareholder – AMBA Medical Ltd
Jean Lang Non-Executive Director	Trustee – Dorset Health Trust (grant-giving charity)
Dame Yvonne Moores Non-Executive Director	Pro-Chancellor – Bournemouth University Chairman – Centre for Postgraduate Medical Research & Education, Bournemouth University Non-Executive Director – National House Building Council Patron – Association for Continence Advice
Martin Smits Director of Nursing & Patient Services	Ex-Officio Member – Poole Hospital League of Friends Wife is a nurse at Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust
Guy Spencer Non-Executive Director	Board member – Bournemouth & Poole College Daughter is Corporate Finance Manager at Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust Son is coordinator with Poole Borough Council Drug and Alcohol Action Team Son-in-law is Director of Hampshire & Isle of Wight PCT
Sue Sutherland Chief Executive	Non-Executive Board member – Bournemouth University (unpaid)
Robert Talbot Medical Director	Wife is a nurse at Poole Hospital
David Taylor Director of Finance	Nil

In compliance with paragraph C.1.11 of the Monitor Code of Governance for Foundation Trusts, no Executive Director holds more than one non-executive directorship of an NHS Foundation Trust or another organisation of comparable size and complexity.

The Board of Directors has paid due attention to Clause 27 of the Constitution and its Standing Orders (Annex 7 item 7.1.2) and has decided that the declared interests with the local university by Mr John Knowles and Dame Yvonne Moores and the family connections with the Hospital of Mr Peter Harvey and Mrs Elizabeth Hall do not affect the effectiveness and impartiality of the Board and therefore all the non-executive directors are determined as independent.

Executive and Non-Executive Directors attended the public meetings of the Council of Governors as one means of understanding the views of Governors and members. Full details of how the Board of Directors engages with the Council of Governors can be found on our website: **www.poole.nhs.uk/about_us/foundation_trust_governance_arrangements/documents/D7-BoardPolicyforengagementwithCoG2010.pdf**

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

All Non-Executive Directors, except Guy Spencer, were appointed by the Appointments Commission as they were already in post when the Hospital became a Foundation Trust. Mr Spencer was appointed following open competition.

The Chairman has no other significant commitments.

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS 2009/10

NAME OF COMMITTEE:	BOARD OF DIRECTORS												
	Meeting Dates												
	April 2009	May 2009	4 June 2009*	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	January 2010	February 2010	March 2010
PETER HARVEY Chairman	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
CHARLES CUNNINGHAM Non Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✗
ELIZABETH HALL Non Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
HEATHER HAUSCHILD Director of Operations	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
ANDREW GOODWIN Acting Director of Finance													✔
PHILIP JAMES Director of HR						✔**				✗	✔	✔	✗
JOHN KNOWLES Vice Chairman/ SID	✔	✗	✔	✔	✗	✗	✔	✔	✔	✔	✗	✔	✔
JEAN LANG Non Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
DAME YVONNE MOORES Non Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔	✗	✔	✗	✔
MARTIN SMITS Director of Nursing & Patient Services	✔	✔	✗	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
GUY SPENCER Non Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
SUE SUTHERLAND Chief Executive	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
ROBERT TALBOT Medical Director	✔	✔	✔	✔	✔	✔	✗	✔	✗	✔	✔	✗	✔
DAVID TAYLOR Director of Finance and Information	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	

* Extraordinary meeting
** Interim appointment

Audit and Governance Committee

Chair: Jean Lang, Non-executive Director

The Audit and Governance Committee, which consists of the six Non-executive Directors of the Trust, other than the Chairman, has an important role to play in ensuring that Poole Hospital NHS Foundation Trust conducts its financial affairs within an environment of honesty and integrity.

The main objectives of the Committee are to ensure that the Trust's activities are within the law and regulations covering the NHS and that an effective internal financial control system is maintained.

The Committee must be able to assure the Board of Directors that the system of internal control is operating effectively and that there are clear processes to ensure that proper risk and governance procedures are in place.

Internal Audit
Internal auditors assist the Audit and Governance Committee by providing a clear statement of assurance regarding the adequacy and effectiveness of internal controls. The Director of Finance is professionally responsible for implementing systems of internal financial control and is able to advise the Audit and Governance Committee on such matters.

External Auditors
In September 2008, the Council of Governors approved the appointment of PricewaterhouseCoopers LLP to succeed the Audit Commission as external auditors. The role of external auditors is to provide an independent assessment of our statement of accounts, general financial standing, financial systems, arrangements for preventing and detecting fraud and corruption and its management arrangements. Special 'Value for Money' audits are also carried out whereby a particularly in-depth study of a specific area is undertaken.

The Audit and Governance Committee meets five times a year..

ATTENDANCE AT AUDIT AND GOVERNANCE COMMITTEE 2009/10

NAME OF COMMITTEE:	**AUDIT AND GOVERNANCE COMMITTEE**											
REPORTS TO:	**BOARD OF DIRECTORS**											
Membership	**Meeting Dates**											
	April 09	May 09	June 09	July 09	August 09	September 09	October 09	November 09	December 09	January 10	February 10	March 10
JEAN LANG Chairman			✔			✔		✔		✔		✔
CHARLES CUNNINGHAM Non Executive Director			✔			✔		✔		✗		✔
ELIZABETH HALL Non Executive Director			✔			✔		✗		✔		✔
JOHN KNOWLES Non Executive Director			✔			✔		✔		✗		✗
DAME YVONNE MOORES Non Executive Director			✔			✔		✗		✔		✔
GUY SPENCER Non Executive Director			✔			✔		✔		✔		✔

Finance and Investment Committee

The Finance and Investment Committee is a sub Committee of the Board of Directors.

The committee receives detailed monthly financial reports so that it can ensure that use of our financial resources is robust. It set the policy for and scrutinises cash investments, reviews detailed business cases, oversees the progress of agreed capital investments and reviews financial planning and budgeting processes.

Membership is made up of a Non-executive Director (Chairman), Director of Finance (Vice Chairman), Chief Executive, and two other Non-executive Directors (including one with a speciality in capital projects).

Meetings are attended by the Deputy Director of Finance, Associate Director of Capital Projects and Estates, Committee Secretary. Other senior managers may attend on an ad hoc basis as requested by the committee.

The committee meets at least monthly immediately prior to the Board meeting or more frequently if required.

From April 2010 the membership of the Finance & Investment Committee has been strengthened and now includes the entire Board of Directors.

FINANCE AND INVESTMENT COMMITTEE ATTENDANCE 2009/10

NAME OF COMMITTEE:	**FINANCE & INVESTMENT COMMITTEE**												
REPORTS TO:	**BOARD OF DIRECTORS**												
Membership	**Meeting Dates**												
	22 April 09*	April 09	May 09	June 09	July 09	August 09	September 09	October 09	November 09	December 09	January 10	February 10	March 10
CHARLES CUNNINGHAM Non Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✔
ELIZABETH HALL Non Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✗
SUE SUTHERLAND Chief Executive	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✔
GUY SPENCER Non Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✔
DAME YVONNE MOORES Non-Executive Director	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✔
DAVID TAYLOR Director of Finance and Information	✔	✔	✔	✔	✔	✔	✔	✔	✔		✔	✔	✗

* Extraordinary meeting

Remuneration report

The Remuneration Committee reviews the remuneration arrangements for Executive Directors and the Company Secretary. It is made up of the Chairman of the Board of Directors and all the Non-executive Directors of the Board. The Director of Human Resources attends except when his/her own salary is discussed. The Chief Executive attends only to advise on issues concerning the performance of directors.

The Remuneration Committee met in April 2009 and March 2010, attendance is detailed below.

Pay levels are determined by salary surveys conducted by independent consultants and comparisons with salary scales for similar posts in other NHS organisations and from information provided by the Foundation Trust Network. Executive Directors' remuneration is not subject to performance-related pay, but performance is managed through a process of objective setting and annual appraisals.

Appointments to Executive Director posts are made in open competition and can only be terminated by the Board of Directors. Directors hold substantive contracts with six month notice periods. Termination payments, if appropriate, would be agreed by the Remuneration Committee with regard to Treasury guidance.

Signed: .....

Chris Bown
Chief Executive

Date: 3 June 2010

REMUNERATION COMMITTEE ATTENDANCE 2009/10

NAME OF COMMITTEE:	**REMUNERATION COMMITTEE**	
REPORTS TO:	**BOARD OF DIRECTORS**	
Membership (as per Terms of Reference).	**Meeting Dates**	
	29 April	18 March
PETER HARVEY - Chairman	✔	✔
CHARLES CUNNINGHAM - Non Executive Director	✔	✔
ELIZABETH HALL - Non Executive Director	✔	✔
JOHN KNOWLES - Non Executive Director	✔	✗
JEAN LANG - Non Executive Director	✔	✔
DAME YVONNE MOORES - Non Executive Director	✔	✔
GUY SPENCER - Non Executive Director	✔	✔
In Attendance		
PHILIP JAMES - Director of Human Resources	–	✔
SUE SUTHERLAND - Chief Executive	✔	✔

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS

	2009-10		
Name and title	Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind (bands of £100) £100 Note 1
Michael Beswick - Director of Strategy/Company Secretary	**80-85**	-	-
Charles Cunningham - Non-Executive Director	**10-15**	-	-
Andrew Goodwin - Acting Director of Finance (Note 7)	**0-5**	-	-
Elizabeth Hall - Non-Executive Director	**10-15**	-	-
Peter Harvey - Chairman	**40-45**	-	-
Heather Hauschild - Director of Operations	**90-95**	-	-
Philip James - Director of Human Resources (Note 2)	**30-35**	-	-
John Knowles - Non-Executive Director	**10-15**	-	-
Jean Lang - Non-Executive Director	**15-20**	-	-
Pauline Malins - Director of Communications	**60-65**	-	-
Dame Yvonne Moores - Non-Executive Director	**10-15**	-	-
Debra Reeves - Acting Director of Human Resources (Note 3)	**40-45**	-	-
Martin Smits - Director of Nursing	**90-95**	-	-
Guy Spencer - Non-Executive Director	**10-15**	-	-
Susan Sutherland - Chief Executive (Note 4)	**140-145**	-	-
Robert Talbot - Medical Director (Note 5)	**85-90**	**85-90**	-
David Taylor - Director of Finance and Information (Note 6)	**105-110**	-	-

2008-09		
Salary (bands of £5000) £000	Other Remuneration (bands of £5000) £000	Benefits in Kind (bands of £100) £100 Note 1
80-85	-	-
10-15	-	-
-	-	-
10-15	-	-
40-45	-	-
90-95	-	-
-	-	-
10-15	-	-
15-20	-	-
55-60	-	-
10-15	-	-
30-35	-	-
90-95	-	-
10-15	-	-
145-150	-	-
80-85	-	-
110-115	-	-

Note 1. Benefits in kind relate to the profit element on business mileage claimed.

Note 2. Phillip James was appointed Director of Human Resources on 1 December 2009.

Note 3. Debra Reeves was the Acting Director of Human Resources to 30 November 2009.

Note 4. Susan Sutherland retired in March 2010.

Note 5. Other remuneration relates to clinical work undertaken during the year.

Note 6. David Taylor gave notice of his intention to resign in March 2010. The sum of £60k was paid in April 2010 in lieu of notice.

Note 7. Andrew Goodwin was appointed Acting Director of Finance from 20 March 2010.

SALARY AND PENSION ENTITLEMENTS OF SENIOR MANAGERS

Name and title	Real increase in pension sum at age 60	Real increase in pension lump sum at age 60	Total accrued pension and related lump sum at age 60 at 31 March 2010	Cash Equivalent Transfer Value at 31 March 2010	Cash Equivalent Transfer Value at 1 April 2009	Employer Funded Real Increase in Cash Equivalent Transfer Value
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	£000	£000	£000
Michael Beswick Director of Strategy/ Company Secretary	(0-2.5)	(0-2.5)	140-145	760	692	34
Andrew Goodwin Acting Director of Finance	0-2.5	0-2.5	65-70	266	223	1
Heather Hauschild Director of Operations	0-2.5	0-2.5	100-105	447	398	29
Philip James Director of Human Resources	0-2.5	2.5-5	50-55	204	132	22
Pauline Malins Director of Communications	0-2.5	2.5-5	40-45	251	209	32
Debra Reeves Acting Director of Human Resources	0-2.5	0-2.5	25-30	107	85	12
Martin Smits Director of Nursing	0-2.5	0-2.5	145-150	816	737	42
Susan Sutherland Chief Executive	(0-2.5)	(0-2.5)	225-230	n/a	1,236	n/a
Robert Talbot Medical Director	(0-2.5)	(0-2.5)	235-240	1,487	1,357	63
David Taylor Director of Finance and Information (See Note)	-		-	-	-	-

Note – David Taylor resigned in March 2010 and was in receipt of a contribution to a private pension scheme. This equates to 14% of salary.

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 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 within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Council of Governors

The Council is made up of 18 elected public and staff Governors, and six nominated by partner organisations.

The Council plays a role in helping to set the overall strategic direction of the organisation by advising the Board of Directors of the views of the constituencies they represent. It also has specific responsibilities set out in the statute in relation to the appointment or removal of Non-Executive Directors and their remuneration, the appointment or removal of the Trust's auditors and development of the membership strategy.

The Trust is committed to embedding transparency and accountability throughout, and believes that its robust and effective engagement policy should resolve any matters whereby the Governors would feel the need to inform Monitor of any potential breach of their Terms of Authorisation at the earliest practicable opportunity. We do not foresee the circumstances whereby it would be necessary for the Governors to have to inform Monitor of any possible breaches.

The Council is chaired by Peter Harvey, Chairman of the Board of Directors, and John Knowles, Non-executive Director, is Senior Independent Director and Vice Chairman.

During 2009/10 the Council of Governors was made up as follows:

Elected Representatives for Bournemouth:

- Frances Cleeton (until October 2009)
- Terence Purnell
- Brian Newman (from November 2009)

Elected Representatives for Poole:

- Andrew Creamer (re-elected from November 2009)
- Vivien Duckenfield
- Ann Horan (until October 2009)
- James Pride
- Elizabeth Purcell
- Erik Warwick-White
- Melissa Hards (until October 2009)
- Tom Buckby (until October 2009)
- Emma Chamberlain (from November 2009)
- Sandra Yeoman (from November 2009)
- Gerald Rigler (from November 2009)

Elected Representatives for Purbeck, East Dorset & Christchurch:

- Phyllis Alexander (until October 2009)
- Rosemary Gould
- Geoffrey Carleton
- Christopher Archibold (from November 2009)

Elected Representative for North Dorset, West Dorset, Weymouth and Portland:

- Isabel McLellan

Elected Staff Representatives:

- Lynn Cherrett (clinical staff)
- Diana Calcraft (clinical staff) (until October 2009)
- Chris Tickell (clinical staff) (until October 2009)
- Kris Knudsen (clinical staff) (from November 2009)
- Sue Power (clinical staff) (from November 2009)
- Canon Jane LLoyd (non-clinical staff)

Nominated Representatives from Partner Organisations:

- Richard Cummins, NHS Dorset
- Cllr Mike Wilkins, Borough of Poole (from August 2009)
- Mrs Janet Dover, Dorset County Council (until December 2009)
- Cllr Nicholas King, Bournemouth Borough Council
- Glyn Smith, NHS Bournemouth & Poole
- Dr Gail Thomas, Bournemouth University
- Carole Deas, Borough of Poole (until May 2009)

Elections

Public Governors were first elected in June 2007 by a secret ballot of the public membership, using simple majority system. Contested by-elections were held to fill vacancies in two public constituencies in March 2009. Elections for Governors holding a two-year period of office took place in September 2009 and an uncontested by-election in November 2009.

COUNCIL OF GOVERNORS 2009/10 ATTENDANCE REGISTER

Name	Constituency	Type of M'ship	App't Date	App't Expires	Meeting				
Public Governors					25 June 09	25 September 09 + AMM [1]	27 October 09 [2]	26 November 09	14 January 10
Phyllis Alexander	Purbeck, East Dorset & Christchurch	Elected 2 years	01.11.07	31.10.09	✔	✔	✗		
Christopher Archibold	Purbeck, East Dorset & Christchurch	Elected 3 years	01.11.09	31.10.12				✔	✔
Thomas Buckby	Poole	Elected 2 years	01.05.08	31.10.09	✔	✔	✔		
Air Vice Marshal Geoffrey Carleton	Purbeck, East Dorset & Christchurch	Elected 3 years	01.05.09	30.04.12	✔	✔	✔	✔	✗
Emma Chamberlain	Poole	Elected 3 years	01.11.09	31.10.12				✔	✔
Frances Cleeton	Bournemouth	Elected 2 years	01.11.07	31.10.09	✔	✔	✔		
Andrew Creamer [3]	Poole	Elected 3 years	01.11.07	31.10.12	✔	✔	✔	✔	✔
Vivien Duckenfield	Poole	Elected 3 years	01.11.07	31.10.10	✔	✗	✔	✔	✔
Rosemary Gould	Purbeck, East Dorset & Christchurch	Elected 3 years	01.11.07	31.10.10	✔	✔	✔	✔	✔
Melissa Hards	Poole	Elected 2 years	01.04.08	31.10.09	✔	✗	✗		
Ann Horan	Poole	Elected 2 years	01.11.07	31.10.09	✔	✔	✔		
Isabel McLellan	N Dorset, W Dorset, Weymouth & Portland	Elected 3 years	01.05.09	30.04.12	✗	✔	✔	✔	✗
Brian Newman	Bournemouth	Elected 3 years	01.11.09	31.10.12				✔	✔
James Pride	Poole	Elected 3 years	01.11.07	31.10.10	✔	✔	✗	✔	✔
Elizabeth Purcell	Poole	Elected 3 years	01.11.07	31.10.10	✔	✔	✔	✔	✔
Terence Purnell	Bournemouth	Elected 3 years	01.11.07	31.10.10	✔	✔	✗	✔	✗
Gerald Rigler	Poole	Elected 3 years	01.11.09	31.10.12				✔	✔
Erik Warwick-White	Poole	Elected 3 years	01.11.07	31.10.10	✔	✔	✔	✔	✗
Sandra Yeoman	Poole	Elected 3 years	01.11.09	31.10.12				✔	✔

Name	Constituency	Type of M'ship	App't Date	App't Expires	Meeting				
Appointed Governors					25 June 09	25 September 09 + AMM[1]	27 October 09	26 November 09	14 January 10
Richard Cummins	NHS Dorset	Appt'd 3 years	01.11.07	31.10.10	✔	✗	✔	✗	✔
Janet Dover	Dorset County Council	Appt'd 3 years	01.11.07	31.10.10	✗[4]	✔	✔	✔	
Nicholas King	Bournemouth Borough Council	Appt'd 3 years	01.11.07	31.10.10	✔	✔	✗	✗	✔
Glyn Smith	NHS Bournemouth & Poole	Appt'd 3 years	01.11.07	31.10.10	✔	✗	✔	✗	✗
Dr Gail Thomas	Bournemouth University	Appt'd 3 years	01.11.07	31.10.10	✔	✔	✗	✗	✔
Michael Wilkins	Borough of Poole	Appt'd 3 years	01.08.09	31.07.12		✔	✔	✗	✗
Carole Deas	Borough of Poole	Appt'd 3 years	01.11.07	31.05.10					

