

Annual report

& accounts
2014/15

Poole Hospital **NHS**
NHS Foundation Trust



**“Friendly, professional, patient-centred care with
dignity and respect for all”** – The Poole Approach

Poole Hospital NHS Foundation Trust

Annual report and accounts 2014/15

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Welcome



Welcome to Poole Hospital's annual report and accounts for the financial year 1 April 2014 to 31 March 2015.

Throughout 2014/15, our key priority has been to focus on developing a sustainable future for Poole Hospital following the Competition Commission's prohibition of the proposed merger with The Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust in October 2013 – whilst ensuring we maintained the high standards of care that our hospital has a history of providing.

The board of directors' swift response to the merger prohibition – which included appointing an interim transformation director, recruiting a new executive team with substantial leadership experience and developing a new two-year financial plan – was endorsed in April 2014, when our regulator Monitor closed its investigation into the hospital's finances. The trust is now focusing on delivering the two-year plan agreed with Monitor at the start of 2014/15, pending the outcome of a major review of local healthcare services led by Dorset Clinical Commissioning Group (CCG), the Dorset Clinical Services Review. In looking back over the year, it is very encouraging to see that the trust has delivered all key objectives within the plan and performed extremely well.

Our work in planning for the future is underpinned by our commitment to improving safety and quality of care for patients. Poole Hospital's unique philosophy of care, the Poole Approach, places our patients at the centre of everything we do, and these values have remained at the heart of our work throughout 2014/15.

We have redefined our quality strategy to strengthen and reinforce our commitment to patients and joined the national 'Sign Up To Safety' campaign to ensure we minimise all patient safety incidents in the hospital. At the same time, we have also strengthened local relationships and partnerships to ensure that as a healthcare community, we are able to provide the best possible care to local people.

We know that patients are best served when organisations work together to join up services and with this in mind, a large number of our clinicians and senior managers have played a very active role in supporting the Dorset Clinical Services Review, championing networks and integrated services to improve outcomes for patients. Similarly, we are committed partners within the Dorset Better Together programme, and participate in a range of other forums and networks aimed at improving services for local people.

As we work with partners to plan a sustainable future, it is still essential that we manage our resources well. Throughout 2014/15, we ran a successful transformation programme focusing on improving quality and increasing

efficiency, which enabled the delivery of £6.6m in efficiency savings. We achieved these savings without compromising on standards of care and have maintained our track record for maintaining strong clinical performance throughout the year.

The trust's position in delivering key national standards reflects this strong performance. During 2014/15 we:

- Consistently achieved or exceeded national referral-to-treatment waiting time standards throughout the year
- Maintained low rates of hospital-acquired infections, with no cases of MRSA reported
- Achieved or exceeded all standards for patients with cancer, ranking amongst the best trusts nationally for our performance in key areas linked to waiting times and access
- Were ranked as one of the top performing trusts in the country for our treatment of patients with hip fractures in the National Hip Fracture Database Audit.

These great results were delivered despite that fact that – in common with many other NHS organisations – we faced significant pressures on our services. At the end of the year, the overall number of emergency admissions to the hospital had risen by 4% and we have seen a 7.8% rise in A&E attendances. This has resulted in huge pressures on staff and services, particularly during the earlier part of the year, at a time when the trust is usually less busy.

During the latter part of the year, these pressures were exacerbated by challenges in discharging patients. This year, many patients have stayed in hospital longer than clinically necessary, which has resulted in an increase in our bed occupancy and average length of stay. This situation has come about for a number of reasons, but is mainly associated with pressures on social care and a lack of capacity outside the hospital. For example, there have been difficulties in obtaining packages of care for individual patients, and

problems in accessing nursing and residential home placements. These difficulties in discharging patients have placed significant pressures on bed availability for much of the year.

The pressures on our beds, coupled with a very busy winter and ongoing surges in admissions, meant that over the year, 93.28% of patients were seen within four hours in the A&E department during the year, short of the national 95% four-hour wait target. This has been a great disappointment for the whole organisation, as we always endeavour to admit patients in a timely way. We have been working very hard on this in conjunction with our partners and continue to do so. As such, we expect to see an improved situation in 2015/16.