Staff Governors

Diana Calcraft	Clinical staff	Elected 3 years	01.11.07	31.10.10	✔	✔	✗		
Lynn Cherrett	Clinical staff	Elected 3 years	01.11.07	31.10.10	✗	✔	✔	✔	✔
Kris Knudsen	Clinical staff	Elected 3 years	01.11.09	31.10.12				✔	✔
Canon Jane LLoyd	Non-clinical staff	Elected 3 years	01.11.07	31.10.10	✔	✔	✗	✔	✔
Sue Power	Clinical staff	Elected 3 years	01.11.09	31.10.12				✔	✔
Christine Tickell	Clinical staff	Elected 2 years	01.11.07	31.10.09	✔	✗	✗		

No. public governors attending	13	12	10	14	10
No. appointed governors attending	4	4	4	1	3
No. staff governors attending	3	3	1	4	4

1 Annual Members' Meeting
2 Extraordinary Meeting
3 Mr Creamer was re-elected from 1 November 2009
4 Awaiting confirmation as Dorset County Council governor

Details of Governors' declaration of interests can be viewed on our public website: **www.poole.nhs.uk/about_us/governors/documents/E4CoGRegintsreport-March2010.pdf** or contact Sara Elkin, on 01202 442895

BOARD MEMBER ATTENDANCE AT THE COUNCIL OF GOVERNORS 2009/2010

	Meeting Dates				
	25 June 2009	24 September 2009	27 October 2009*	26 November 2009	14 January 2010
CHARLES CUNNINGHAM Non Executive Director	✗	✔	✗	✗	✗
ELIZABETH HALL Non Executive Director	✔	✗	✗	✗	✗
JOHN KNOWLES Vice Chairman/Senior Independent Director	✔	✗	✔	✗	✗
JEAN LANG Non Executive Director	✔	✗	✗	✗	✗
DAME YVONNE MOORES Non Executive Director	✗	✗	✔	✗	✗
GUY SPENCER Non Executive Director	✗	✔	✗	✗	✗
SUE SUTHERLAND Chief Executive	✔	✔	✗	✔	✗
HEATHER HAUSCHILD Director of Operations	✗	✗	✗	✗	✗
PHILIP JAMES Director of Human Resources					✗
MARTIN SMITS Director of Nursing and Patient Services	✗	✔	✗	✔	✗
ROBERT TALBOT Medical Director	✗	✔	✗	✗	✗
DAVID TAYLOR Director of Finance	✔	✔	✗	✗	✗

* Extraordinary meeting

Nominations, Remuneration and Evaluations Committee

The Council of Governors is required to establish a Committee consisting of all or some of its members to assist in carrying out the specified functions relating to the appointment of the Chair and Non-executive Directors; the review of the structure, composition and performance of the Board; and the remuneration of the Chairman and Non Executive Directors. The Committee is chaired by Peter Harvey, the Trust Chairman, and comprises two public members, one nominated member, and one staff member. Members during 2009/10 were:

- Janet Dover (nominated member for Dorset County Council) – to December 2009
- Kris Knudsen (elected clinical staff member) – from January 2010
- Elizabeth Purcell (elected member for Poole constituency)
- Christine Tickell (elected clinical staff member) – to October 2009
- Erik Warwick-White (elected member for Poole constituency)

The Committee met three times during the course of the 12 month period, the third meeting being held electronically in January.

In June 2009 the Committee considered the outcome of the Chairman's performance review for 2008/09; the outcome of the Non-executive Directors' performance review for 2008/09; the process for the Council of Governors evaluation; the Chairman's and Non-executive Directors' remuneration and allowances; the outcome of the Board of Directors evaluation by KPMG; the Nominations, Remuneration and Evaluations Committee Terms of Reference and annual governance cycle; and Council members' absences and continuing tenure.

In November 2009 the Committee considered the performance appraisal/evaluation process for the Chairman and Non-executive Directors and the re-appointment of one of the Non-executive Directors.

In January 2010 the Committee considered the draft annual assessment of the collective performance of the governors from November 2008 to October 2009; the draft report on the Committee's own work during this period; the Committee's future business and governance cycle for 2010/11; the replacement/appointment of four of the Trust's non-executive directors whose terms of office were due to expire in 2010/11.

On the recommendation of the Nominations, Remuneration and Evaluations Committee, Mr John Knowles was re-appointed as Non-executive Director by the Council of Governors in November 2009. Mr Knowles was also re-appointed to the roles of Vice Chairman and Senior Independent Director.

NOMINATIONS, REMUNERATION & EVALUATIONS COMMITTEE ATTENDANCE 2009/2010

Name	Constituency	Type of Membership	Meetings		
			June 2009	November 2009	January 2010 (Electronic Contribution)
Peter Harvey (Chairman)			✔	✔	✔
Janet Dover*	Dorset County Council	Appointed 3 years	✗	✔	
Kris Knudsen**	Clinical Staff	Elected 3 years			✔
Elizabeth Purcell	Poole	Elected 3 years	✔	✔	✔
Christine Tickell***	Clinical staff	Elected 2 years	✔		
Erik Warwick-White	Poole	Elected 3 years	✔	✔	✔

* Term of Office ceased, December 2009
** Term of Office commenced, January 2010
*** Term of Office ceased, October 2009

Membership

Poole Hospital NHS Foundation Trust has four public constituencies and one staff constituency.

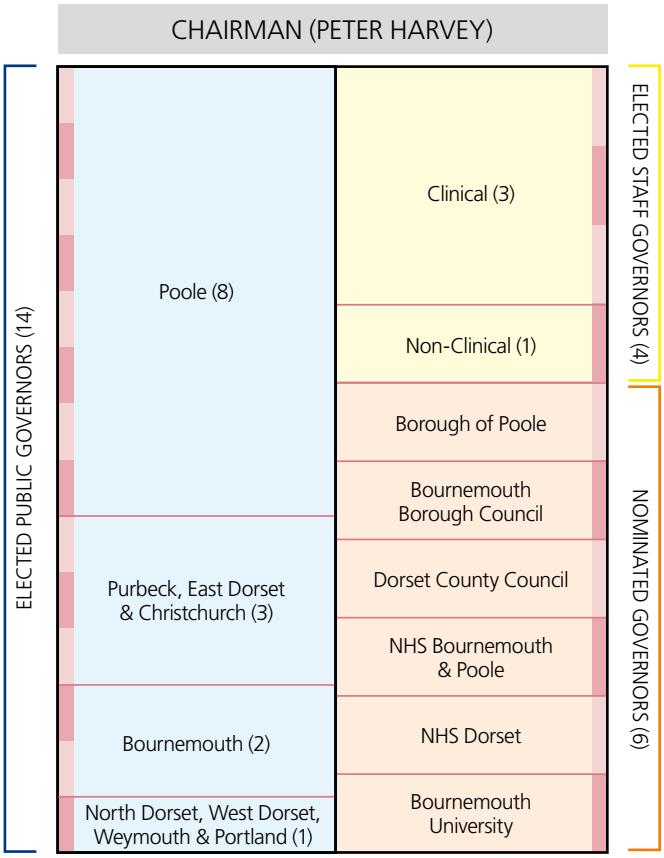
The four public constituencies are based on geographical areas that reflect our general, emergency and specialist service catchment areas; local government boundaries; and population numbers. They are:

- Poole
- Purbeck, East Dorset and Christchurch
- Bournemouth
- North Dorset, West Dorset, Weymouth and Portland

Our staff constituency is divided into two classes: clinical and non-clinical.

Anyone aged 12 and over who lives in Dorset and is not employed by Poole Hospital can become a public member. Our staff and hospital volunteers automatically become members unless they choose to opt out.

At 31 March 2010 we had 6,441 public members, against a year-end target of 6550. This figure was revised mid year to reflect a reduced target increase from 20% to 10% as recommended by the Governors in reviewing the membership strategy. Governors were concerned that the additional costs of recruiting and managing a membership at the higher level would exacerbate the financial pressures faced by the Trust.



Our staff and volunteer members total was 5,536. All staff and volunteers are members of the Trust automatically unless they choose to opt out.

Our membership broadly reflects the populations we serve in terms of diversity. However, as may be expected given the demographics of our local area, we have proportionally slightly more members in the female and older age groups.

Membership by constituency	
Public constituency	
Poole:	3288
Purbeck, East Dorset and Christchurch:	1700
Bournemouth:	1138
North Dorset, West Dorset and Weymouth and Portland:	315
Staff constituency	
Clinical:	3758
Non-clinical (including volunteers):	1598

Fundraising events such as the 2009 sponsored abseil gave Foundation Trust members and Governors an opportunity to get together and get involved

Photograph by Seeker Photography

The main aim of the Trust's Membership Development Strategy is to ensure that Poole Hospital NHS Foundation Trust continues to grow a membership that is representative of the community we serve and that members have the opportunity to be fully engaged with the Trust.

In line with the strategy, our major membership activity has concentrated on the following areas:

- increasing governor participation in the recruitment and engagement of members;
- increasing the numbers of younger age members, who are slightly under represented in our current public membership;
- organising membership events to increase opportunities for membership engagement and participation;
- working to increase overall public membership number in line with agreed annual targets.

Governors were invited to attend public events, including:

- Poole Fest;
- a membership stand at Barclays House;
- a fundraising abseil event.

Membership recruitment and events planned to take place on site were postponed partly in anticipation of a predicted Influenza Pandemic, but also because of extreme weather conditions and a prolonged and extensive Norovirus outbreak over the autumn and winter months.

The Governor Reference Groups for Charitable Giving and for Membership development agreed to combine their meetings and held their first Fundraising and Membership Engagement Reference Group in October. This group will review the Membership Development Strategy annually and continue to look at ways in which Governors can promote and engage with members in their constituencies both for fundraising and membership.

A membership stand at Poole Fest, a two day festival in Poole Park, gave us access to younger people and families, and provided a good opportunity to promote the Foundation Trust and for Governors to engage with the local community. This led to an opportunity to have a stand within Barclays House to promote membership to employees and visitors.

We held our second Annual Members' Meeting on 24 September 2009. Public members were invited via the membership newsletter, Foundation Talkback and letters to individuals who expressed an interest in attending previously. The event was well publicised in the local press, on our website and throughout the Hospital. Staff members were invited via the normal staff communication channels. The event was well attended and Consultant Surgeon Mr Tas Qureshi led a presentation on the latest developments in laproscopic surgery at Poole Hospital.

During the year we lost the opportunity to mail out membership application forms with second outpatient appointment letters due to the introduction of a telephone reminder service. This significantly contributed to the under achievement of the revised end of year membership target, since it generated a steady increase in membership numbers throughout the year.

We are looking into alternative ways of membership recruitment among patients such as including membership forms in antenatal packs and fundraising donor acknowledgement letters as well as handing them out with purchases from the fundraising gift shop and weekly book stall.

Elections were held during October to fill seven seats across the public constituencies of Poole (4), Bournemouth (1), and Purbeck, East Dorset and Christchurch (1) and one clinical member of staff. The turnout for the public elections was Poole 28%, Bournemouth 21%, Purbeck, East Dorset and Christchurch 26% and one clinical staff member (Sue Power) was nominated and elected unopposed. These figures were consistent with national trends.

An election to recruit one further clinical staff Governor to replace Diana Calcraft was held in November, with one candidate (Kris Knudsen) standing unopposed.

A diary of events and talks has been put together within a Recruitment and Engagement Working Plan for Governors during 2009/10 to engage with members and help with the recruitment of further members for 2010/11. Individual Governor plans will be drawn up during 2010/11.

A campaign to generate increased interest in the Foundation Trust status and membership among younger people will be supported by Staff Governors Sue Power and Lynn Cherrett. A review of the use of social media in increasing engagement with this age group will also be undertaken.

The re-development of the public website, planned to be completed in the summer 2010, will feature a new membership section. Members of the Trust have been included in working groups helping to develop the new website's look and content.

Following a successful "surgery" held in the Dolphin Restaurant the Staff Governors are planning to hold regular "surgeries" throughout the year where staff members can approach them to express views on services and developments within the Hospital. Staff Governors now have a regular slot in the induction programme for new members of staff and the Governors have produced a leaflet for staff giving details of their roles and contact details.

A joint event with neighbouring FTs is due to be held in 2010 to enable Staff Governors to share experiences and seek ways of developing their roles effectively.

Members may contact the Council of Governors through the membership office by telephone 01202 448723, in writing, by e.mail **members.contact@poole.nhs.uk** or via our website **www.poole.nhs.uk**

These details are publicised in 'Foundation Talkback', our membership newsletter, on membership application forms, and on our website.

Code of Governance Compliance Statement 2009/10

Monitor, the Independent Regulator of NHS Foundation Trusts has produced the NHS Foundation Trust Code of Governance. This consists of a set of principles and provisions which may be viewed on Monitor's website **www.monitor-nhsft.gov.uk/sites/default/files/Code%20of%20Governance%20web-enabled%20version%20March%202010_0.pdf**

Where a Foundation Trust does not meet the requirements of the Code of Governance an explanation is required in the Annual Report.

The Board consider that, with the exception of the following, the Trust has, during the inaugural period of Foundation Trust status, applied the principals and met the requirements of the Code of Governance.

Code Provision C.1.9 (Partial non-compliance)
It is a requirement of the 2003 Act that the chairman, the other non-executive directors and – except in the case of the appointment of a chief executive – the chief executive, are responsible for deciding the appointment of executive directors. The nominations committee with responsibility for executive director nominations should identify suitable candidates to fill executive director vacancies as they arise and make recommendations to the chairman, the other non-executives directors and, except in the case of the appointment of a chief executive, the chief executive.

Explanation: Suitable candidates for Executive Director post will be identified as part of the appointment process identified by the Chairman and Non-Executive Directors in the terms of reference of the Appointments Committee and not by the Nominations Committee.

Code Provision C.2.1 (Partial non-compliance)
Approval by the council of member representatives of the appointment of a chief executive should be a subject of the first general meeting after the appointment by a committee of the chairman and non-executive directors. Re-appointment by the non-executive directors followed by re-approval by the council of member representatives thereafter should be made at intervals of no more than five years. All other executive directors should be appointed by a committee of the chief executive, the chairman and non-executive directors and subject to re-appointment at intervals of no more than five years.

Explanation: All Executive Directors are on permanent contracts and subject to annual performance appraisal. The Board will keep under review whether it wishes to alter these arrangements.

Code Provision C.2.2 (Partial non-compliance)
The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of 'senior management' for this purpose should be determined by the board but should normally include the first layer of management below Board level.

Explanation: The Board has determined that the definition of 'senior management' should be limited to Board Members and the Company Secretary only. All other staff remuneration is covered by the NHS Agenda for Change pay structure.

Quality Report





PART 1 – Chief Executive's statement

Poole Hospital includes a quality report within the annual report for the second time this year. The reason for doing this is to help our patients, public and stakeholders understand how well Poole Hospital is meeting their expectations for high quality healthcare. This is something which the Board of Directors at Poole Hospital wholeheartedly supports because the quality of care is our top priority and for which we should be held to account.

The Quality Report looks at how well Poole Hospital performed against key priorities for patient safety, clinical effectiveness and patient experience. Last year was one of outstanding achievement against quality standards. We were particularly pleased to receive an excellent rating for the quality of our services in the Care Quality Commission's annual health check.

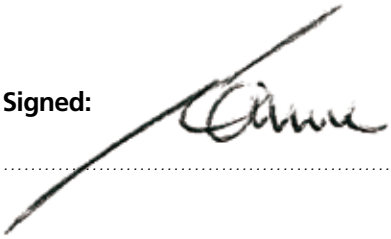
During the year the Board continued its commitment to the National Patient Safety Campaign with care and safety at the top of each meeting agenda. In support of this, the Board adopted a 'zero tolerance' policy for hospital acquired infection. This resulted in no MRSA bacteraemia being reported at the end of the year. This put us ahead of our contractual targets by 100 per cent for MRSA and 46 per cent for Clostridium Difficile and placed us amongst the best performing hospitals in the country. We were also fully compliant with the Hygiene Code following an inspection by the Care Quality Commission.

Further evidence of our commitment to patient safety was provided by the National Patient Safety Agency. Each year the NPSA publish data showing that staff at Poole Hospital are encouraged to report incidents posing a threat to patient safety so that we may learn lessons and reduce risk. It is reassuring to note that 99 per cent of all reported incidents resulted in no or low harm to patients compared with a national average of 93 per cent.

It is a testament to all our staff and their hard work that 93-95% of patients rated their care as good, very good or excellent in the national patient survey. This is due to an ongoing commitment to continually reflect and improve services largely through formal 'practice development unit' accreditation and adhering to the 'Poole Approach' to deliver excellent patient-centred care and treatment with dignity and respect. My thanks go to all of them.

During the forthcoming year and in spite of the more challenging financial situation we will continue to place quality at the heart of what we do. We will build on the considerable achievements of last year by improving our performance on a range of issues you can read about in this report and focusing particularly on the quality of care delivered to patients.

Signed:



Chris Bown
Chief Executive
Poole Hospital NHS Foundation Trust

Date: 3 June 2010

PART 2 – Priority for improvement

OVERVIEW

Improving the quality of care is at the centre of everything we do at Poole Hospital. The desire to drive up quality standards is clearly articulated in the Poole Approach, our unique philosophy of care which states that we will provide: 'friendly, professional, patient-centred care with dignity and respect for all'.

During 2009-2010, we made great progress against key quality measures, ten of which we have selected for special attention within this report.

The most outstanding of these was our performance in reducing the number of hospital acquired MRSA bacteraemias to zero this year, compared with 4 last year and 10 the previous year. Other infections show similar improvements in numbers.

We improved waiting times for our patients by meeting the 18 week target for referral to admission ahead of target and maintaining it throughout the year. While this is an important quality improvement for our patients, we do recognise that there is more work to be done, especially in getting people who have broken bones to theatre as speedily as possible. We also want to improve the treatment of stroke patients, by ensuring more are treated within our specialist stroke services.

For the fifth consecutive year, we met all the standards for better health set out by the Care Quality Commission (formerly the Healthcare Commission).

The Trust successfully completed the process for registering as a healthcare provider with the Care Quality Commission. At the 1st April 2010 the Trust has been registered, without conditions, to provide:

- nursing care
- diagnostic and screening procedures
- treatment of disease, disorder and injury
- surgical procedures
- maternity and midwifery care
- personal care
- accommodation for persons requiring nursing or procedure
- management of supply of blood and blood derived products

QUALITY IMPROVEMENTS FOR THIS COMING YEAR

The Board of Directors consider issues relating to patient care and safety, quality and clinical performance as a first priority during the public part of each and every monthly Board meeting. In reviewing patient care, patient safety, clinical effectiveness and patient experience the Board has targeted six key areas for improvement in this year (April 2010-March 2011). These areas will help deliver the Board of Directors' top two strategic goals which are to:-

- deliver the highest possible standard of patient care
- provide high quality NHS health services

The areas for improvement in 2010-2011 are:

Timeliness of Surgery

Increasing the percentage of patients having surgery for a fractured neck of femur within 48 hours of admission

Stroke Treatment

Increasing the percentage of patients with a diagnosis of stroke who spend 90% of their inpatient time on the Stroke Unit/Ward

Blood Clots

Ensuring that 90% of patients have an assessment of venous thromboembolism (VTE) risk on admission to hospital

Pressure Ulcers

Reducing the number of Grade 3 and Grade 4 pressure ulcers that patients acquire whilst in Poole Hospital

Patient Falls

Reducing the number of avoidable falls happening to inpatients during their stay in Poole Hospital

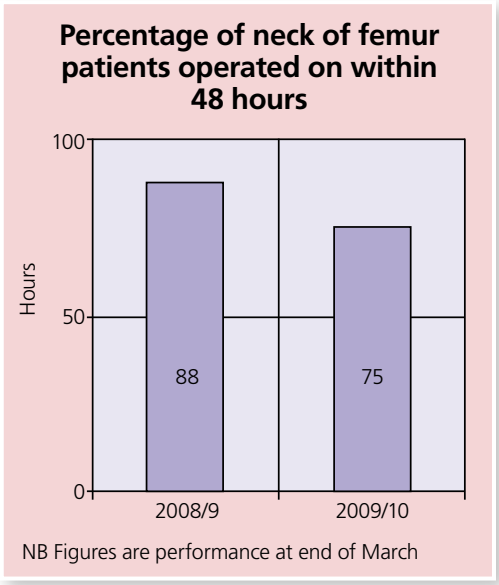
Mixed Gender Accommodation

Reducing the number of inpatients in mixed gender accommodation as reported by patients in survey responses.

THE DETAILS OF OUR QUALITY IMPROVEMENTS

PRIORITY 1

This priority for quality improvement is about getting patients who have fractured their neck of femur to theatre as quickly as possible.



Description of issue
Poole Hospital is the trauma centre for East Dorset and accepts around 88% of its inpatients as emergency admissions. The emergency workload is variable and can, at times, mean that patients wait for surgery to be performed.

Aim
To operate on 98% of all medically fit patients with a fractured neck of femur within 48 hours of admission

Current position
The current position for operating on patients with a fractured neck of femur improved at the end of last year (reached 97% in March 2010) but there is a need to achieve that performance consistently through the year.

Actions to deliver this improvement
There are 3 key actions:-

1. Continue implementation of improvement programme
2. Increase the number of trauma lists and all day lists
3. Improve the 'flow' through the hospital of trauma patients

Measurement, Monitoring and Reporting
All patients with a fractured neck of femur will be recorded on the hospital data system. Figures drawn from this database will be reported to the Board of Directors monthly and specifically the percentage of patients operated on within 48 hours.

Board Sponsor: Director of Operations
Implementation Leads: Trauma Team

PRIORITY 2

This priority for quality improvement is about maximising the amount of time patients who have suffered stroke spend on the Stroke Unit

Description of issue
When people have suffered a stroke the evidence suggests that they make a better and speedier recovery if they are placed in a Stroke Unit or Ward. Poole Hospital has both an Acute Stroke Unit and a Specialised Stroke Care Ward. Staff in these two areas have the necessary skills and expertise to look after patients following a stroke.

Aim
To get 75% of patients following admission for a stroke spending 90% of their inpatient time on the Stroke Unit/Ward.

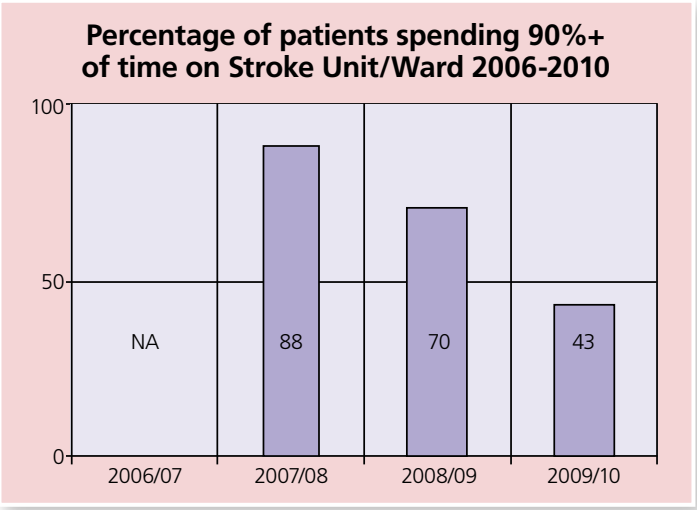
Current Position
The current position shows that, with the increasing acuity of patients and the winter sickness virus, only 59% of patients spent 90% or more of their time on our dedicated Stroke Unit/Ward during March 2010.

Actions to deliver this improvement

1. Clear patient pathway and flow for patients with stroke from emergency admission and through hospital stay.
2. Regular audit and follow-up action
3. Dedicated staff in the Stroke Unit/Ward and supporting teams

Measurement, Monitoring and Reporting
All patients admitted following a stroke will be recorded on the hospital data system. Figures drawn from this database will be reported to the Board of Directors monthly and specifically the percentage of patients spending 90% or more of their time on the Stroke Unit/Ward.

Board Sponsor: Director of Operations
Implementation Lead: Consultant in Stroke Care



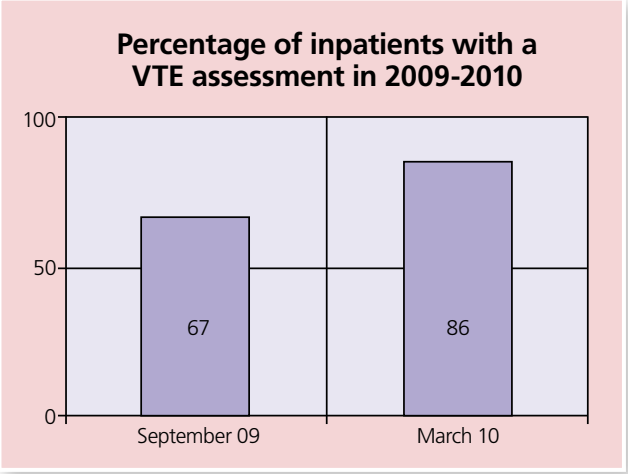
PRIORITY 3

This priority for quality improvement is about recognising the risk of a patient developing a blood clot in the leg (venous thromboembolism or VTE) when they are first admitted to hospital. Undertaking an assessment of risk means that preventative measures can be taken where necessary.

Description of issue
Hospital acquired venous thromboembolism accounts for over 25,000 deaths a year and patients who survive often have complications – NICE has produced guidance aimed at reducing hospital acquired VTE and a central part of this guidance is the assessment of patients coming into hospital for their risk of developing a venous thromboembolism.

Aim
To ensure that at least 90% of inpatients have a VTE risk assessment undertaken on admission.

Current position
Data is only available for the last year but shows an improving percentage of patients with VTE assessment.



Actions to deliver this improvement

1. Programme of multidisciplinary education
2. Audit use of risk assessment tool
3. Publicity campaign
4. Performance monitoring

Measurement, Monitoring and Reporting
All patients with a risk admitted will be recorded on the hospital data system. Audits of the number of patients with a risk assessment of Venous Thromboembolism will be undertaken quarterly and reported to the Clinical Governance Committee and to the Board of Directors.

Board Sponsor: Medical Director
Implementation Leads: Nurse Practitioner (VTE)

PRIORITY 4

This priority for quality improvement is about reducing pressure ulcers that patients acquire in Poole Hospital.

Description of issue
Pressure ulcers are painful, debilitating and potentially life threatening. They lengthen the length of stay of a patient in hospital and generally increase the cost of care. Hospitals should do all they can to prevent patients acquiring pressure ulcers whilst they are in hospital no matter how unwell the patient is.

Aim
To reduce the number of Grade 3 (full thickness) and Grade 4 (extensive destruction) pressure ulcers acquired in Poole Hospital.

Current position
The Trust has worked hard to reduce acquired pressure ulcers and is making progress.

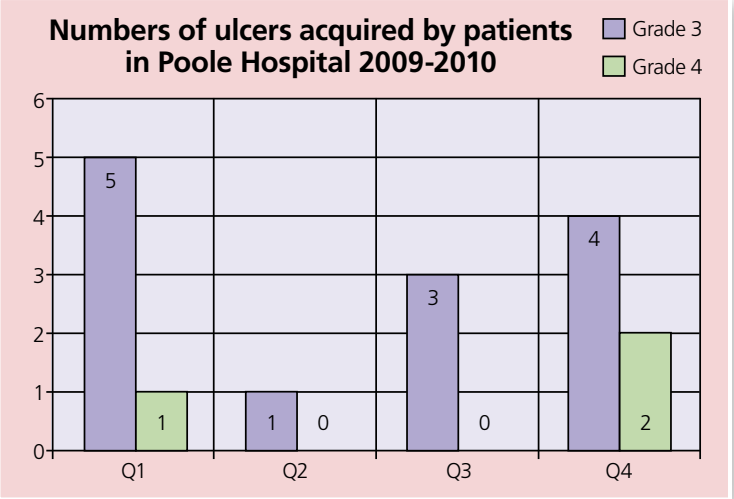
Actions to deliver this improvement

1. Education and awareness programme
2. Telephone hotline reporting of all pressure ulcers
3. Robust performance management

Measurement, Monitoring and Reporting
All admitted patients will be recorded on the hospital data system. Any patient who develops a grade 3 or grade 4 pressure ulcer will be reported immediately and an investigation will be undertaken. A quarterly report will be reported to the Board of Directors.

Board Sponsor: Director of Nursing and Patient Services

Implementation Lead: Nurse Consultant and Matrons



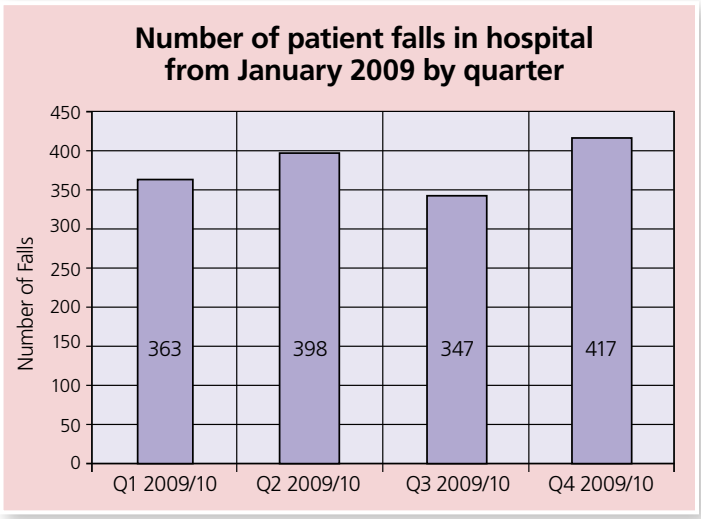
PRIORITY 5

This quality improvement priority focuses on inpatients during their time in Poole Hospital seeking to reduce the number of avoidable falls.

Description of issue
Falls constitute a major clinical issue for patients. They are the most common cause of death due to injury in the over 75 year olds. In hospital as patients mobilise and undergo rehabilitation the falls risk increases.

Aim
To reduce the total number of inpatient falls.

Current position
The number of falls has remained between 347-417 in each of the last four quarter years. There was an increase in July-September 2009 and an increase in January-March 2010.



Actions to deliver this improvement

1. Education and awareness programme
2. Telephone hotline reporting of all falls
3. Robust performance management

Measurement, Monitoring and Reporting
All admitted patients will be recorded on the hospital data system. Any patient who falls whilst in hospital will be reported immediately via a falls hotline. A monthly report of the number of falls will be presented to the Risk Management and Safety Committee and a quarterly report will be reported to the Board of Directors.

Board Sponsor: Director of Nursing and Patient Services

Implementation Lead: Falls Co-ordinator and Matrons

PRIORITY 6

This quality improvement seeks to reduce the number of patients in hospital who report that they have spent time in a mixed gender facility.

Description of issue
Patients recognise that in the emergency setting or in critical care areas they may be treated or cared for in a mixed gender area. However once a decision has been taken to admit a person to hospital all patients should be cared for in gender specific areas.

Aim
To reduce the percentage of patients reporting gender mixing in care areas after they have been admitted.

Current position
Patients are asked in the national patient survey, and in other surveys that the Trust has undertaken, about sharing sleeping accommodation. This is what patients have said in the national surveys;-

YEAR	2007	2008	2009
Sharing sleeping areas	32%	23%	20%
Sharing sleeping areas (after move from assessment unit)	12%	8%	6%

Actions to deliver this improvement

1. Improvement in gender segregation in emergency assessment areas
2. Better patient information on gender segregation
3. Exception reporting and follow up action

Measurement, Monitoring and Reporting
All exceptions to a rule of gender segregation will be reported and action taken to improve the root cause of the particular breach. Patient surveys will include questions on gender segregation and the outcome of these will be reported to the Hospital Executive Committee and the Board of Directors.

Board Sponsor: Director of Nursing and Patient Services

Implementation Lead: Matrons and Sisters

STATEMENTS OF ASSURANCE FROM THE BOARD OF DIRECTORS

The Trust, as provider of health care services, is required to make a number of statements.

Provision of Clinical Services
During 2009-2010, Poole Hospital NHS Foundation Trust provided a range of NHS services.

The Trust has reviewed all the data available on the quality of these NHS services.

The income generated by the NHS services reviewed in 2009-2010 represents 100 per cent of the total income generated from the provision of these services.

Clinical Audits
During 2009-2010 29 national clinical audits and 3 national confidential enquiries covered NHS services that Poole Hospital NHS Foundation Trust provides.

During that period Poole Hospital NHS Foundation Trust participated in 100% national clinical audits (6 were waiting to start) and in 100% national confidential enquiries of which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Poole Hospital NHS Foundation Trust was eligible to participate in and did participate in during 2009-2010 are listed below.

NATIONAL CLINICAL AUDITS & NATIONAL CONFIDENTIAL ENQUIRIES

Project ref	Specialty	National Audit
66	**Cancer**	Bowel cancer (NBOCAP)
2217		Head & neck cancer (DAHNO)
555		National lung cancer data audit (NUCADA)
1619		Oesophago-gastric (stomach) cancer
1675		Mastectomy and breast reconstruction
1357	**Women & Children**	National Neonatal Audit Programme (NNAP)
55	**Heart**	Myocardial infarction (MINAP) (heart attack)
2025		Heart rhythm management (pacing/implantable defibrillators)
1565		Heart failure
803	**Long-term conditions**	Diabetes
2003		National Joint Registry (NJR)
2212	**Older people**	Stroke: hospital services
2203		Services for people who have fallen
1972		Continence Care
1608		Hip Fracture Database
NCEPOD	Caring to the End	Deaths in Acute Hospitals within 4 days of admission
NCEPOD	For Better, For Worse	Deaths within 30 days of receiving anti cancer therapy
NCEPOD	Adding Injury to Insult	Deaths in Hospital with a primary diagnosis of acute kidney failure

The national clinical audits and national confidential enquiries that Poole Hospital NHS Foundation Trust participated in, for which data collection was completed during 2009-2010, are listed below 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.

PARTICIPATION RATES IN NATIONAL CLINICAL AUDITS

Project ref	Specialty	National Audit	% Submitted	Number of cases submitted	Number of registered cases required by terms terms of audit
66	Cancer	Bowel cancer (NBOCAP)	100%	183	183
2217		Head & neck cancer (DAHNO)	100%	114	114
555		National lung cancer audit (NLCA)	100%	129	129
1619		Oesophago-gastric (stomach) cancer	100%	55	55
1675		Mastectomy and breast reconstruction	100%	65	65
1357	Women & Children	National Neonatal Audit Programme (NNAP)	TBC	TBC	TBC
55	Heart	Myocardial infarction (MINAP) (heart attack)	Participating on a monthly basis for all patients admitted for STEMI for cardiac thrombolysis.		
2025		Heart rhythm management (pacing/implantable defibrillators)	All patient implanted with pacing devices are audited.		
1565		Heart failure	Lead contacted London Heart Failure office and was advised that participation would be acknowledged if up to 20 patients were audited in March 2010. Team will continue to do this month on month.		
803	Long-term conditions	Diabetes Adult	99.8%	3,203	3,209
		Diabetes Children	100%	161	161
2003		National Joint Registry (NJR)	100%	86	86
2212	Older people	Stroke: hospital services	First phase in progress.		
2203		Services for people who have fallen	First phase in progress.		
1972		Continence Care	91%	73	80
1608		Hip Fracture Database	100%	723	723
NCEPOD		Deaths in Acute Hospitals within 4 days of admission	TBC		
NCEPOD		Deaths within 30 days of receiving anti cancer therapy	TBC		
NCEPOD		Deaths in Hospital with a primary diagnosis of acute kidney failure	TBC		

The reports of 100% national clinical audits (5 were available) were reviewed by the provider in 2009-2010 and Poole Hospital NHS Foundation Trust although there is no specific action points the Trust is taking action to improve the quality of healthcare provided in a number of areas (see examples below).

The reports of 130 local audits were reviewed by Poole Hospital NHS Foundation Trust in 2009-2010 and the Trust is taking action to improve the quality of healthcare in the following areas as an example of many actions:

Develop new and improve existing patient information
- Production of a patient information leaflet regarding dental care for patients with inflammatory arthritis
- Provision of information on anaesthesia to patients prior to the pre-operative assessment appointment

Improve the education and training of new as well as existing staff
- Revised nutritional training programme provided to ward staff
- Provision of formal training in direct current cardio version to junior members of the cardiology team

Develop new and update existing local policy and guidance documents
- Revision of the local Poole Early Warning System policy
- Introduction of local guidelines on the management of patients with severe sepsis

Develop new and improve existing local proforma / charts / forms
- Development of a new lumbar puncture proforma
- Introduction of a new pain score chart for children in the Emergency Department

Updates to local clinical working practice
- Two members of pathology staff to review xanthochromia scan results
- Introduction of a restriction on the issuing of fresh frozen plasma (FFP), so that only senior doctors can request FFP without a consultant haematologist

Clinical Research
The number of patients receiving NHS services provided by Poole Hospital NHS Foundation Trust in 2009-2010 that were recruited during that period to participate in research approved by a research ethics committed was 435.