Throughout this time of pressure, our staff have continued to provide a very high standard of care for patients. This is evidenced by the results of our Friends and Family Tests, which told us that 95% of patients during 2014/15 would recommend Poole Hospital to those closest to them, as well as the findings from surveys such as the National Cancer Patient Experience Survey, which placed us amongst the best trusts in the country for the standard of care we provide.

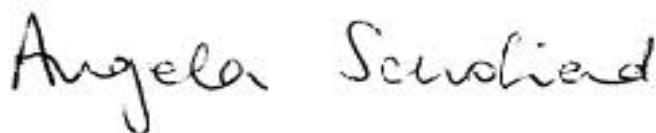
The commitment and dedication of our staff was reflected in our annual Poole Hospital Awards evening in March 2015, which showcased examples of excellence from across the hospital. Awards went to a number of individuals and team, including a staff nurse who has worked at the hospital for some 50 years; our innovative ortho-geriatric team who deliver pioneering care to older people; and a husband and wife team who have volunteered at the hospital for over 25 years. These are just a few examples of the dedication and enthusiasm that staff and volunteers across the hospital exhibit on a daily basis. Every day, people working within Poole Hospital across all departments and services 'go the extra mile' to serve their patients, making this hospital a place to be proud of.

We would like to take this opportunity to thank the staff of Poole Hospital – along with all our wonderful volunteers – who do such an excellent job throughout the year. We would also like to thank all our fundraisers, who not only give their time but also use their ingenuity to raise funds that enable us to enhance our services. Finally, we should like to pay tribute to our governors, who do such an excellent job – not only in holding the board of directors to account, but also in acting as such tremendous ambassadors for the trust.

In looking ahead to 2015/16, we know that once again, we face a very challenging year. The pressures on services continue and resources will continue to be tight, with the trust once again required to deliver significant financial savings. At the same time, the work

associated with Dorset's Clinical Services Review will be an important feature of 2015/16, and the outcome of this work will be of prime importance for patients, staff and all those living in Dorset and the surrounding area.

Nevertheless, thanks to all the hard work that has been carried out in 2014/15, we are looking ahead to the future with confidence. We know that whatever may change in the way in which services are delivered in the future, Poole Hospital will be at the heart of these changes, working in close collaboration with all our partners. We expect to continue playing a vital and valuable role within the Dorset community, and most importantly, continuing to serve local people well.



Angela Schofield, chairman



Debbie Fleming, chief executive



Strategic report



About our trust

A summary of key information about Poole Hospital NHS Foundation Trust

Poole Hospital NHS Foundation Trust is an acute general hospital based on the south coast of England. The hospital has a 24-hour major accident and emergency department and is the designated trauma unit for East Dorset, serving a population of over 500,000 people.

The trust provides general hospital services to the population of Poole, Purbeck and East Dorset – around 280,000 people – as well as a range of additional services such as maternity and neonatal care, paediatrics, oral surgery and neurology to a wider population including Bournemouth and Christchurch.

In addition, the hospital's flagship Dorset Cancer Centre provides medial and clinical oncology services for the whole of Dorset, serving a total population of over 750,000.

The hospital had up to 716 beds open during 2014/15.

At the end of 2014/15, we employed in excess of 3,700 staff (excluding bank staff) in 3,197 whole-time equivalent (WTE) roles. The hospital was also supported by over 250 volunteers, who provide invaluable support to both patients and staff.

Our annual turnover for the financial year was over £215m.

Our vision

Our vision is to provide excellent patient-centred emergency and planned care to the people we serve, and the hospital has a unique philosophy which underpins that care.

The Poole Approach pledges that we will strive at all times to provide friendly, professional, patient-centred care with dignity and respect for all, by:

- Listening to our staff, patients and the public
- Giving information that is relevant and accessible
- Safeguarding patient privacy, confidentiality and choice
- Welcoming and involving families, carers and friends to participate in care
- Treating each other with respect and consideration
- Valuing and benefiting from diversity in beliefs, cultures and abilities
- Continually improving the quality of our services by learning from what we do
- Taking responsibility and being accountable for our own actions

During 2014/15 we:

- saw **66,118** patients in our emergency department
- delivered **4,599** babies (including 134 home births)
- cared for **8,728** children under 18 admitted to our children's unit
- saw **35,894** radiotherapy attendances
- saw **75,830** new outpatients and **130,963** follow-up outpatients
- cared for **3,677** elective inpatients and **33,005** non-elective inpatients
- cared for **30,090** day patients
- served around **560,000** patient meals
- took around **832,000** calls to our switchboard.