Goals agreed with Commissioners
A proportion of Poole Hospital NHS Foundation Trust's income in 2009-2010 was conditional on achieving improvement and innovation goals agreed between the Trust and its Lead Commissioner, NHS Bournemouth and Poole. NHS Bournemouth and Poole and Poole Hospital NHS Foundation Trust had a contract for the provision of NHS services that included a commissioning for quality and innovation payment framework (CQUIN). Further details of the agreed goals for 2009-2010 and for the next year (2010-2011) are available on request from:-
Director of Nursing and Patient Services,
Poole Hospital NHS Foundation Trust,
Longfleet Road,
Poole, Dorset, BH15 2JB

Registration with the Care Quality Commission
Poole Hospital NHS Foundation Trust was not required to be registered with the Care Quality Commission in 2009-2010.

The Trust is registered unconditionally with the Care Quality Commission from 1 April 2010.

The Care Quality Commission has not taken any enforcement action against Poole Hospital NHS Foundation Trust during 2009-2010.

Poole Hospital NHS Foundation Trust is subject to periodic reviews by the Care Quality Commission and the last review was on 27th May 2010.

The inspection found no evidence of any breaches of the regulation to protect patients, workers and others from risks of acquiring a healthcare associated infection.

Poole Hospital NHS Foundation Trust has not participated in any special reviews or investigations during 2009-2010.

Data Quality
Poole Hospital NHS Foundation Trust submitted records during 2009-2010 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest publication data. The percentage of records in the published data which involved the patient's valid NHS number was:-

Admitted care	99%
Outpatient care	100%
Accident and emergency care	96%

Poole Hospital NHS Foundation Trust's score for 2009-2010 for Information, Quality and Records Management, assessed using the Information Governance Toolkit was 85%.

Poole Hospital NHS Foundation Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for 2009-2010 for diagnoses and treatment coding (clinical coding) were:-

- Primary diagnosis incorrect 16%
- Secondary diagnosis incorrect 7%
- Primary procedures incorrect 3%
- Secondary procedures incorrect 5%

PART 3 – Review of quality performance

WHAT PATIENTS AND THE PUBLIC HAVE SAID

The Trust participated in both the National Inpatient Survey and the National Outpatient Survey in 2009-2010. The National Inpatient Survey sought the views of 850 inpatients of the Trust in the autumn of 2009. 93% of patients rated care as good, very good or excellent and of those 50% rated the care as excellent. Patient rating the Trust as excellent increased compared to 2008 and was above the national average.

The National Outpatient Survey sought the views of 850 outpatients of the Trust in the spring of 2009. Poole Hospital was rated in the top 20% of Trusts in the country on 26 out of 39 scoring indicators. Overall 97% of outpatients rated the department as good, very good or excellent and of those 52% rated it as excellent, significantly more than in the 2005 survey and the national average.

PERFORMANCE AGAINST SELECTED MEASURES

The Trust has selected a number of measures to indicate what progress has been made during 2009-2010 in three key areas, patient safety, clinical effectiveness and patient experience.

PATIENT SAFETY

MEASURE	2009-2010	2008-2009	2007-2008
Hospital acquired MRSA bacteraemia	**0**	4	10
Hospital acquired pressure ulcer Grade 3 or Grade 4	**16**	15	30
Patient falls from bed or trolley (Note 1)	**46**	63	98

Note 1: Quarter 4 data only

CLINICAL EFFECTIVENESS

MEASURE	2009-2010	2008-2009	2007-2008
Hospital mortality rate (figure in brackets is expected levels) (Note 2)	**5.2% (6%)**	6.2% (7.1%)	6.8% (7.3%)
Cancelled operations not readmitted within 28 days	**0%**	0%	0.4%
Stroke high risk patients treated in 24 hours (45% target)	**85%**	46%	N/A

Note 2: Expected figure derived from Dr Foster data and is standardised for a number of factors

PATIENT EXPERIENCE

MEASURE	2009-2010	2008-2009	2007-2008	National Average
Overall patient satisfaction rated excellent or very good	**81%**	81%	83%	78%
Patient Environment Action Team (PEAT) Inspection Report	**Excellent (environment) Excellent (food) Excellent (privacy & dignity)**	Green	Green	N/A
Patient rating of privacy and dignity (inpatient)	**82%**	81%	82%	80%
Patient rating of privacy and dignity (outpatient)	**95%**	N/A	N/A	93%

PERFORMANCE AGAINST NATIONAL TARGETS

The following table details the performance of Poole Hospital NHS Foundation Trust against the national priorities as defined by the Department of Health and declared to the Care Quality Commission.

NATIONAL TARGET PERFORMANCE

Target Description	2009-2010	2008-2009	Target Figure
Care Quality Commission Care Standards	**24/24**	24/24	24
Clostridium Difficile Infections	**45**	59	76
MRSA bacteraemias (bloodstream infections)	**0**	4	8
Maximum 31 day cancer treatments	**98%**	100%	96%
Maximum 62 day cancer treatments	**90%**	98%	85%
18 week maximum wait (admitted patients)	**98%**	96%	90%
18 week maximum wait (non-admitted patients)	**99%**	99%	95%
Less than 4 hour wait in A&E	**98%**	98%	98%
31 days to treatment for all cancers	**98%**	99%	96%
62 days urgent referral to treatment for all cancers	**90%**	97%	85%
Thrombolysis within 60 minutes	**100%**	83%	68%

OTHER QUALITY IMPROVEMENTS

During 2009-2010 Poole Hospital NHS Foundation Trust made progress on improving the quality of patients' care in a number of ways. A selection are reported here:-

Home Therapy Service

The Trust established a home therapy service for patients that have fractured their ankles. This means that patients can be discharged from hospital after just a couple of days stay instead of the previous average length of stay of around eight days. At home patients are more relaxed, happier and recover more quickly with the visits from therapy staff to encourage their recovery, provide therapy and ensure all is well.

State of the Art Laparoscopic Theatre

The Trust opened a new (eighth) theatre during the year. This new high technology theatre supports the latest laparoscopic (keyhole surgery) equipment. It helps surgeons use a greater repertoire of techniques to replace conventional surgery. For the patient this means faster recovery, a shorter stay in hospital, less pain and a smaller scar. For the Trust it means that more surgery can be done and it also provides a training facility for staff when not being used for patients.

Newly Refurbished Cancer Ward

With help from generous donations the Trust refurbished one of its cancer care wards this year. The refurbishment has increased patient comfort, improved privacy, created more single rooms and provided state of the art equipment. The ward is brighter and more welcoming for patients and their visitors which helps ease the burden of the battle against disease.

Help for Patients with Mental Health Issues

The Trust, with support from NHS Bournemouth and Poole and Dorset Healthcare, has established an on site psychiatric

liaison team. Taking direct referrals from the Accident and Emergency Department and wards speedy psychiatric help and advice can be given to patients with mental health problems and the staff looking after them in the acute hospital setting.

Practice Development Unit Status
The Trust welcomed the award to Emergency Care Services and Medicine and Cardiology of Practice Development Unit status by Bournemouth University. This rigorous assessment involves the whole clinical and clinical support team demonstrating that they work together to improve clinical practice. Its achievement is evidence that the whole of that team is committed to delivering quality clinical care and improvement in clinical services to patients.

The Trust is aiming to become one of only a few Trusts nationally to be accredited as a whole Trust as a Practice Development Trust. This whole Trust assessment will take place in February 2011.

Productive Ward Programme
During 2009-2010 the Trust has successfully introduced the Productive Ward Programme across all wards. This facilitated improvement programme engaged ward teams in making improvements that have resulted in significant amounts of time being freed up for nurses and other clinical staff to reinvest in one to one patient care. Examples of improvements include better organisation of storerooms, clear labelling of clinical equipment and supplies, reduction in interruptions of key tasks like drug dispensing and less unnecessary journeys to fetch things. In some areas direct care time has increased by over 10%.

INVOLVEMENT IN QUALITY

This Quality Report will be presented for approval to the Board of Directors of Poole Hospital NHS Foundation Trust at their May 2010 meeting. At each meeting the Board of Directors receives a comprehensive scorecard containing 56 indicators related to the quality of patients' clinical care. The Board also considers matters related to care and safety as the first part of its meeting agenda. For example at its March 2010 meeting it discussed, as separate agenda items:-

- Infection Prevention and Control
- Complaints Report
- National Outpatient Survey Recommendations
- Mid Staffordshire Inquiry Report and lessons to be learned
- Same Sex Accommodation

The Board of Directors has approved the areas for quality improvement identified in this quality report following the report of a Board task group.

During the year the Board of Directors had presentations on and heard about clinical quality in the following areas:

Epilepsy Services, Radiotherapy Services, Patient Safety, Safeguarding Children, Pathology Services, Diabetes Services, Dermatology Services, Radiology Services, Organ Transplant, Trauma Services, Pain Management Services and Equality & Diversity.

Supporting the Board of Directors are clinical staff throughout the Trust who are involved in discussions, planning and action around quality improvements.

Directors of the Trust, commissioners, members of overview and scrutiny committees and patients' representatives have visited areas across the Trust accompanying the Director of Nursing, the Medical Director and Matrons on rounds and visits. They have heard first hand from patients, their families and friends about the care and treatment being given. They have also talked to staff about their views and experiences.

During the year a number of face to face meetings have been held with patients and relatives about their issues with care and treatment. These meeting have helped answer questions and provided the Trust with understanding how it might improve care and treatment in the future.

Discussions have also taken place with patients and the public concerning quality improvements. Input into approaches to care and to quality have also been sought and given from NHS Commissioners, local authorities, LINKS and various patient groups.

STATEMENTS FROM EXTERNAL BODIES

This Quality Account was sent to:-

- NHS Bournemouth and Poole (Lead Commissioner)
- Borough of Poole, Overview and Scrutiny Committee
- Borough of Bournemouth, Overview and Scrutiny Committee
- Dorset County Council, Overview and Scrutiny Committee
- Poole Local Involvement Network (LINK)

The comments from the external bodies that are received will be published in the full Quality Report published on NHS Choices in July 2010.

Non-Financial Information





Regulatory ratings

To ensure NHS foundation trusts remain well-governed, financially viable and legally constituted after authorisation, Monitor assign a financial risk rating and a governance risk rating to each NHS foundation trust on the basis of trusts' annual plans and in-year performance. Monitor will use these risk ratings to guide the intensity of its monitoring and signal to the NHS foundation trust its degree of concern with specific or a range of issues identified and evaluated and the risk of breach of the Terms of Authorisation.

The Trust set out within the annual plan of 2008/09 an aim of a financial risk rating of 3, as well as governance and mandatory service ratings that were green. The Trust achieved this goal for the first three quarters of the year, however during 2009/10 it saw deterioration in the Trust's financial position which resulted in a deficit at the end of the financial year. This was very disappointing and following an assessment of the Trust's financial management during the year a range of additional controls and systems has been put in place within the Trust.

In the quarter 4 of 2009/10 the 31 days for subsequent treatment (surgical) target the Trust achieved 93.1% against the standard of 94%. An exception report was issued to Monitor in February notifying of the likely breach and the Director of Operations implemented a recovery programme to improve the position.

	Annual Plan 2008/09	Q1 2008/09	Q2 2008/09	Q3	Q4 2008/09
Financial risk rating	4	4	4	4	4
Governance risk rating	Green	Red	Red	Amber	Green
Mandatory services	Green	Green	Green	Green	Green

	Annual Plan 2009/10	Q1 2009/10	Q2 2009/10	Q3 2009/10	Q4 2009/10
Financial risk rating	3	3	3	3	2
Governance risk rating	Green	Green	Green	Green	Amber
Mandatory services	Green	Green	Green	Green	Green

Handling complaints

Poole Hospital received 361 formal complaints between 1 April 2009 and 31 March 2010. At the time of preparing this report 338 had been concluded: 34% were dismissed, 33% were upheld partially, 24% were upheld in their entirety, 5% received reimbursement for loss of property and 4% of complainants subsequently withdrew their complaints.

Six complaints were referred to the Health Service Ombudsman.

It is critical that we learn from patients' experiences of our services and examples of learning from complaints included:

- A community team reviewed an assessment pathway to ensure that all community staff are clear about the correct process to follow when additional care is required.
- Implementation of a one day customer service course, together with a qualification in customer service implemented.
- Low voltage, hot wire cautery machine removed from theatres.
- Pancreatic biopsy information sheet has been developed and a leaflet "Having a herniogram – a guide for patients" has also been written.
- Patient confidentiality the "theme of the week".
- Pharmacy staff reminded of the need to be vigilant around small doses and volumes.
- Development of extravasation policy in paediatrics with Tissue Viability Nurse input.

Patients at Poole have benefitted from the expertise of a specialist in bed sores and wound management thanks to the innovative appointment of Andrea Graham as Nurse Consultant for Tissue Viability – the first role of its kind in hospitals in the South West region.

Counter fraud and security

Poole Hospital has adopted the Counter Fraud and Security Management Services model to deal with fraud and corruption within the National Health Service.

The accountable officer is the Director of Finance, who is responsible for all operational matters such as authorising investigations, including the arrest, interviewing and prosecution of subjects and the recovery or write-off of any sums lost to fraud.

We have a nominated Local Counter Fraud Specialist (LCFS) who is responsible for the investigation of any allegations of fraud and corruption and for the delivery of a programme of pro-active counter fraud work as detailed in the annual work-plan approved by the Trust. Where fraud is established or improvements to systems or processes identified, the LCFS will recommend appropriate action to the Trust.

The LCFS works closely with the Human Resources Department when investigating cases involving members of staff and provides evidence to the Trust's investigating officer for disciplinary matters.

Monitoring of the Trust's counter fraud arrangements is undertaken by the Audit & Governance (A&G) Committee. The LCFS attends each A&G Committee meeting to report progress against the agreed counter fraud work-plan and advise the outcome of any completed investigations or pro-active exercises.

We have approved a Fraud Response Plan which sets out these roles and responsibilities and the steps to be taken by the Trust if fraud is suspected. All staff are required to report any suspicions of fraud or corruption that they may have either to the LCFS or the Director of Finance.

Since 2001 the LCFS has been provided by the Dorset & Somerset Counter Fraud Service (DAS), hosted by NHS Dorset. During this period a number of cases have been successfully investigated at the Trust leading to the application of a range of disciplinary, professional and criminal sanctions as well as the recovery of overpaid sums.

An annual assessment of the Trust's counter fraud arrangements is provided by the Counter Fraud and Security Management Service. For the last two years the Trust has been rated at level 3 (Trust performing well).

Emergency planning

The Trust's Major Incident Plan was reviewed, rewritten and tested in 2009 to provide a comprehensive set of procedures for dealing with sudden major incidents such as fires, explosions and major transport accidents.

The Hospital played an active role in the Local Resilience Forum, working alongside other key category one organisations such as the Police, Fire, Ambulance Service and Councils to ensure robust plans are in place for dealing with events including chemical, biological, radiological and nuclear (CBRN) incidents, flooding, pandemic flu and other major incidents.

Staff from Poole Hospital took part in a chemical, biological, radiological and nuclear (CBRN) incident training exercise in 2009

Following the early spread of the H1N1 virus (swine flu) in March 2009, planning for a pandemic flu epidemic became a key focus for activities in 2009. In response to the anticipated pandemic and its impact on staff levels and patient activity, the Trust worked with colleagues from across the health community to respond to the evolving situation.

The Pandemic Flu Plan was reviewed and updated to provide detailed plans for operational activity, and ensure care could be given to those who required it in the event of a pandemic. An internal steering group was established and met on a weekly basis to review and plan activities, and Trust staff were kept informed and involved via a weekly internal bulletin.

A staff swine flu vaccination programme was developed and implemented in October, and over a third of all employees and volunteers took advantage of the opportunity to protect themselves, their patients and their families against the H1N1 virus.

Clinical staff and senior managers took part in a number of Trust specific, pan-Dorset and regional exercises to test emergency plans, including 'Coldplay', a county-wide exercise to test pandemic flu plans, and 'Hotel Ignite', a Trust-based table-top exercise to test plans for dealing with a major fire.

The Trust's Emergency Planning Committee continued to meet regularly through the year, to review activities and plan for the future. Plans for next year's activities including business continuity management were presented to the Trust Board in February 2010.

Staff engagement

Statement of approach to staff involvement
Poole Hospital's commitment to staff involvement is enshrined within the principles laid down in the Poole Approach, the philosophy that underpins our values both as an employer and provider of care. The Poole Approach contains pledges that promise we will listen to staff and promote partnership working.

We have a range of processes promoting staff engagement and involvement. These include:

- Staff Conversations, events which enable staff to have a voice on specific topic areas and give their views, feedback and suggestions, which are then acted upon in directorates and care groups;
- The Staff Partnership Forum, which promotes pro-active working with staff representatives on a wide range of issues;
- A monthly Team Briefing, which is given face-to-face by the Chief Executive to senior managers, Heads of Department and Matrons for cascade to all staff through line management arrangements and actively encourages dialogue and feed back;

The Medical and Cardiology wards achieved Practice Development Unit (PDU) accreditation from Bournemouth University in March. PDU accreditation is regarded as a mark of excellence in nursing care.

- Regular team meetings, held by all directorates, care groups and professional groupings have regular meetings where staff members are invited to participate and influence, for example the Nursing and Midwifery Executive Group, and Operational Managers' Group.
- Grapevine, the widely–read Trust magazine involves staff in many aspects of Trust life;
- Monthly staff news bulletins;
- The intranet;
- Staff governor 'surgeries' held in the dining room to canvas and capture staff views on a range of topics;
- Local staff surveys on a range of topics such as the proposed re-development of the hospital's website and the transport plan;
- Participation in the national staff survey.

Summary of Performance – Results from the NHS staff survey
Poole Hospital continues to be above the national average for acute trusts in a number of key areas.

Staff members are positive about recommending the Hospital as a place to work and in response to the question being extended to include recommending patient treatment. This is demonstrated by a reduction in staff looking to leave their jobs.

Activity to promote equality and diversity has resulted in a notable 12% increase in staff reporting they have received training in this area.

Keeping our staff safe is a priority for Poole Hospital and our commitment to this is reflected in a reduction in staff experiencing physical violence from patients/relatives and also in experiencing harassment, bullying or abuse from patients/relatives.

Action plans to address areas of concerns
A Trust-wide action plan has been developed. This action plan is monitored regularly at Board of Director meetings via the HR Director's quarterly workforce reports. Care Group action plans are developed from the Care group specific results. These action plans are monitored monthly at Senior Manager Meetings and quarterly at Executive Director Performance Review meetings.