- Expecting staff and patients to take their share of responsibility for their own health
- Working with and supporting all organisations that are committed to promoting the health of local people.

Our business model

Poole Hospital NHS Trust Foundation Trust is licensed by Monitor, the healthcare regulator, as an acute hospital to provide health services to its local population.

These services are commissioned by a number of different bodies – that is, local commissioners known as Clinical Commissioning Groups (CCGs), local authorities (for some public health services), and NHS England, which commissions all specialised services across the country. The trust is also registered with the Care Quality Commission (CQC), which has a specific interest in patient quality and safety issues. Both Monitor and the CQC work closely together to ensure that the trust is well regulated.

The trust’s business is to provide excellent services to patients, in a way that is consistent with commissioner specifications and meets the standards of the CQC. Only in delivering all of the above can the trust be assured that it will retain its licence to operate from Monitor.

At the present time, the trust provides a wide

range of inpatient, day case and outpatient services for patients, and these are predominately delivered from the main hospital site, with a small number of services delivered from the St Mary’s site situated nearby. However, over time, in line with changing commissioning intentions which reflect the changing demographics and health needs of the local population, Poole Hospital expects to change its business model, to deliver more services out of hospital, in a community setting or within patients’ own homes.

The trust board and governors are responsible for establishing and maintaining effective systems and process (that is, our governance arrangements) to ensure the effective delivery of all the trust’s objectives. In particular, these governance arrangements must demonstrate that the trust can successfully manage any principal risks, which if left unmanaged could adversely affect the future wellbeing of the organisation. Central to the evidencing of this is the trust’s annual governance statement (see page 174) which is produced every year and summarises any key issues and concerns.



Our charitable fund

The NHS foundation trust is the corporate trustee to Poole Hospital NHS Foundation Trust Charitable Fund. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charity administers funds for the provision of patient care and staff welfare at Poole Hospital. Money is raised through a variety of activities, including fundraising events, individual donations, corporate support and legacies.

A total of £933k was donated to Poole Hospital during 2014/15, and thanks to the support of the local community, Poole Hospital's charitable fund has made a difference to the experience of thousands of patients, in wards and departments across the hospital.

More information about fundraising activities and events is available on our website at www.poole.nhs.uk/fundraising

About foundation trusts

Poole Hospital became an NHS foundation trust on 1 November 2007 under the National Health Service Act 2006. NHS foundation trusts are not-for-profit, public benefit corporations. They provide and develop healthcare according to core NHS principles – free care, based on need and not ability to pay.

Foundation trusts are regulated by Monitor, whose main duty is to protect and promote the interests of patients. Foundation trusts have greater freedom to develop services in the way that suits local communities and staff. They can decide how to spend their money, borrow capital and generate income, re-invest any surplus cash on developing new services and also own their assets.

As a foundation trust, Poole Hospital is run by a board of directors, made up of non-executive and executive directors. The board of directors is held to account by the council of governors, who represent the local community through a membership base made up of local people from the trust's catchment area and staff.

Anyone who is over the age of 12 and resides in the UK may apply to be a public member of Poole Hospital NHS Foundation Trust. Staff are automatically members unless they choose to opt out.

Full details on the board of directors and council of governors can be found on page 62 of the annual report.

Highlights of the year

A summary of the trust's successes and achievements during 2014/15



> April 2014: New leadership for Poole

On 1 April 2014, Poole Hospital welcomed Debbie Fleming as its newly appointed chief executive. Debbie brought over 30 years' NHS experience to the trust, including more than a decade in chief executive roles. Debbie was joined in April by three more experience directors, newly appointed to the board: chief operating officer Mark Mould, director of nursing Tracey Nutter and director of finance Paul Miller.

The board saw further developments in September 2014, when Judy Saunders joined the trust on an interim basis as director of workforce and organisational development. The trust was very pleased to announce Judy's successful appointment to a substantive role on the board of directors in March 2015.



> May 2014: Endoscopy unit is refurbished to improve patients' experience

A major refurbishment of the endoscopy department was completed in May 2014 to improve patients' experience and streamline care. Patients now benefit from state-of-the-art technology, an improved environment and more efficient services following the £0.5m project. The work included the refurbishment of recovery wards, waiting areas and toilets to improve patient privacy, as well as the introduction of patient monitoring systems for every bed, 3D technology in procedure rooms and a self-service check-in system.



> June 2014: MP praises 'Poole Hospital at its best'

Robert Syms MP visited Poole Hospital in June 2014 to learn more about an innovative approach to clinical care which earned the hospital's physiotherapists recognition at the 2014 National Continence Care Awards. The hospital's physiotherapy service was named 'highly commended' in the Continence Care Team category at the awards for its patient-focused approach to pelvic floor clinics.

Robert Syms said: "I was very impressed with the team working and the fact that the advances they made have been nationally recognised by awards. This is Poole Hospital at its best."



> July 2014: Clinical research is highlighted nationally

A league table published in July 2014 by the National Institute for Health Research Clinical Research Network showed that Poole Hospital and the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust are 'spearheading' a new trend for clinical research.

The league table shows the number of studies undertaken by each NHS trust from April 2013 to March 2014, and the number of patients who volunteered to take part in clinical research.

At Poole Hospital, we increased the number of studies we are recruiting patients for from 83 in 2012/13 to 91 in 2013/14; in addition, the hospital has a large number of studies ongoing which patients have already been recruited for, with over 150 studies in progress at any one time.

> August 2014: Refurbished aseptic lab opens

Poole Hospital's extended aseptic preparation unit, which provides ready to use cytotoxic drugs used in chemotherapy, opened in July 2014.

The previous unit has been completely replaced, with the new unit occupying at least twice the previous space. This has allowed an increase in the number of isolators – ultra-clean units within which the drugs are produced - from two to three, as well as a much-improved space for pharmacy staff to work in.

New integrated monitoring equipment provides a constant picture of factors within the clean rooms such as temperature and air quality, and alerts staff if conditions inside were to fall below the high standards required. This is essential as patients receiving this treatment have a reduced resistance to infection and other illnesses.



> September 2014: Commitment to improvement is recognised with trust-wide PDU reaccreditation

The hard work of staff in maintaining and improving standards of care was recognised in September 2014 when Poole Hospital received trust-wide practice development unit (PDU) reaccreditation.

PDU status is given to health services found to be progressive, patient-centred and high quality following a rigorous assessment process, and was awarded to Poole Hospital by Bournemouth University's Health and Social Care faculty.

Yvonne Jeffery, assistant director of nursing said: "I'm delighted that the hard work of staff has been recognised with this reaccreditation. The PDU status reflects the commitment of our staff in providing high standards of care and maintaining the positive reputation that Poole Hospital has amongst its patients."



> October 2014: Hip fracture care amongst best in UK

Poole Hospital was recognised as one of the best in the country for its treatment of patients with broken hips in the National Hip Fracture Database audit, published on 12 September 2014. With more than 850 patients seen every year, Poole Hospital treats more patients with broken hips than any other hospital in England.

Three years ago, Poole Hospital implemented an initiative whereby senior doctors specialising in elderly care became involved in the patient's care from admission to discharge enabling the prompt assessment of medical problems both before and after surgery as well as directing the discharge planning process. This seven-day-a-week service has resulted in patients being seen and treated more quickly and getting back on their feet sooner. The success of this initiative was evident in the results of the national audit showing that:

- Almost 80% of patients underwent surgery on the day of or day after admission
- Almost 100% of patients were reviewed by a senior geriatric consultant within 72 hours of admission, most (80%) having been seen within 24 hours
- Patients spent on average just over 12 days in the hospital, compared to the national average of nearly three weeks
- Poole Hospital has one of the lowest mortality rates in the country.



> October 2014: A better environment for mums to be

A celebration to mark the completion of the £4m refurbishment of St Mary's maternity unit took place in October 2014. The investment will allow the maternity service to support up to 6,000 births each year and provides an additional 13 beds and three additional birthing pools.