Care groups are undertaking a series of focus groups. These sessions will pick up and address all areas relating to job satisfaction, quality of patient care and career development.

Future priorities and targets
Our future priorities are to continue to monitor and improve the quality of our patient care, whilst maintaining job satisfaction through increased communication and staff engagement. The actions taken to ensure these priorities are being addressed will form part of the Care Group's performance targets. These will be monitored by the Executive Director's on a quarterly basis via the Quarterly Performance Reviews.

SUMMARY OF PERFORMANCE – NHS STAFF SURVEY

	2008/09	2008/09	2009/10	2009/10	Trust Improvement/ Deterioration
Response rate	Trust	National Average	Trust	National Average	
	59%	52%	60%	51%	Improvement

	2008/09	2008/09	2009/10	2009/10	Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Top 4 Ranking Scores	3.49	3.47	3.53	3.48	Improvement
Question KF36 Percentage of staff that would recommend the Trust as a place to work	3.50	n/a	3.76	3.5	Change of measurement and question Improvement still demonstrated considering national average
Question KF35 Staff intention to leave jobs	2.36	2.59	2.31	2.51	Improvement 0.05% decrease
Question KF40 Percentage of staff experiencing discrimination at work in the last 12 months	6%	8%	4%	7%	Improvement 2% reduction on 2008 figure
Question KF4 Percentage of staff agreeing that they have an interesting job	92%	89%	83%	80%	Deterioration 9% reduction however still in top rankings nationally

	2008/09	2008/09	2009/10	2009/10	Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Bottom 4 Ranking Scores					
Question KF38 Percentage of staff having equality and diversity training in last 12 months	10%	27%	22%	35%	Improvement 12% increase
KF24 Percentage of staff experiencing physical violence from patients/relatives in last 12 months	16%	12%	15%	11%	Improvement 1% reduction however remains above national average
KF7 Percentage of staff working in a well structured team environment	34%	38%	34%	38%	Remains 4% less than national average and a cause for concern
KF10 Percentage of staff using flexible working options	73%	n/a	68%	70%	Deterioration 5% decrease

Equality and diversity

Summary of approach to equality and diversity
Poole Hospital has a Single Equality Scheme (SES) which sets out our approach to equality and diversity, both as a healthcare organisation and as an employer. The SES explains and responds to our statutory duties to promote equality in the areas of race, disability and gender. It takes into account our strategic objectives and aims to deliver equality and fairness to all patients and staff. The SES is supported by an action plan which is monitored at quarterly meetings of the Equality and Diversity Group. This Group is chaired by Dr Minesh Khashu, Lead Neonatologist and Associate Medical Director, who is the Trust Lead on Equality and Diversity.

The SES recognises the specific needs of various groups of patients and staff. It works to reduce inequalities in health and promotes equality.

Equality, diversity, and human rights are promoted through the Poole Approach, which sets out the hospital's values and philosophy of care. The Poole Approach commits us to the provision of 'friendly, professional patient-centred care with respect and dignity for all'. It includes pledges that our staff will treat each other with respect and consideration, and value and benefit from diversity in beliefs, cultures, and abilities.

In line with the Poole Approach and the NHS Constitution, Poole Hospital is committed to providing services that do not discriminate on any grounds i.e. age, disability, gender, sexual orientation, race and ethnicity, religion or belief, human rights. We oppose all forms of unlawful and unfair discrimination.

We are also committed to being a model employer in respect of equality of employment, developing, supporting and sustaining a diverse workforce that is representative of the community it serves.

We have increased activities aimed at monitoring and promoting equality and diversity. Active leadership of this agenda by Dr Khashu; a revised Equality and Diversity Group with broad membership; and the appointment of an equality lead for Human Resources have led to improvements.

Dr Minesh Khashu, Lead Consultant Neonatologist and Associate Medical Director, chairs the Equality and Diversity Group

These include:

- the introduction of an Equality Impact Assessment process, with high level support and a programme of training, resulting in Equality Impact Assessments being carried out by suitably trained staff and published on the Trust public website;
- an equality and diversity session on the general induction programme; a disability awareness day which included presentations featuring members of the public with severe disability, which promoted and developed disability awareness;
- the introduction of a Disability Impact Group as a process of inclusion for people with disability and to help improve practice with regard to disability plus joint working with a member of the Disability Impact Group, to highlight access issues;
- Disability awareness training sessions, led by people with disabilities, for our staff.

Future priorities and targets
The Equality and Diversity Lead will continue to promote equality, diversity and human rights at a high level and engage with service leaders throughout the hospital.

A new Single Equality Scheme Action Plan has been designed to enable clinical care groups, corporate directorates, and the Board of Directors to focus more closely on specific actions required within their own areas to promote equality. This will help to fully engage staff working in clinical roles and make sure equality activity can be more closely supported and monitored by the Equality and Diversity Group.

A new way of reporting on employment monitoring has been agreed for 2010-2011 which will ensure full compliance with the Single Equality Scheme requirements and also give an opportunity to record tangible outcomes.

We will increase the number of Equality Impact Assessments carried out within clinical care groups and directorates, resulting in equality and diversity becoming integral to service priorities and plans.

Poole Hospital will closely monitor the progress of the Equality Bill and will incorporate any changes required into the Single Equality Scheme and Action Plan.

The engagement and commitment of the Board of Directors will be strengthened by the nomination of a Non-Executive Director to become directly involved in the Equality and Diversity agenda.

	Staff 2008/09	%	Staff 2009/10	%
Age				
0-16	0	0.00	0	0.00
17-21	148	3.1	141	2.80
22 plus	4627	6.9	4845	97.2
Ethnicity				
White	4280	89.63	4463	89.51
Mixed	35	0.74	37	0.74
Asian or Asian British	191	4.00	191	3.83
Black or Black British	34	0.71	35	0.70
Other	235	4.92	260	5.22
Gender				
Male	943	19.75	975	19.55
Female	3832	80.25	4011	80.45
Trans-gender	0	0.00	0	0.00
Recorded disability	53	1.10	56	1.12

	Public Membership 2008/09	%	Public Membership 2009/10	%
Age				
0-16	195	3.18	107	1.66
17-21	128	2.08	260	4.04
22 plus	5,818	94.74	6,074	94.30
Ethnicity				
White	5,902	96.11	6,150	95.48
Mixed	25	0.41	25	0.39
Asian or Asian British	25	0.41	26	0.40
Black or Black British	11	0.18	12	0.19
Other	178	2.90	228	3.54
Gender				
Male	2,539	41.35	2,641	41.00
Female	3,602	58.65	3,800	59.00
Recorded disability	1,152	18.76	1,159	17.99

Environmental report

Sustainability/Climate change
It has been estimated that the NHS is responsible for releasing over 18 million tonnes of CO2 a year, making it the biggest single public sector contributor to climate change. Recognising this, the Department of Health issued the document Saving Carbon, Improving Health in January 2009. This document incorporates the NHS Carbon Reduction Strategy and is aimed at significantly reducing the impact the NHS has on the environment by setting out a series of action points relating to energy and carbon management, procurement and food, waste, water, travel and transport.

Poole Hospital formally signed up to the measures set out in the NHS Carbon Reduction Strategy in February 2009, and is in the process of developing strategic and operational plans for achieving carbon reductions. To help us identify, monitor and target carbon reductions, a new policy on sustainability is also being developed.

Poole Hospital's Sustainability Strategy
The NHS Carbon Reduction Strategy states that by 2015, the NHS must reduce its 2007 carbon footprint by 10%. Poole Hospital's own target for carbon reduction has been set at the higher level of 18%. The NHS Carbon Reduction Strategy also sets out ambitious longer term achievements, and states that the NHS should meet a 26% reduction of carbon emissions by 2020, and an 80% reduction by 2050.

In order to achieve these targets, Poole Hospital is developing a robust Carbon Management Implementation Plan (CMIP) and registered with the Carbon Trust to join the fourth wave of the National Health Service Carbon Management Programme (NHSCMP) in May 2009.

This plan will set out our commitment towards reducing carbon emissions, identify where we will focus our efforts, and state how and when we intend to achieve our goals. The plan will look at low-cost measures such as good housekeeping and an education/awareness programme, as well as longer term plans such as upgrading boilers, improved monitoring systems and additional insulation.

The CMIP was due to be presented to the Board of Directors in May 2010.

Reporting and measuring sustainability
Poole Hospital has also registered with the Good Corporate Citizenship Assessment Model and undertaken an initial assessment of sustainability. The model provides an online resource designed to help NHS organisations assess and improve their contribution to sustainable development, and monitor progress against other similar organisations.

Staff at Poole Hospital are encouraged to recycle as part of our commitment to reducing our carbon footprint.

It supports the Department of Health's contribution to the UK Sustainable Development Strategy and contains information on sustainability divided into six areas:

- Transport;
- Procurement;
- Facilities Management;
- Employment and skills;
- Community engagement;
- New buildings.

Our new Sustainability Policy, which is being developed to help us identify, monitor and target carbon reductions, will bring together:

- Our carbon reduction commitment;
- The principles contained within the Good Corporate Citizen Model;
- 'Travel to Work' commitments including the Trust's Green Travel Plan;
- Minimum design criteria for our new developments;
- A new Energy Policy to help reduce consumption;
- A clear plan to undertake and achieve certification by the Carbon Trust Standard.

The Board of Directors will ensure that the Sustainability Policy and related targets and information are disseminated throughout the organisation.

The Board-level Sustainable Development Lead will ensure systems are in place for monitoring, target setting and policy writing. The Chief Executive is required to act as an advocate and promoter of this strategy.

Senior managers will ensure appropriate training is provided for their team members and undertake any awareness raising activities to ensure all staff can comply with, and support, actions as directed in the CMIP. They will be responsible for ensuring monitoring and measuring of targets as appropriate.

Outside organisations/contractors working on the premises will be made aware of the plan, and project managers should ensure they adhere to all guidelines in the plan and work towards its targets.

SUMMARY PERFORMANCE - WASTE MINIMISATION AND MANAGEMENT

Non-Financial
We operate full site recycling in conjunction with Poole Borough Council to help actively reduce the amount of waste going to landfill sites. We plan to extend this to include key areas that historically have been unable to recycle, such as Main Theatres. We recycle all of our cardboard waste through the use of a mini compactor and collection made by the local authority.

We are reviewing our purchasing procedures to help minimise waste and to enable packaging to be returned to suppliers where practicable.

A clinical waste audit was carried out in February 2010 which identified no significant areas of concern regarding compliance, but identified some key action points in managing segregation. A number of training sessions have been set up to help educate staff as well as a review of our current ward and transportation segregation processes.

Financial
Clinical waste expenditure rose by 15% directly as a result of increased activity between the 2008/09 and 2009/10 budget years. Household waste increased by just over 7%, this figure would have been higher if the Trust had not increased its recycled waste and the amount of cardboard recycled by the local authority.

SUMMARY PERFORMANCE - USE OF FINITE RESOURCES

Non-Financial
Membership of the Carbon Trust's Carbon Management Programme and the development of a Carbon Management Plan, will help us achieve a carbon emission reduction inline with the national NHS target of 10% by 2015. Our target has been set at 18% which has been established as achievable.

A Carbon Reduction Opportunities Assessment was completed on behalf of the Carbon Trust which investigated potential opportunities to save carbon through energy efficiencies.

The Trust has worked hard in identifying and minimising waste wherever possible and has just completed an extensive review of our Building Management System heating controls to better manage heating levels.

Financial
Our electricity expenditure for 2009/10 dropped by 36% compared with the previous year with a realised 7% reduction in consumption on units. The cost difference relates directly to the considerable increase in electricity costs attributed to the volatile market place in 2008.

Water costs have reduced by 7% over the 2008/09 levels as a result of identifying water use and minimising waste wherever possible.

Area		Non-financial data (applicable metric)	Non-financial data (applicable metric)		Financial data (£k)	Financial data (£k)
		2008/09	2009/10		2008/09	2009/10
Waste minimisation and management	Absolute values for total amount of waste produced by the Trust	1,744 t	1,988 t	Expenditure on waste disposal	264	301
Finite Resources	Water	126199 m^3	113160 m^3	Water	271	243
	Electricity	9648918 kWh	8959133 kWh	Electricity	1,094	705
	Gas	27724576 kWh	23767932 kWh	Gas	677	469
	Other energy consumption	N/A	N/A	Other energy consumption	N/A	N/A

Future priorities and targets

Within the Carbon Management Plan are clear responsibilities regarding performance target and monitoring reporting procedures. The establishment of a Sustainability Working Group will ensure that all clinical and non clinical measures are taken to reduce carbon emissions to help achieve the 18% target.

A Sustainability Strategy will be developed to pull together all the threads of sustainability into one cohesive strategy encompassing:

- Good Corporate Citizen – we have undertaken an initial study and are now working towards becoming a Foundation Trust market leader in developing and achieving the South West Regional target.
- Travel to Work – the establishment of a Working Group to review and evaluate our current travel to work patterns, methodologies and alternatives, including the use of subsidised public transport.
- Carbon Reduction – Our established target to reduce carbon is set at 18% by 2015. Our Carbon Management Plan (CMP) lays out clear funded projects that will deliver the required emission reduction and subsequent savings.
- Energy Management – an update to our current Energy Policy reflecting the projects identified within the CMP and establishing minimum room temperatures and controlling the use of split air conditioning.
- The review of the impact that the Carbon Reduction Commitment (CRC) will have on the Trust's activities both financially and operationally in terms of priorities.

Annual Accounts 2009/10



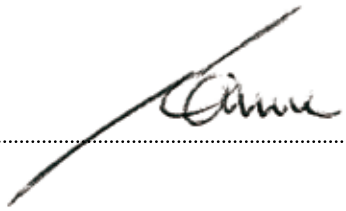


FOREWORD TO THE ACCOUNTS

Poole Hospital NHS Foundation Trust

These accounts for the year ended 31 March 2010 of Poole Hospital NHS 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 Annual Reporting Manual (FT ARM) for the financial period.

Signed .....



Chief Executive and Accounting Officer

Date: 4 June 2010 .....

Statement of Accounting Officer's responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Poole Hospital 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 Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the National Health Service Act 2006, Monitor has directed the Poole Hospital 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 Poole Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

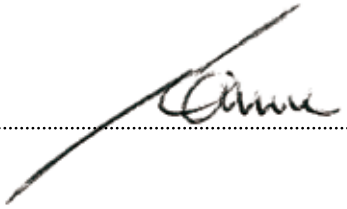
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS foundation trust Annual Reporting Manual and in particular to:

- observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS foundation trust Annual Reporting Manual have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with 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.

Signed .....



Chris Bown, Chief Executive

Date: 4 June 2010 .....

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2010

	NOTE	2009/10 £000	2008/09 £000
Operating income	2	**188,721**	183,523
Operating expenses	3	(193,230)	(177,231)
OPERATING (DEFICIT)/SURPLUS		**(4,509)**	**6,292**
Finance Costs			
Finance income	5	**70**	817
Finance costs - financial liabilities	6	**(62)**	(50)
Finance costs - interest expense - unwinding of discount	16	**(8)**	(8)
Public Dividend Capital dividends payable		(3,625)	(3,828)
Net Finance Costs		(3,625)	(3,069)
(DEFICIT)/SURPLUS FOR THE YEAR (See Note)		**(8,134)**	**3,223**
Other comprehensive (expense)/income			
Revaluation losses and impairment losses property, plant and equipment		**(8,521)**	(2,653)
Increase in the donated asset reserve due to receipt of donated assets		**1,071**	668
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal of on donated assets		(671)	(339)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		(16,255)	899

Note: The Operating Deficit for the year amounting to £8,134k includes an impairment of £3,650k in respect of property, plant and equipment following the revaluation of the estate by the District Valuer as at 31 March 2010. The actual Operating Deficit was £4,484k

The notes on pages 84 to 111 form part of these accounts.
All income and expenditure is derived from continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2010

	NOTE	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
NON CURRENT ASSETS				
Intangible assets	7	**160**	0	8
Property, plant and equipment	8	**101,298**	110,292	116,010
Trade and other receivables	11	**1,100**	1,108	711
		102,558	111,400	116,729
CURRENT ASSETS				
Inventories	10	**2,237**	1,711	1,684
Trade and other receivables	11	**8,751**	10,463	6,447
Other financial assets	25	**0**	10,000	0
Cash and cash equivalents	18	**4,535**	1,834	9,801
TOTAL CURRENT ASSETS		**15,523**	24,008	17,932
CURRENT LIABILITIES				
Trade and other payables	12.1	**(12,771)**	(14,150)	(14,697)
Borrowings	13	**(316)**	(201)	(201)
Provisions	16	**(110)**	(122)	(265)
Tax payable	12.1	**(2,749)**	(2,718)	(2,473)
Other liabilities	12.2	**(237)**	(391)	(2)
TOTAL CURRENT LIABILITIES		**(16,183)**	(17,582)	(17,638)
TOTAL ASSETS LESS CURRENT LIABILITIES		**101,898**	117,826	117,023
NON CURRENT LIABILITIES				
Borrowings	13	**(830)**	(596)	(796)
Provisions	16	**(340)**	(450)	(343)
Other liabilities	12.2	**(16)**	(18)	(21)
TOTAL NON CURRENT LIABILITIES		**(1,186)**	(1,064)	(1,160)
TOTAL ASSETS EMPLOYED		**100,712**	116,762	115,863
FINANCED BY:				
TAXPAYERS' EQUITY				
Public dividend capital		**85,999**	85,794	85,794
Revaluation reserve	17	**1,264**	8,092	13,338
Donated asset reserve		**6,618**	7,911	7,553
Income and expenditure reserve		**6,831**	14,965	9,178
TOTAL TAXPAYERS' EQUITY		**100,712**	116,762	115,863

The financial statements on pages 80 to 83 were approved by the Board on 4 June 2010 and signed on its behalf by:

Signed: .....Chief Executive Date: 4 June 2010

Signed: ..... Acting Director of Finance Date: 4 June 2010

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
31 March 2010

	Public dividend capital (PDC) £000	Revaluation reserve £000	Donated asset reserve £000	Income and Expenditure Reserve £000	Total £000
Balance at 1 April 2008 as previously stated under GAAP	**85,794**	**13,338**	**7,553**	**9,385**	**116,070**
Prior period adjustment - Restatement to IFRS (see Note 29)	0	0	0	(207)	(207)
Balance at 1 April 2008 under IFRS	**85,794**	**13,338**	**7,553**	**9,178**	**115,863**
Changes in taxpayers' equity for 2008-09					
Total Comprehensive Income for the year:					
Retained surplus for the year	0	0	0	3,223	3,223
Revaluation gains/(losses) and impairment losses property, plant and equipment	0	(2,653)	0	0	(2,653)
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal on donated assets	0	0	(339)	0	(339)
Receipt of donated assets	0	0	668	0	668
Other transfers between reserves		(29)	29		0
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(2,564)		2,564	0
Balance at 31 March 2009 under IFRS	**85,794**	**8,092**	**7,911**	**14,965**	**116,762**
Changes in taxpayers' equity for 2009-10					
Total Comprehensive Income for the year					
Retained surplus/(deficit) for the year	0	0	0	(8,134)	(8,134)
Revaluation gains/(losses) and impairment losses property, plant and equipment	0	(6,828)	(1,693)	0	(8,521)
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal on donated assets	0	0	(671)	0	(671)
Receipt of donated/government granted assets	0	0	1,071	0	1,071
Reclassification adjustments:					
- transfer from donated asset/government grant reserve	0	0	0	0	0
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	0	0	0	0
Other transfers between reserves	0	0	0	0	0
Public Dividend Capital received	205				205
Balance at 31 March 2010 under IFRS	**85,999**	**1,264**	**6,618**	**6,831**	**100,712**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2010

	2009/10 £000	2008/09 £000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating (deficit)/surplus from continuing operations	**(4,509)**	**6,292**
Non-cash income and expense:		
Depreciation and amortisation	7,774	7,664
Impairments	3,650	0
Transfer from the donated asset reserve	(671)	(608)
(Increase)/Decrease in Trade and Other Receivables	1,720	(4,413)
(Increase)/Decrease in Other Assets	0	0
(Increase)/Decrease in Inventories	(526)	(27)
Increase/(Decrease) in Trade and Other Payables	(1,379)	(547)
Increase/(Decrease) in Other Liabilities	(154)	389
Increase/(Decrease) in Tax Paid	31	245
Increase/(Decrease) in Provisions	(122)	(36)
Other movements in operating cash flows	(8)	(8)
Net cash generated from operations	**5,806**	8,951
Cash flows from investing activities		
Interest received	70	817
Purchase of financial assets	0	(64,000)
Sale of financial assets	10,000	54,000
Purchase of property, plant and equipment	(10,950)	(4,369)
Purchase of intangible assets	(164)	0
Sales of property, plant and equipment	0	45
Net cash generated generated used in investing activities	**(1,044)**	(13,507)
Cash Flows from financing activities		
Public dividend capital received	205	0
Capital element of finance lease rental payments	349	(201)
Interest element of finance lease	(62)	(50)
PDC Dividend paid	(3,624)	(3,828)
Cash flows from (used in) other financing activities	1,071	668
Net cash used in financing activities	**(2,061)**	(3,411)
Increase/(decrease) in cash and cash equivalents	**2,701**	(7,967)
Cash and Cash equivalents at 1 April	**1,834**	9,801
Cash and Cash equivalents at 31 March	**4,535**	1,834

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the NHS Foundation Trust annual reporting manual which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2009/10 NHS Foundation Trust annual reporting manual issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's annual reporting manual to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts. These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1 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 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. When a patient is admitted and treatment begins, then the income for that treatment or spell can start to be recognised. Income relating to these spells which are partially completed at the financial year end is therefore accrued for. In respect of March activity actual activity is not known before the accounts are closed. A judgement is therefore made on the level of income to accrue for this activity.

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.

1.2 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

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme. Employer's pension cost contributions are charged to operating expenses as and when they become due.

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

1.3 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.

1.4 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 Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

Property, Plant and Equipment assets are capitalised if they are capable of being used for a period which exceeds one year and they:

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

Measurement

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. All assets are measured subsequently at fair value.

All land and buildings are re-valued using professional valuations in accordance with IAS16 every five years. A three year interim valuation is also carried out. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. At 31 March 2009 (with an effective date of 1 April 2008) the land and buildings were re-valued on a modern equivalent asset basis (MEA). A further valuation was undertaken on 31 March 2010. See also Note 1.18 regarding critical estimates and key accounting judgements.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where 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 de-recognised.

Depreciation

Items of Property, Plant and Equipment are depreciated over their remaining useful economic lives on a straight line basis, 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. Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Equipment is depreciated on a straight line basis, over the estimated life of the asset, as detailed in the following categories:

Type of Asset	Economic Life
Plant & Machinery	5-15 years
Transport Equipment	7 years
Information Technology	5-10 years
Furniture & Fittings	10 years

Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

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 i.e.:
- 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 12 months of the date of 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 and the assets are not re-valued, except where the 'fair value less costs to sell' falls below the carrying amount. 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 assets

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

1.5 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the 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 Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists 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 project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware e.g. 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 e.g. 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. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses. Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. 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.

1.6 Government grants

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

1.7 Inventories

Inventories are valued at the lower of cost and net realisable value. The material management stock system values the stock at latest invoice price. Pharmacy stock is valued at average price. This is considered to be a reasonable approximation to current cost due to the high turnover of stocks.

1.8 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 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 or 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.

De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the 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 with are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS debtors, accrued income and 'other debtors'. Loans and receivables are recognised initially at fair value, net of transactions 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 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 long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the 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.

1.9 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

Operating leases

Other leases are regarded as operating 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.

1.10 Provisions

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

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS 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 NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at note 16.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS 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.

1.11 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 21, 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 entity'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.

1.12 Public dividend capital

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 NHS 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 NHS Foundation Trust during the financial year, according to the draft financial statements submitted on 22 April 2010. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Office of the Paymaster General.

1.13 Value Added Tax

Most of the activities of the NHS 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.

1.14 Corporation Tax

The NHS Foundation Trust has carried out a review of corporation tax liability on its non-healthcare activities. At present all activities are either ancillary to the Trust's patient care activity or are below the de minimus level at which corporation tax is due.

1.15 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's annual reporting manual.

1.16 NHS Charitable Funds

Monitor has obtained a dispensation – for 2009/10 only - from HM Treasury to the application of IAS 27 by NHS foundation trusts in relation to the consolidation of NHS charitable funds. The disclosure requirements of the standard will, however, apply for 2009/10 as the Trust considers the NHS Charitable Fund to be a subsidiary of the NHS Foundation Trust under IAS 27.

1.17 Accounting Standards issued but not adopted

The following recent standards have been issued but not yet adopted by the NHS:
Amendment to IAS 24 - related party disclosure (NHS proposed adoption date 2011/12); IAS 27 (Revised) - Consolidated and separate financial statements (NHS 2010/11); Amendment to IAS 32 - Financial instruments: presentation on classification or right issues (NHS 2010/11); Amendment to IAS 39 - Eligible hedged items (NHS 2010/11); IFRS 2 - Share based payment - Group cash-settled share-based payment transactions (NHS 2010/11): IFRS 3 (Revised) - Business combinations (NHS 2010/11); IFRS 9 - Financial instruments (NHS 2013/14); Amendment to IFRIC 14, IAS 19 - Prepayment of a minimum funding requirement (NHS 2011/12); IFRIC 17 - Distribution of non-cash assets to owners (NHS 2010/11); IFRIC 18 -Transfer of assets from customers (NHS 2010/11); IFRIC 19 - Extinguishing financial liabilities with equity instruments (NHS 2011/12).

1.18 Critical estimates and key accounting judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following areas of the financial statements are subject to key estimates and judgements.

Valuation of the Trust's estate

A valuation of the Trust's land and buildings was undertaken with an effective date of 31 March 2010 by the District Valuer. The valuations have been undertaken applying the principles of IAS 16 'Property, Plant and Equipment' and RICS advises that assumptions underpinning the concepts of fair value should be explicitly stated and identifies two potential qualifying assumptions:

"the Market Value on the assumption that the property is sold as part of the continuing enterprise in occupation" (effectively Existing Use Value); or

"the Market Value on the assumption that the property is sold following a cessation of the existing operations" (in effect the traditional understanding of Market Value).

The Department of Health has indicated that for NHS assets it requires the former assumption to be applied for operational assets; this is the approach that was taken by the DV. The Market Value used in arriving at fair value for operational assets is therefore subject to the assumption that the property is sold as part of the continuing enterprise in occupation. The Trust has allocated the differences in book value and fair value of land and buildings determined by the valuer on a property-by-property basis for the purposes of preparing the financial statements, rather than on an asset-by-asset basis, as this is considered to reflect the valuation movements correctly to a material extent.

The Trust estimates the pattern of consumption of property, plant and equipment by writing assets down on a straight line basis over useful economic lives. The useful economic lives determined for each asset or group of assets are informed by historical experience or specific information provided by the District Valuer where appropriate.

Recoverability of accounts receivable

Amounts receivable from NHS organisations are generally considered to be recoverable based on historical experience, however specific provisions are made against non-NHS receivables when it is considered prudent to do so having considered the age of the receivable and other factors. The value of this provision is disclosed in note 11.'

Other estimates and judgements

Estimates and judgements are also made in respect of provisions for liabilities and charges (see Note 16) and contingent liabilities (see Note 21) where there is some uncertainty at the balance sheet date as to either the timing or amount of the Trust's financial liability.

The Trust also makes a significant estimate for amounts due from its commissioners in respect of partially completed spells at the balance sheet date, which is supported by patient activity data and historical experience. As referred to above, amounts due from NHS organisations are generally considered to be recoverable.

In the view of the Trust there are no further estimates or judgements which if wrong could significantly affect financial performance.

2 Operating Income from Continuing Operations

2.1 Segmental Analysis

All Poole Hospital NHS Foundation Trust's activity is related to the provision of healthcare and health related services. The majority of the income received is not apportioned to the Care Groups for reporting purposes. Net Care Group expenditure is analysed at note 3.3.

2.2 Operating Income

Income from Activities	**2009/10**	2008/09
	£000	£000
Elective income	**22,713**	22,755
Non elective income	**72,779**	70,398
Outpatient income (Note 1)	**17,524**	22,390
A & E income	**4,906**	4,618
Other NHS Clinical Income	**50,480**	42,731
Other types of activity income	**1,971**	1,946
Private patient income	**613**	661
	170,986	165,499

Other Operating Income		
Education and training	**6,194**	5,994
Charitable and other contributions to expenditure	**732**	1,313
depreciation, impairment and disposal of donated assets	**671**	608
Non-patient care services to other bodies	**6,811**	6,697
Income generation (Note 2)	**2,302**	2,248
Other income	**1,025**	1,119
Profit on disposal of other tangible fixed assets	0	45
	17,735	18,024
Total Operating Income	**188,721**	**183,523**

Note 1. Due to changes in the classification of income under Payment by Results guidance, the sum of £4,856k moved from outpatient income to other NHS clinical income.

Note 2 - Income generation relates mainly to restaurant income, sale of services to a private hospital and car park income received by the Trust

2.3 Private Patient Income

	2009/10	2008/09	Base Year 2002/03
	£000	£000	£000
Private patient income	**613**	661	396
Total patient related income	**170,986**	165,499	95,931
Proportion			
Cap			
Actual	**0.4%**	0.4%	0.4%

The proportion of private patient income to the total patient related income of Poole Hospital NHS Foundation Trust does not exceed its proportion whilst the body was an NHS Trust in 2002/03 the base year

2.4 Mandatory and Non-Mandatory Income from Activities

	2009/10	2008/09
	£000	£000
Mandatory	**168,402**	162,891
Non-Mandatory	**2,584**	2,608
Actual	**170,986**	165,499

2.5 Income from Activities by Source

	2009/10 £000	2008/09 £000
Primary Care Trusts	**168,390**	151,548
Local Authorities (see Note 1)	**204**	226
Department of Health (see Note 3)	**12**	11,302
NHS Other	**0**	41
Non NHS: Private patients	**613**	661
Non-NHS: Overseas patients (non-reciprocal)	**154**	82
NHS injury scheme (was RTA) (see Note 2)	**1,276**	1,317
Non NHS: Other	**337**	322
	170,986	165,499

Note 1. Local authority income relates mainly to the reimbursement of costs associated with delayed patient discharges.

Note 2. NHS injury scheme income is subject to a provision for doubtful debts of 7.8% to reflect expected rates of collection.

Note 3. During 2008/09, funding for the market forces factor was received from the Department of Health. In 2009/10 this funding was received directly from primary care trusts.

3 Operating Expenses and Operating Lease Costs

3.1 Operating Expenses (by type):

	2009/10 £000	2008/09 £000
Services from NHS Trusts	**661**	618
Services from other NHS bodies	**469**	437
Services from other Foundation Trusts	**1,320**	1,229
Purchase of healthcare from non NHS bodies	**94**	107
Directors' costs	**853**	883
Staff costs	**129,514**	121,221
Supplies and services - clinical drugs	**17,073**	14,587
Supplies and services - clinical other	**13,573**	13,342
Supplies and services - general	**5,333**	5,134
Establishment	**2,200**	2,239
Transport	**820**	477
Premises	**4,580**	4,959
Bad debts	**28**	114
Depreciation and amortisation	**7,774**	7,663
Impairment of property, plant and equipment	3,650	0
Audit fees (see Note)	**80**	75
Other auditor's remuneration	**0**	8
Clinical negligence Insurance Costs	**3,685**	2,024
Other Services including External Payroll	**560**	787
Training and course fees etc.	**522**	721
Loss on Disposal of Other Property, plant and Equipment	**2**	11
Other	**439**	595
	193,230	177,231

The Council of Governors has appointed PricewaterhouseCoopers LLP (PwC) as external auditors of the Trust. The audit fee for the statutory audit was £46k excluding VAT (2008/09 45k). This was the fee for an audit in accordance with the Audit Code issued by Monitor in October 2007. In addition to this, the following payments totalling £22k excluding VAT (2008/09 £20k) were made to the auditors for other regulatory reporting purposes. The engagement letter signed on 23 December 2008, states that the liability of PwC, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £1m in the aggregate in respect of all services.

3.2 Arrangements containing an operating lease

	2009/10 £000	2008/09 £000
Minimum lease payments	67	96
	67	96

	2009/10 £000	2008/09 £000
Future minimum lease payments due (see Note):		
Not later than one year	0	14
Later than one year and not later than five years	0	0
Later than five years	30	25
	30	39

Note: All equipment operating lease commitments expired in 2009/10. The operating lease payments due after five years relates to TOPS Day Nursery (see Note 23).

3.3 Operating Segments

The Trust Board has been determined to be the chief operating decision maker for the Trust. The Trust's operating segments reflect its organisational and management structures.

The Trust Board reviews internal reporting based around these segments in order to assess operational and financial performance. This includes a consideration of each segment's revenue expenditure compared to plan. Income is currently not reported on a segmental basis and does not form part of this review as income is reported at aggregate level by contract, rather than by segment.

The segments are differentiated by the type of service provided and whether this is clinical or non-clinical. There are three main clinical segments, namely Medicine, Surgery and Maternity, Child Health and Clinical Support.

There are no internal recharges between segments.

	2009/10 £000	2008/09 £000
Medical Care Group	58,376	53,403
Surgical Care Group	38,423	35,374
Maternity, Childrens and Clinical Support Care Group	45,943	42,722
Finance, Information and Estates	11,448	10,994
Nursing and Patient Services	5,783	5,611
Human Resources	1,830	1,963
Executive Board	1,145	1,072
Operations	3,417	2,946
Claims and Litigation	3,975	2,487
Education and Development	1,178	1,145
Other Corporate Departments	316	397
	171,834	158,114

4 Employee costs and numbers

4.1 Employee Expenses

	2009/10 Total	2008/09 Total
	£000	£000
Salaries and wages	106,542	99,148
Social Security Costs	8,219	7,599
Employer contributions to NHS Pension Scheme	12,567	11,703
Termination Payments	105	12
Agency/Contract Staff	2,912	3,526
	130,345	121,988

4.2 Average Number of Employees

	2009/10 Total Number	2008/09 Total Number
Medical and dental	**369**	351
Administration and estates	**669**	636
Healthcare assistants and other support staff	**176**	174
Nursing, midwifery and health visiting staff	**1,345**	1,309
Scientific, therapeutic and technical staff	**285**	275
Bank and Agency Staff (see Note)	**235**	216
Other	**320**	303
Total	**3,399**	3,264

Note: Bank and agency staff numbers are estimated.

4.3 Employee Benefits

No additional benefits were paid to staff in the financial periods.

4.4 Retirements due to ill-health

During 2009/10 there were two (2008/09 four) early retirements on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £49k (2008/09 £225k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division. These retirements represented 0.57 per 1,000 active scheme members. This information has been supplied by NHS Pensions.

5 Finance Income

	2009/10 £000	2008/09 £000
Interest on Loans and Receivables	**70**	817
	70	817

6 Finance Costs - Interest Expense

	2009/10 £000	2008/09 £000
Finance Leases	**62**	50
	62	50

7.1 Intangible Assets 2009/10

	Software licences £000	Total £000
Gross cost at 1 April 2009	52	52
Additions - Purchased	164	164
Gross cost at 31 March 2010	**216**	**216**
Amortisation at 1 April 2009	52	52
Charged during the year	4	4
Amortisation at 31 March 2010	**56**	**56**
Net book value		
- Purchased at 1 April 2009	0	0
- Total at 1 April 2009	**0**	**0**
- Purchased at 31 March 2010	160	160
- Total at 31 March 2010	**160**	**160**

7.2 Intangible Assets 2008/09

	Software licences	Total
	£000	£000
Gross cost at 1 April 2008	52	52
Gross cost at 31 March 2009	**52**	**52**
Amortisation at 1 April 2008	44	52
Charged during the year	8	8
Amortisation at 31 March 2009	**52**	**60**
Net book value		
Purchased at 1 April 2008	8	8
Total at 1 April 2008	**8**	**8**
- Purchased at 31 March 2009	0	0
- Total at 31 March 2009	**0**	**0**

8.1 Property, Plant and Equipment 2009/10

Tangible fixed assets at the balance sheet date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account
	£000	£000	£000	£000
Cost or valuation at 1 April 2009	12,920	76,449	1,482	859
Additions purchased	0	2,038	0	2,468
Additions donated	0	0	0	686
Impairments	(480)	(15,110)	(40)	0
Reclassifications	0	1,415	0	(1,661)
Disposals	0	0	0	0
Cost or Valuation at 31 March 2010	**12,440**	**64,792**	**1,442**	**2,352**
Depreciation at 1 April 2009	0	14	0	0
Charged during the year	0	3,357	88	0
Impairments	0	(3,371)	(88)	0
Disposals	0	0	0	0
Depreciation at 31 March 2010	**0**	**0**	**0**	**0**
Net book value				
- Purchased at 1 April 2009	12,920	70,558	1,482	420
- Donated at 1 April 2009	0	5,877	0	439
- Finance Lease at 1 April 2009	0	0	0	0
- Total at 1 April 2009	**12,920**	**76,435**	**1,482**	**859**
- Purchased at 31 March 2010	12,440	59,917	1,442	2,352
- Donated at 31 March 2010	0	4,875	0	0
- Finance Lease at 31 March 2010	0	0	0	0
- Total at 31 March 2010	**12,440**	**64,792**	**1,442**	**2,352**

8.2 Analysis of Property, Plant and Equipment at 31 March 2010:

Net book value				
- NBV - Protected assets at 31 March 2010	11,702	61,442	0	0
- NBV - Unprotected assets at 31 March 2010	738	3,350	1,442	2,352
- Total at 31 March 2010	**12,440**	**64,792**	**1,442**	**2,352**

Of the totals at 31 March 2010, £738k related to land valued at open market value and £1,442k related to buildings valued at open market value.

Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
£000	£000	£000	£000	£000
30,784	28	7,154	467	130,143
4,683	0	687	0	9,876
385	0	0	0	1,071
0	0	0	0	(15,630)
199	0	47	0	0
(735)	0	0	0	(735)
35,316	**28**	**7,888**	**467**	**124,725**
16,101	20	3,408	308	19,851
3,128	3	1,168	26	7,770
0	0	0	0	(3,459)
(735)	0	0	0	(735)
18,494	**23**	**4,576**	**334**	**23,427**
12,333	8	3,726	159	101,606
1,575	0	20	0	7,911
775	0	0	0	775
14,683	**8**	**3,746**	**159**	**110,292**
13,976	5	3,304	133	93,569
1,735	0	8	0	6,618
1,111	0	0	0	1,111
16,822	**5**	**3,312**	**133**	**101,298**
0	0	0	0	73,144
16,822	5	3,312	133	28,154
16,822	**5**	**3,312**	**133**	**101,298**

8.3 Property, Plant and Equipment 2008/09

Tangible fixed assets at the balance sheet date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings
	£000	£000	£000
Cost or valuation at 1 April 2008	18,563	76,448	1,733
Additions purchased	0	934	0
Additions donated	0	0	0
Impairments	(5,643)	(1,216)	(251)
Reclassifications	0	283	0
Revaluation surpluses	0	0	0
Disposals	0	0	0
Cost or Valuation at 31 March 2009	**12,920**	**76,449**	**1,482**
Depreciation at 1 April 2008	0	1,448	31
Charged during the year	0	3,179	101
Reclassifications	0	(19)	0
Revaluation surpluses	0	(4,594)	(132)
Disposals	0	0	0
Depreciation at 31 March 2009	**0**	**14**	**0**
Net book value			
- Purchased at 1 April 2008	18,563	69,177	1,702
- Donated at 1 April 2008	0	5,823	0
- Finance Lease at 1 April 2008	0	0	0
- Total at 1 April 2008	**18,563**	**75,000**	**1,702**
- Purchased at 31 March 2009	12,920	70,558	1,482
- Donated at 31 March 2009	0	5,877	0
- Finance Lease at 31 March 2009	0	0	0
- Total at 31 March 2009	**12,920**	**76,435**	**1,482**

8.4 Analysis of Property, Plant and Equipment at 31 March 2009:

Net book value			
- NBV - Protected assets at 31 March 2009	12,202	73,554	0
- NBV - unprotected assets at 31 March 2009	718	2,881	1,482
- Total at 31 March 2009	**12,920**	**76,435**	**1,482**

Of the totals at 31 March 2009, £738k related to land valued at open market value and £1,482k related to buildings valued at open market value.

Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
£000	£000	£000	£000	£000	£000
217	31,725	28	7,335	470	136,519
533	1,389	0	804	4	3,664
440	216	0	12	0	668
0	0	0	0	0	(7,110)
(331)	48	0	0	0	0
0	0	0	0	0	0
0	(2,594)	0	(997)	(7)	(3,598)
859	**30,784**	**28**	**7,154**	**467**	**130,143**
0	15,515	17	3,212	286	20,509
0	3,152	3	1,193	27	7,655
0	19	0	0	0	0
0	0	0	0	0	(4,726)
0	(2,585)	0	(997)	(5)	(3,587)
0	**16,101**	**20**	**3,408**	**308**	**19,851**
217	13,487	11	4,123	184	107,464
0	1,736	0	0	0	7,559
0	987	0	0	0	987
217	**15,223**	**11**	**4,123**	**184**	**115,023**
420	12,334	8	3,726	159	101,607
439	1,574	0	20	0	7,910
0	775	0	0	0	775
859	**14,683**	**8**	**3,746**	**159**	**110,292**
0	0	0	0	0	85,756
859	14,683	8	3,746	159	24,536
859	**14,683**	**8**	**3,746**	**159**	**110,292**

8.5 The net book value of land, buildings and dwellings at 31 March 2010 comprises:

	I March 2010	31 March 2009	31 March 2008
	£000	£000	£000
Freehold			
Protected	**73,144**	85,756	89,425
Unprotected	**5,530**	5,081	5,840
TOTAL	**78,674**	90,837	95,265

9.1 Net book value of assets held under finance leases 2009/10

Tangible fixed assets at the balance sheet date comprise the following elements:

	Plant and machinery	Total
	£000	£000
Cost or valuation at 1 April 2009	1,353	1,353
Additions purchased	607	607
Additions donated	0	0
Impairments charged to revaluation reserve	0	0
Reclassifications	0	0
Revaluation surpluses	0	0
Disposals	0	0
Cost or Valuation at 31 March 2010	**1,960**	**1,960**
Depreciation at 1 April 2009	578	578
Charged during the year	271	271
Reclassifications	0	0
Revaluation surpluses	0	0
Disposals	0	0
Depreciation at 31 March 2010	**849**	**849**
Net book value		
- Purchased at 1 April 2009	775	775
- Donated at 1 April 2009	0	0
- Total at 1 April 2009	**775**	**775**
- Purchased at 31 March 2010	1,111	1,111
- Donated at 31 March 2010	0	0
- Total at 31 March 2010	**1,111**	**1,111**

Finance leases relate to medical equipment assets.

9.2 Net book value of assets held under finance leases 2008/09

Tangible fixed assets at the balance sheet date comprise the following elements:

	Plant and machinery	Total
	£000	**£000**
Cost or valuation at 1 April 2008	1,353	1,353
Additions purchased	0	0
Additions donated	0	0
Impairments charged to revauation reserve	0	0
Reclassifications	0	0
Revaluation surpluses	0	0
Disposals	0	0
Cost or Valuation at 31 March 2009	**1,353**	**1,353**
Depreciation at 1 April 2008	366	366
Charged during the year	212	212
Reclassifications	0	0
Revaluation surpluses	0	0
Disposals	0	0
Depreciation at 31 March 2009	**578**	**578**
Net book value		
- Purchased at 1 April 2008	987	987
- Donated at 1 April 2008	0	0
- Finance Lease at 1 April 2008	987	987
- Total at 1 April 2008	**1,974**	**987**
- Purchased at 31 March 2009	775	775
- Donated at 31 March 2009	0	0
- Total at 31 March 2009	**775**	**775**

Finance leases relate to medical equipment assets.

10.1 Inventories

	31 March 2010 £000	31 March 2009 £000	'1 April 2008 £000
Materials	2,237	1,711	1,684
TOTAL	**2,237**	1,711	1,684

11.1 Trade receivables and other receivables

	Total 31 March 2009	Financial assets at 31 March 2010	Non-financial assets at 31 March 2010
Current			
	£000	**£000**	**£000**
NHS Receivables	5,330	5,330	0
Other receivables with related parties	211	211	0
Provision for impaired receivables	(149)	(53)	(96)
Prepayments	1,040	0	1,040
Accrued income	263	263	0
Other receivables	2,056	825	1,231
Total Current Trade and Other Receivables	**8,751**	**6,576**	**2,175**
Non-Current			
NHS Receivables	0	0	0
Provision for impaired receivables	(93)	0	(93)
Prepayments	0	0	0
Accrued income	0	0	0
Other receivables	1,193	0	1,193
Total Non Current Trade and Other Receivables	**1,100**	**0**	**1,100**

11.2 Provision for impaired receivables

	2009/10 £000	2008/09 £000
At 1 April	219	163
Increase in provision	28	114
Amounts utilised	(5)	(58)
Unused amounts reversed	0	0
At 31 March	**242**	**219**

11.3 Analysis of receivables by age:

Ageing of impaired receivables:	2009/10 £000	2008/09 £000
Up to three months	0	0
In three to six months	0	0
Over six months	2,490	2,122
At 31 March	**2,490**	**2,122**

Ageing of non impaired receivables:	2009/10 £000	2008/09 £000
Up to three months	6,144	9,443
In three to six months	1,004	154
Over six months	455	71
At 31 March	**7,603**	**9,668**

Total 31 March 2009	Financial assets at 31 March 2009	Non-financial assets at 31 March 2009	Total 1 April 2008	Financial assets at 1 April 2008	Non-financial assets at 1 April 2008
£000	£000	£000	£000	£000	£000
7,775	7,775	0	3,820	3,820	0
434	434	0	504	504	0
(125)	(58)	(67)	(103)	(26)	(77)
597	0	597	326	0	326
205	205	0	191	191	0
1,577	716	861	1,709	663	1,046
10,463	**9,072**	**1,391**	**6,447**	**5,152**	**1,295**
0	0	0	0	0	0
(94)	0	(94)	(60)	0	(60)
0	0	0	0	0	0
0	0	0	0	0	0
1,202	0	1,202	771	0	771
1,108	**0**	**1,108**	**711**	**0**	**711**

12.1 Trade other payables

	Total 31 March 2010	Financial liabilities at 31 March 2010	Non-financial liabilities at 31 March 2010
Current			
	£000	**£000**	**£000**
Receipts in advance	274	0	274
NHS payables	4,419	4,419	0
Amounts due to other related parties	0	0	0
Trade payables - capital	357	357	0
Other trade payables	2,541	2,541	0
Taxes payable	2,749	0	2,749
Other payables	2,535	2,535	0
Accruals	2,644	2,644	0
PDC payable	1	1	0
Total Current Trade and Other Payables	**15,520**	**12,497**	**3,023**

12.2 Other liabilities

	Total 31 March 2010 £000	Total 31 March 2009 £000	Total 1 April 2008 £000
Current			
Deferred income	235	389	0
Deferred Government Grant	2	2	2
Total Other Current Liabilities	**237**	**391**	**2**
Non-current			
Deferred income	0	0	0
Deferred Government Grant	16	18	21
Total Other Non- Current Liabilities	**16**	**18**	**21**

Total 31 March 2009	Financial liabilities at 31 March 2009	Non-financial liabilities at 31 March 2009	Total 1 April 2008	Financial liabilities at 1 April 2008	Non-financial liabilities at 1 April 2008
£000	£000	£000	£000	£000	£000
96	0	96	270	0	270
3,850	3,850	0	4,420	4,420	0
0	0	0	0	0	0
681	681	0	1,907	1,907	0
2,457	2,457	0	1,194	1,194	0
2,718	0	2,718	2,473	0	2,473
2,438	2,438	0	1,674	1,674	0
4,628	4,628	0	5,232	5,232	0
0	0	0	0	0	0
16,868	**14,054**	**2,814**	**17,170**	**14,427**	**2,743**

13 Borrowings

	At 31 March 2010	At 31 March 2009	At 1 April 2008
	£000	£000	£000
Current			
Obligations under finance leases	316	201	201
Total Other Current Liabilities	**316**	**201**	**201**
Non-current			
Obligations under finance leases	830	596	796
Total Other Non- Current Liabilities	**830**	**596**	**796**

14 Prudential Borrowing Code

Poole Hospital NHS 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 5 ratio tests set out in Monitor's PBC. 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.

	At 31 March 2010	At 31 March 2009
	£000	£000
Long term borrowing limit set by Monitor	35,100	38,200
Working capital facility agreed by Monitor	13,000	13,000
At 31 March	**48,100**	**51,200**

Note: The Trust did not avail of any borrowing or working capital facility in 2009/10 or 2008/09.

	2009/10		2008/09	
	Approved	**Actual**	Approved	Actual
Minimum debt/capital ratio	**0.0**	**0.0**	0.0	0.0
Minimum dividend cover	**3.8x**	**3.8x**	3.8x	3.8x
Minimum interest cover	**0.0**	**0.0**	0.0	0.0
Minimum debt service cover	**0.0**	**0.0**	0.0	0.0
Minimum debt service to revenue	**0.0**	**0.0**	0.0	0.0

15 Finance Lease Obligations

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
Gross lease liabilities	**At 31 March 2010 £000**	**At 31 March 2009 £000**	**At 31 March 2010 £000**	**At 31 March 2009 £000**
of which liabilities are due:				
not later than one year;	369	239	316	201
later than one year and not later than five years;	898	617	830	561
later than five years;	0	35	0	34
Finance charges allocated to future periods	(121)	(95)		
Total Gross Lease Liabilities	**1,146**	**891**	**1,146**	**796**
Net lease liabilities				
not later than one year;	316	201	316	201
later than one year and not later than five years;	830	561	830	561
later than five years;	0	34	0	34
Total net lease liabilities	**1,146**	**796**	**1,146**	**796**

Note: Finance Leases relate to pharmacy and medical equipment assets.

16 Provisions for Liabilities and Charges

Current	**Total 31 March 2010 £000**	**Total 31 March 2009 £000**	**Total 1 April 2008 £000**
Pensions relating to other staff	21	26	20
Other legal claims	89	96	245
Total Current Provisions for Liabilities and Charges	**110**	**122**	**265**
	£000	**£000**	**£000**
Pensions relating to other staff	340	450	343
Other legal claims	0	0	0
Total Non-current Provisions for Liabilities and Charges	**340**	**450**	**343**

Provisions for liabilities and charges	**Pensions relating to other staff**	**Legal claims**	**Total**
	£000	£000	**£000**
At 1 April 2009	476	96	**572**
Arising during the period	14	70	**84**
Utilised during the period	(21)	(67)	**(88)**
Reversed unused	(116)	(10)	**(126)**
Unwinding of discount	8	0	**8**
At 31 March 2010	**361**	**89**	**450**
Expected timing of cashflows:			
Not later than one year	21	89	**110**
Later than one year and not later than five years	85	0	**85**
Later than five years	255	0	**255**

Legal claims relate to employer and third party liability claims against the Trust.

Clinical Negligence Liabilities:

£32,957k is included in the provisions of the NHS Litigation Authority at 31 March 2010 in respect of clinical negligence liabilities of the NHS Trust (31 March 2009 £20,680k).

Non Clinical Liabilities

Note: Refer to Note 21 re Contingent Liabilities for Non Clinical claims.

17 Revaluation Reserve

	31 March 2010 £000	31 March 2009 £000
At 1 April	**8,092**	**13,338**
Revaluation gains/(losses) and impairment losses property, plant and equipment	(6,828)	(2,653)
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(2,564)
Other transfers between reserves	0	(29)
At 31 March	**1,264**	**8,092**

18 Cash and Cash Equivalents

	31 March 2010 £000	31 March 2009 £000
At 1 April	**1,834**	**9,801**
Net change in year	2,701	(7,967)
Balance at 31 March	**4,535**	**1,834**
Broken down into:		
Cash at commercial banks and in hand	24	22
Cash with the Government Banking Service	4,511	1,812
Cash and Cash Equivalents as in SoFP and SoCF at 31 March	**4,535**	**1,834**

19 Contractual Capital Commitments

	2009/10 £000	2008/09 £000
Property, Plant and Equipment	1,917	2,943
Total at 31 March	**1,917**	**2,943**

20 Events after the Reporting Period

There were no events after the reporting period having a material effect on the accounts.

21 Contingent Liabilities

	2009/10 £000	2008/09 £000
Gross value of contingent liabilities	(35)	(52)
Amounts recoverable against contingent liabilities	0	0
Total Contingent Liabilities	**(35)**	**(52)**

The above contingency relates to the Liabilities to Third Party Scheme (LTPS) administered by the NHS Litigation Authority (NHSLA) on behalf of the Trust. The NHSLA is currently resolving a total of 17 claims made against the Trust and the above represents their view of the net amount the Trust would have to pay if cases provided for, and adjusted for probability, were to be settled in favour of the claimant.

22 Related Party Transactions

Poole Hospital NHS 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 members of the key management staff or parties related to them has undertaken any material transactions with Poole Hospital NHS Foundation Trust, with the exception of the contractual pay which has been disclosed in the Remuneration Report within the Directors' Report.

The Department of Health and any other body within the Whole of Government Accounts is regarded as a related party. During the year Poole Hospital NHS Foundation Trust has had a significant number of material transactions with the Department and with other entities as follows::

	2009/10		2008/09	
22.1 Value of Transactions with Other Related Parties	**Income £'000**	**Expenditure £'000**	**Income £'000**	**Expenditure £'000**
Department of Health	12	35	11,623	38
Royal Bournemouth and Christchurch NHS FT	3,654	4,533	3,499	3,502
Bournemouth and Poole PCT	116,575	283	106,136	1,251
Dorset PCT	45,657	187	42,058	108
Dorset County Hospital FT	165	1,912	193	1,448
South West Ambulance NHS Trust	243	551	221	546
South West SHA	5,900	-	5,739	-
Yorkshire and Humber SHA	748	-	699	8
Bristol PCT	2,889	-	1,030	-
Hampshire PCT	3,959	-	3,071	-
NHS Litigation Authority	-	3,757	-	2,129
NHS Purchasing and Supply Agency	-	3,338	-	2,968
Other NHS Bodies	3,268	760	2,790	1,251
Charitable Funds	705	705	1,251	1,251
National Blood Authority	-	1,861	-	1,710
NHS Pension Scheme	-	12,567	-	11,703
National Insurance Fund	-	8,229	-	7,609
Other WGA Bodies	204	-	226	875
Total Value of Transactions with Other Related Parties	**183,979**	**38,718**	**178,536**	**36,397**

Note: The Trust paid income tax on behalf of its employees to HMR&C amounting to £18,049k (2008/09 £17,261k) and recovered net Vat amounting to £1,822k (2008/09 £1,556k). These amounts have not been included in the accounts as income or expenditure.

	At 31 March 2010		At 31 March 2009	
22.2 Balances with Other Related Parties	**Receivables £000**	**Payables £000**	**Receivables £000**	**Payables £000**
Department of Health	1	-	58	-
Royal Bournemouth and Christchurch NHS FT	1,168	1,563	776	1,559
Bournemouth and Poole PCT	1,343	31	2,910	19
Dorset County Hospital NHS FT	385	820	227	370
Dorset PCT	1,089	92	2,439	38
NHS Pension Scheme	-	1,045	-	1,009
Other NHS Bodies	1,344	868	1,365	855
Charitable Funds	17	-	128	-
National Insurance Fund	-	1,289		1,222
HMR&C	148	1,486	295	1,496
Other WGA Bodies	-	-	-	10
Forest Holme	46	-	11	-
Total Balances with Other Related Parties	**5,541**	**7,194**	**8,209**	**6,578**

23 Private Finance Transactions

PFI schemes deemed to be off-SoFP

Re Staff Residences

£269k is included within operating expenses in respect of PFI transactions deemed to be off SoFP.