The work included a complete refurbishment and relocation of the Haven Suite, the trust's midwife-led birthing unit, as well as a new antenatal ward layout and a self-contained bereavement suite. The neonatal unit for sick and premature babies was also refurbished as part of the work, to include new intensive care equipment as well as the creation of two extra parent rooms, a kitchen and rest facilities for families.



> October 2014: Diabetes Centre celebrates 20 years of care

On 10 October, Poole Hospital's Diabetes Centre celebrated its 20th anniversary. This unique milestone in Poole Hospital's history marked the achievements of all the staff and supporters of the centre, and saw over a hundred guests, including the youngest and oldest patient, attend.

Established as a centre of excellence 20 years ago, the Diabetes Centre provides holistic care for local patients with diabetes.



> October 2014: New breast-screening equipment offers more accurate diagnosis

A state-of-the-art digital mammography unit was installed at the Dorset Breast Screening Unit in Poole Hospital in October. The new digital breast tomosynthesis (DBT) with biopsy facility unit is an innovative development in mammography technology, with only ten currently accessible across the UK.

The unit produces 3D images which improve accuracy in the diagnosis of breast cancer by allowing cancer specialists to pinpoint the location of a tumour with greater accuracy.

> February 2015: Helping patients get back on their feet

A new community service managed by Poole Hospital reported impressive results in February 2015, dramatically cutting the number of hospital visits made by one group of patients.

Poole Hospital's assertive outreach alcohol team targets people who are recurring attendees at the emergency department or their GP because of long-term alcohol misuse. The team, comprising support workers Zena Harrod and Liz Bailey and led by addictions lead nurse Graeme White, provide intensive support, helping patients to get back on their feet, find other interests and even employment.

In the six months before the service starting last September, more than 140 such patients attended the emergency department at Poole Hospital. In the six months after launch, that number was down to just 28. The figures for hospital admissions are just as impressive, falling from 84 to just seven in the same periods.



> March 2015: Staff excellence celebrated at annual awards

Poole Hospital's annual awards ceremony took place in March 2015, recognising excellence from staff, volunteers and fundraisers. Around 110 attendees, including the Mayor and Mayoress of Poole, heard moving tributes from patients and their families about the care they and their loved ones had received in the past 12 months.

Angela Schofield, Poole Hospital chairman, gave her thanks to the staff, supporters, patients, relatives and members of the public who had taken the time to make a nomination.

She said: "It's events like these awards that serve to remind us all why we work, support and volunteer for the great institution that is the NHS. Our staff really do a fantastic job - the hospital is nothing without the people who work there, and they make the hospital what it is and are the reason why people trust us to care for them. To me, everyone who works at Poole Hospital, our volunteers and our fundraisers, are stars."

Clinical performance

Our performance against key clinical standards relating to patient care

Our key performance indicators are monitored every month by the board of directors to ensure we are meeting the standards set for us.

The information over the next few pages provides a snapshot of how we are performing; more detailed information on the trust's performance is available on our website at www.poole.nhs.uk/about-us/our-performance.aspx.

The values embedded in our unique philosophy of care, the Poole Approach, are the foundations on which our high clinical standards are built. You can read more about the Poole Approach on page 10.

How we performed

All NHS hospitals are monitored to ensure they provide safe, high-quality care. Data is collected on a wide range of measurements and targets, and is used by our regulator to monitor individual

hospital's performance and enable comparison against other hospitals across the country. This shows where standards need to be raised and where good practice can be replicated.

Poole Hospital has a track record for strong performance against national and local standards, and we are very proud of the performance against key indicators we have again achieved this year.

These statistics highlight just a fraction of the care and patient experience we provide, and despite the challenges outlined in this report, they provide assurance that patient care is our absolute priority.

Our own key performance indicators are monitored every month by our board of directors so we can assure ourselves that we are meeting external standards. Where we are not, this consistent monitoring enables us to address and resolve issues as they arise.



97.3% of cancer patients seen within the first two weeks after referral to first outpatient appointment, up from 95.7% last year

88% of cancer patients treated within 62 days from referral, consistent with last year's performance (88.4%)

99.3%
of cancer patients treated within 31 days after diagnosis, consistent with last year's performance (99.4%)

86% of stroke patients spent 90% of their time on a specialised stroke unit, compared to 84% last year

9 cases of c-difficile, down from 10 cases last year

0

cases of hospital-acquired MRSA, down from two cases last year

66% of TIA patients treated within 24 hours, compared to 61% last year

94% of admitted patients treated within the 18-week referral-to-treatment target (95% last year)



96%

of non-admitted patients treated within the 18-week referral-to-treatment target (% last year)

93.28%
of A&E patients seen within four hours, down from 95.22% last year (target is 95%)

Patient activity

In 2014/15, we saw:

- **30,090** day case patients compared to 28,672 last year
- **33,005** non-elective patients compared to 31,742 last year
- **75,830** new outpatients compared to 74,680 last year
- **130,963** follow-up outpatients compared to 129,286 last year
- **66,118** patients in A&E compared to 61,310 last year

Over the year, we saw a 4% increase in emergency admissions (non-elective inpatients). Numbers of elective inpatients and day cases have remained consistent.

> Table 1: Patient activity

	2014/15	2013/14
Number of inpatients and day cases treated (spells)		
<i>Elective inpatients</i>	3,677	3,978
<i>Day cases (incl RDAs)</i>	30,090	28,672
<i>Non-elective inpatients</i>	33,005	31,742
Number of outpatients seen		
<i>New appointments</i>	75,830	74,680
<i>Follow-up appointments</i>	130,963	129,286
Operations		
<i>Cancelled at short notice</i> <small>(within 1 day of TCI as % of admissions, cancelled by hospital)</small>	4.1%	4.1%
<i>Not re-arranged within the target time of 28 days</i>	8	6

The trust has plans to increase the numbers of patients treated through the extension of theatre operating hours in 2015/16 and developments in a number of clinical areas.



Cancer care

More than one in three people in the UK will be diagnosed with some form of cancer during their lifetime. All Poole Hospital staff involved in the delivery of cancer care are dedicated to providing patients and their families with the highest quality services.

This is evidenced by our performance in the National Cancer Patient Experience Survey, which ranked Poole among the top performing trusts in the country for the standard of care we

provide for the third consecutive year (read more about this on page 23).

The trust has maintained its excellent track record of achievement against all the national cancer standards, as shown in Table 2, against an increase in demand in some key areas, including 12% more two-week referrals for suspected cancer compared to 2013/14. In spite of this, our performance against the two-week wait standards has been amongst the best in the country.

> Table 2: Performance against national cancer standards

	2014/15	2013/14	Target
<i>Two-week wait referral to first outpatient appt</i>	97.3%	95.7%	93%
<i>Two-week wait for symptomatic breast patients</i>	98%	93.9%	93%
<i>31-day wait diagnosis to treatment – all cancers</i>	99.3%	99.4%	96%
<i>62-day wait referral to treatment – all cancers</i>	88%	88.4%	85%

Performance against the 62-day standard has been the most challenging this year, and our clinical teams have worked extremely hard to ensure we ended the year above the standard. We are creating additional capacity across individual cancer sites and clinical support services to ensure we continue to meet both demand and performance indicators for these vital services.

The trust works with its partners to implement best practice and standardised pathways, to meet the standards expected of us and ensure all patients receive the same high-quality care. We also have a strong programme of peer review, undertaken annually for all cancer sites against national site-specific measures.

To ensure strong performance going forward, we know there are areas where we can make improvements, and we will be reviewing our cancer strategy in 2015/16 to ensure we continue to improve the very highest standards of care and treatment.



Care in our emergency department

Throughout the year the trust has delivered a high-quality, safe emergency service to its patients. However, we are disappointed that performance did not meet the national 95% four-hour wait standard; 93.28% of patients were seen within four hours across the year as a whole.

Our performance against the four-hour standard was impacted significantly by pressure on services. Demand for emergency services has continued to grow, with a 7.8% increase in A&E attendances over the year and significant peaks in attendances over the winter period. The increase in

attendances year-on-year is a national trend experienced by many hospitals across the UK, and the demand on our emergency department was made more challenging by pressure on services elsewhere in the hospital, including higher levels of illness amongst admitted patients and challenges in discharging people when they were ready to leave.

Table 3 below shows the increase in attendances and admissions through our emergency centre, and our performance against the four-hour standard.