The Trust is committed to make a payment of £102k during the next year in respect of a PFI scheme that is expected to expire in approximately 11 years.

The estimated capital value of the PFI scheme is £3.5 million.

The scheme started on 1 April 1996 and is contracted to end on 31 August 2021.

Western Challenge Housing Association acquired the staff residences from the Trust in September 1996 on a 99 year lease with a break clause after 25 years. The Trust is committed to pay £28k rent subsidy per annum (fixed through the period of the lease) and also a management fee of £56k (increased annually by the Retail Price Index) for the duration of the lease.

Re Nursery

£30k is included within operating expenses in respect of PFI transactions deemed to be off SoFP.

The Trust is committed to make a payment of £30k during the next year in respect of a PFI scheme that is expected to expire in approximately 9 years.

The estimated capital value of the PFI scheme is £0.4 million.

The scheme started on 1 September 2004 and is contracted to end on 31 August 2019.

The Trust entered (in August 2004) into a 15 year lease with BDL Systems Ltd. Retirement Benefit Scheme In respect of the rental of a building at Denmark Lane, Poole for the purpose of providing a nursery, mainly for Poole Hospital staff. The nursery is managed by TOPS Day Nursery. The Trust leased back the building to TOPS on the same terms and conditions as the original lease. The Trust will pay BDL Pensions Limited a sum of £30k per annum for a period of 15 years. TOPS will pay a similar amount to the Trust over the same 15 year period.

24 Financial Instruments

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Foundation Trust has with local Primary Care Trusts and the way those Primary Care Trusts are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial reporting standards mainly applies. The NHS Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the NHS Foundation Trust in undertaking its activities. Refer to Note 14 re the Prudential Borrowing Code.

The Foundation Trust's financial assets and liabilities are valued at amortised cost and these are the only type of financial instrument held.

Market Risk

Market risk is the possibility that financial loss might arise as a result of changes in such measures as interest rates and stock market movements. Market risk comprises three types of risk, where the fair value or future cash flows could fluctuate because of movements in the underlying Interest rate risk, Currency risk; and Price risk

Interest rate risk:
The Foundation Trust invests surplus funds with major UK banks and building societies. There were no short term investments held at the year end. Therefore the Foundation Trust's financial assets and liabilities carry nil or fixed rates of interest and the Foundation Trust's income and operating cash-flows are substantially independent of changes in market interest rates.

Currency risk
The Foundation Trust's transactions are all undertaken in sterling and so it is not exposed to foreign exchange risk.

Price risk
The Foundation Trust has got a number of contractual arrangements which are linked to the UK Retail Price Index (RPI). As such the Foundation Trust is exposed to price risk in line with movements in the UK economy.

Credit Risk
Credit risk is the possibility that other parties might fail to pay amounts due to the Foundation Trust. Credit risk arises from deposits with banks as well as credit exposures to the Foundation Trust's debtors. The Foundation Trust's cash assets are held with Barclays Bank plc and the Government Banking Service (GBS). Additionally the Foundation Trust has invested surplus cash with an approved panel of major UK banks and building societies during the year. The panel of banks used has complied with Monitor's strict criteria for investments.

As set out in Note 18 - £4,511k (31 March 2009 £1,812k) of the Trust's cash deposits is held with the Government Banking Service (GBS). As disclosed in Note 29 there were no sums held in the form of short term investments (31 March 2009 £10,000k).

An analysis of the ageing of receivables and provision for impairment can be found at Note 11.1 "Receivables". The majority of the outstanding debt relates to other NHS bodies, related parties and the CRU in respect of RTA income. Receivables from other NHS bodies and related parties is considered to be fully recoverable. A bad debt provision of 7.8% is made against the CRU (RTA income) receivables.

Liquidity risk
The NHS Foundation Trust's net operating costs are incurred under annual service agreements with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The Foundation Trust also largely finances its capital expenditure from funds generated from its activities. Capital commitments at 31 March 2010 amounted to £1,917k (£2,943k at 31 March 2009) - see Note 19 and Finance Lease commitments amounted to £1,146k (£797k at 31 March 2009) - see Note 13.. The NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

25 Financial Assets and Liabilities by Category

Set out below are the NHS Trust's financial assets and liabilities as at 31 March 2010.
There are no material differences between the book value and fair value.

	Loans and Receivables		
	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000
Financial assets			
Cash	**4,535**	1,834	9,801
Current Asset Investments	**0**	10,000	0
NHS Receivables	**5,330**	7,775	3,820
Accrued Income	**263**	205	191
Other Receivables	**983**	1,092	1,141
Total	**11,111**	**20,906**	**14,953**

The following are not considered to be financial instruments and therefore have been excluded from the above table:
- The NHS Injury Cost Recovery Scheme amounting to £2,235k (2008/09 £1,902k).
- Prepayments amounting to £1,040k (2008/09 £597k).

	Other Financial Liabilities		
	31 March 2010	31 March 2009	1 April 2008
Financial liabilities			
Trade and Other Payables			
NHS Payables	**4,419**	3,850	4,420
Accruals	**2,644**	4,628	5,232
Capital Payables	**357**	681	1,907
Other Payables	**5,077**	4,895	2,868
Total Trade and Other Payables	**12,497**	**14,054**	**14,427**
Other Financial Liabilities			
Finance Lease obilgations (Note 1)	1,146	797	997
Provisions under contract (Note 2)	**361**	476	363
Total Other Financial Liabilities	**1,507**	**1,273**	**1,360**
Total	**14,004**	**15,327**	**15,787**

The following are not considered to be financial instruments and therefore have been excluded from the above table:
- Deferred Income amounting to £235k (2008/09 £389k).
- Other Tax Payables amounting to £2,749k (2008/09 £2,718k).
- Provisions not under contract amounting to £89k (2008/09 £96k).
- Deferred Government Grant amounting to £18k (2008/09 £20k).
- Receipts in Advance amounting to £274k (2008/09 £96k).

Note 1 - Fair value is not significantly different from book value, in the calculation of book value, the expected cash flows have been discounted by the discount rate of 6.0% in real terms.

Note 2 - Fair value is not significantly different from book value, in the calculation of book value, the expected cash flows have been discounted by the Treasury discount rate of 2.2% in real terms.

26 Third Party Assets

The Trust held £1k cash at bank and in hand at 31 March 2010 (£27k - at 31 March 2009) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

27 Losses and Special Payments

There were 172 (106 cases 2008/09) cases of losses and special payments totalling £123k (£127k 2008/09) during the period 1 April 2009 to 31 March 2010.

28 Reconciliation of 2008/09 GAAP Accounts to IFRS Restatement

	31 March 2010
	£000
Total Assets Employed at 31 March 2008 per 2007/08 GAAP Accounts	116,070
Accrual for Outstanding Annual Leave	(197)
Finance Leased Assets (previously classified as Operating Leases)	987
Loans in respect of Finance Leases - under one year	(201)
Loans in respect of Finance Leases - over one year	(796)
Total Assets Employed at 1 April 2008 per 2008/09 IFRS Accounts	**115,863**
Total Taxpayers' Equity at 31 March 2009 per 2008/09 GAAP Accounts	116,070
Additional Charge to Revenue in respect of Outstanding Annual Leave	(197)
Additional Charge to Revenue in respect of Finance Leases	(10)
Total Taxpayers' Equity at 31 March 2009 per 2008/09 IFRS Accounts	**115,863**
Total Assets Employed at 31 March 2009 per 2008/09 GAAP Accounts	117,136
Accrual for Outstanding Annual Leave	(352)
Finance Leased Assets (previously classified as Operating Leases)	775
Loans in respect of Finance Leases - under one year	(201)
Loans in respect of Finance Leases - over one year	(596)
Total Assets Employed at 31 March 2009 per 2008/09 IFRS Accounts	**116,762**
Total Taxpayers' Equity at 31 March 2009 per 2008/09 GAAP Accounts	117,136
Additional Charge to Revenue in respect of Outstanding Annual Leave	(352)
Additional Charge to Revenue in respect of Finance Leases	(22)
Total Taxpayers' Equity at 31 March 2009 per 2008/09 IFRS Accounts	**116,762**

Auditor's opinion

Independent Auditors' Report to the Council of Governors of Poole Hospital NHS Foundation Trust

We have audited the financial statements of Poole Hospital NHS Foundation Trust for the year ended 31 March 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Accounting Officer's Responsibilities, the directors are 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 the financial statements in accordance with relevant statute, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.
This report, including the opinions, has been prepared for and only for the Council of Governors of Poole Hospital NHS Foundation Trust in accordance with paragraph 24(5) of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the NHS Foundation Trust; and the overall presentation of the financial statements.

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual, of the state of the NHS Foundation Trust's affairs as at 31 March 2010 and of its income and expenditure and cash flows for the year then ended 31 March 2010; and
- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts
In our opinion

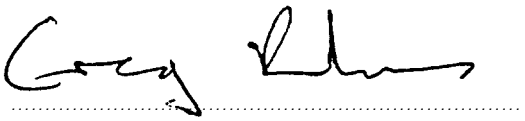
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from locations not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Statement on Internal Control does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual or is misleading or inconsistent with information of which we are aware from our audit; or
- we have not been able to satisfy ourselves that the NHS Foundation Trust has 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 to the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.



Greg Marc Rubins (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Southampton
SO14 3QG

4 June 2010

Note:

The maintenance and integrity of the Poole Hospital NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial report

Charitable income
Total charitable income received during the period amounted to £1,275k and £1,335k was spent.

The balance of funds held at 31 March 2010 totalled £3,963k. This sum includes £191k in tangible fixed assets, which relates to the Health Information and Resource Centre.

Charitable Income figures are unaudited.

Management costs
The Trust seeks to maximise expenditure on direct patient care whilst maintaining a sensible balance with its expenditure on management and administration.

	Year to 31 March 2010
	£000
Management costs	6,904
Income	188,721
Management Costs as a percentage of income	3.7%

Management costs are as defined as those on the management costs website at
www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en

Public Sector Payment Policy

Better Payment Practice Code

	Year to 31 March 2010	
	Number	£000
Total bills paid in the year	38,770	73,100
Total bills paid within target	31,944	66,949
Percentage of bills paid within target	82%	92%

The Better Payment Practice Code requires the Trust to pay all valid non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

The Late Payment of Commercial Debts (Interest) Act 1998

No interest was paid in respect of claims under this legislation in the year to 31 March 2009.

Statement on Internal Control 2009/10

Poole Hospital NHS Foundation Trust

1. 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.

2. 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 Poole Hospital NHS Foundation Trust; and

- 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 Poole Hospital NHS Foundation Trust for the whole of year ended 31 March 2010 and is up to the date of approval of the Annual Report and Accounts.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into 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. Annual benefits statements are not issued to individuals.

3. Capacity to handle risk

The risk management process is led by a nominated Director for Risk, supported by Clinical Leads, Department Leads and an Assistant Director who heads a small team of risk managers.

Staff have been trained or equipped to manage risk in a way appropriate to their authority and duties. This has been done by risk management sessions on induction, risk assessment and root cause analysis training sessions, bi-yearly health and safety training and access to the Risk Management Team for advice. There has been a monthly Risk Management and Safety Committee meeting whereby lessons learnt and good practice is submitted for disseminating down through the organisation.

4. The risk and control framework

The Trust has a Risk Management Strategy in place, the key elements of which include the identification of risk, evaluating the impact of risk on patients, staff and visitors, and identifying control measures that can be put in place to minimise the risk. The Strategy describes the key responsibilities of all staff including risk reporting. It sets out the risk management process and information requirements and includes links to audits and external reviews of the process.

The key ways in which risk management has been embedded in the activity of the Trust are:-

- Trust wide Adverse Incident Reporting procedure for all staff. The NPSA national reporting and learning service shows the Trust continues to be a top performer in reporting incidents;
- risks (corporate, clinical and information governance) and action plans to mitigate risk are discussed at the quarterly performance review meetings led by the Chief Executive involving Care Groups and Directorates;
- monthly Risk Management and Safety Committee meetings with representation from all Care Groups and Directorates where a wide range of risk issues are discussed and Trust-wide trends and analysis are reviewed;
- regular specialist risk management groups meet and discuss incidents that have occurred and recommendations made. Care Group/Directorate trends and analysis are reviewed;
- risk being discussed at monthly Care Group/Directorate clinical governance and business meetings;
- risk assessments being performed throughout the Trust and risks added to the Risk Register. A Risk Review Group validates risks and red risks are reported to the Risk Management and Safety Committee on a monthly basis. The Board of Directors' Audit and Governance Committee receive a report on new red and amber risks at each meeting. The Clinical Governance Committee discusses relevant clinical risks.
- bi-monthly Health and Safety Committee meetings are held;
- recommendations from Serious Untoward Incidents are monitored by the Board of Directors and the Clinical Governance Committee;
- key personnel sit on both the Risk Management and Safety Committee and the Clinical Governance Committee and
- quarterly internal performance reviews of Care Groups and Directorates where there is a requirement to report on risks, risk assessment and action to mitigate risk.

The Trust has a Risk Management Strategy in place, the key elements of which include the identification of risk, evaluating the impact of risk on patients, staff and visitors, and identifying control measures that can be put in place to minimise the risk. The Strategy describes the key responsibilities of all staff including risk reporting. It sets out the risk management process and information requirements and includes links to audits and external reviews of the process.

The key ways in which risk management has been embedded in the activity of the Trust are:-

- Trust wide Adverse Incident Reporting procedure for all staff. The NPSA national reporting and learning service shows the Trust continues to be a top performer in reporting incidents;
- risks (corporate, clinical and information governance) and action plans to mitigate risk are discussed at the quarterly performance review meetings led by the Chief Executive involving Care Groups and Directorates;
- monthly Risk Management and Safety Committee meetings with representation from all Care Groups and Directorates where a wide range of risk issues are discussed and Trust-wide trends and analysis are reviewed;
- regular specialist risk management groups meet and discuss incidents that have occurred and recommendations made. Care Group/Directorate trends and analysis are reviewed;
- risk being discussed at monthly Care Group/Directorate clinical governance and business meetings;

- risk assessments being performed throughout the Trust and risks added to the Risk Register. A Risk Review Group validates risks and red risks are reported to the Risk Management and Safety Committee on a monthly basis. The Board of Directors' Audit and Governance Committee receive a report on new red and amber risks at each meeting. The Clinical Governance Committee discusses relevant clinical risks.

- bi-monthly Health and Safety Committee meetings are held;

- recommendations from Serious Untoward Incidents are monitored by the Board of Directors and the Clinical Governance Committee;

- key personnel sit on both the Risk Management and Safety Committee and the Clinical Governance Committee and

- quarterly internal performance reviews of Care Groups and Directorates where there is a requirement to report on risks, risk assessment and action to mitigate risk.

The Trust has an Assurance Framework which includes:-

- principal corporate objectives, whereby the Trust's key objectives have been taken from the following key documents: NHS Operating Framework, Local Delivery Plan, Annual Accountability Agreement with NHS Bournemouth and Poole, Service Level Agreements with other organisations and The Trust's Annual Plan;

- principal risks were identified against each corporate objective, focusing on both risks that would prevent the Trust from attaining the objective and the principal risks identified in implementing the objective. A simple risk assessment was then conducted against each risk, assisting the Board to recognise threats and prioritise risk treatment plans;

- key controls & systems are identified and systems and processes are listed that currently help control the risks identified;

- the Assurance Framework has been linked to the relevant Standards for Better Health and also entries to the Trust Risk Register and

- the controls assurance process provides a list of evidence showing that the key controls and systems exist and that they are as effective as possible. Assurance is provided to the Board of Directors on this via the minutes of the meetings of Sub Committees of the Hospital Executive Committee which are scrutinised by the Audit and Governance Committee of the Board of Directors.

The Trust has identified gaps in the Assurance Framework around:-

- meeting all financial targets:- The Trust has sought external help in producing a robust financial recovery plan.

- major building programmes:- The Trust has put on hold implementation of major building programmes in Maternity Services and Accident & Emergency services because of the financial position.

The Trust is fully compliant with the core standards for better health

The Trust has undertaken risk assessments and carbon delivery plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure the Trust's obligations are met.

Control measures are in place to ensure that all the Trust's obligations under equality, diversity and human rights legislation are complied with.

The Board of Directors of the Trust confirm they have complied with the requirements under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 in preparing the Quality Report for 2009-2010. The controls in place for the Quality Report are the same as those identified in other sections of this statement.

5. Review of economy, efficiency and effectiveness in the use of resources

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

Executive Directors and Managers have responsibility for the effective management and deployment of their staff and other resources to maximise the efficiency of their Directorates and Care Groups.

Board of Directors:- A Non-Executive Director chairs the Audit and Governance Committee at which representatives of the internal and external auditors attend. The Committee reviewed and agreed the audit plans of both the internal and external auditors. The plans specifically include economy, efficiency and effectiveness reviews which have been reported on. A Non-Executive Director also chairs the Finance and Investment Committee which reviews the Trust's finance plans and performance. The Board of Directors receives both performance and financial reports at each of its meetings and receives reports of its Sub Committees to which it has delegated powers and responsibilities.

The Trust incurred a deficit of £8.1M in 2009/2010. Entering into 2010/11, the Trust faces a very challenging financial position which requires the delivery of a £9.2M Cost Improvement Programme (CIP) to achieve recurring financial balance. With the help of KPMG the Trust has produced a robust Financial Recovery Plan which is designed to achieve a breakeven position at the end of the financial year.

6. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

During this year the Chief Executive has received assurance on the robustness of the governance arrangements from a variety of sources.

The Chief Executive has been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Audit and Governance Committee, Clinical Governance Committee, Information Committee and Risk Management and Safety Committee. Plans to address weaknesses and ensure continuous improvement of the system are in place.

On an operational level, the Trust has reviewed its compliance with the Standards for Better Health and the Clinical Negligence Scheme for Trusts (CNST)/NHS Litigation Authority Risk Management Standards. The Trust has successfully obtained a Level 2 assessment under the NHSLA Risk Management Standards for acute trusts and Level 2 for Maternity Standards under CNST.

7. Conclusion

Based upon available Department of Health guidance, and the Trust's internal and external auditors' views, the Board of Directors, other than the financial position of the Trust (see section 5.2 above), has not identified any significant internal control issues at this time.

Signed .....

Chris Bown
Chief Executive

Date: 3 June 2010

We can supply this information in larger print, on audiotape or have it translated for you - please call 01202 448499 or 448003