> Table 3: Performance against the four-hour standard

	2014/15	2013/14
<i>Emergency department attendances</i>	66,118	61,310
<i>Emergency admissions</i>	33,005	31,742
<i>Four-hour standard (95% target)</i>	93.28%	95.2%

Our staff worked extremely hard to manage these pressures and the trust remained committed to maintaining high standards and improving the experience of our patients throughout this busy year.

The commitment of our staff to ensuring patients continued to receive high-quality care was reflected in feedback in the emergency department's Friends and Family Test results, with 85.5% of patients who responded stating they would be 'extremely likely' or 'likely' to recommend the trust to friends or family (find more details on page 24).

Throughout the year we have been working with commissioners and our partners to implement plans to improve performance against the four-hour standard, and we will be taking further action to improve the flow of patients through the hospital and improve our patients' experience.

Sufficient bed capacity is key to ensuring that Poole Hospital is resilient to the current and future pressures on health and social care

services, especially over the winter period. Our bed capacity was under increasing pressure during 2014/15, and we took key steps to manage this, including:

- Opening two additional wards during the winter, giving 32 more beds
- Increasing seven-day consultant cover to improve patient experience and weekend discharges
- Working with our social services partners across the county to reduce delayed transfers of care
- Improving access to interim/care home beds provided by the Borough of Poole.

The trust is actively involved in schemes to support the provision of more care out of hospital settings, including the Better Together programme. We will build on this further in 2015/16 to increase bed capacity, extend our seven-day working arrangements and develop a range of out-of-hospital plans working with health and social care partners.

Referral-to-treatment times

Part of the NHS pledge to put patients at the centre of everything we do involves making sure that patients are diagnosed and start treatment as soon as possible.

The trust has a strong track record of delivering the overall 18-week targets, with sustainable performance over the past two years.

However, we also recognise that this is an area we need to improve on in order to deliver the 18-week standards at individual speciality level and in 2015/16 we will be making investments in orthopaedics, ear, nose and throat and general surgery to support this.

> **Table 4: Performance against the referral-to-treatment (RTT) standard**

	2014/15	2013/14	Target
<i>Admitted patients</i>	94%	95%	90%
<i>Non-admitted patients</i>	96%	96%	95%
<i>Incomplete pathways</i>	95%	97%	92%

The trust’s performance against the RTT standards compares favourably with the national position, but challenges arising from capacity constraints coupled with increases in demand have resulted in an increased number of incomplete pathways and a backlog of those waiting longer than they should, which will be addressed in 2015/16.



Patient safety

Poole Hospital puts patient safety at the centre of healthcare, and has an excellent track record in the provision of safe, high-quality services.

The trust continued its strong performance on the prevention and control of hospital-acquired infections during 2014/15, with low rates of infections compared to national averages. No cases of MRSA were reported across the year, and nine cases of *c. difficile*, within Monitor's measure for the year.

The year also saw improvements in other key areas that affect the quality and safety of care that is given to patients, their families and visitors. The board of directors is particularly proud of the achievements of staff in maintaining the highest standards in the fundamentals of care – particularly in improving nutrition and preventing harm from falls.

The trust signed up to the national 'Sign up to Safety' campaign in September 2014, which aims to halve the number of avoidable patient safety incidents throughout the NHS by the end of 2017, and we are actively engaged in the regional Patient Safety Collaborative programme, which has been established in order to design, implement and evaluate solutions to local safety priorities.

What our patients said

The hospital received positive feedback in two national patient surveys during 2014/15.

The standard of cancer care at Poole Hospital was again rated amongst the best in the country in the [National Cancer Patient Experience Survey](#), published in September 2014.

The overall standard of care at Poole Hospital was rated 'excellent' or 'very good' by 92% of patients in the survey, placing Poole Hospital in the top 20% of trusts in the country on this key indicator for the third consecutive year.

Patients ranked the hospital highly in a range of other key areas including:

Further evidence of our commitment to patient safety was provided by the National Reporting and Learning Service in a 2014 publication, which showed that staff at Poole Hospital are encouraged to report incidents posing a threat to patient safety. This in turn enables us to learn lessons and reduce risk.

The trust's performance against the Care Quality Commission's intelligent monitoring system during 2014/15 is a reassuring endorsement of the hospital's robust approach to patient safety and risk.

The reports analyses a range of key indicators to rate trusts according to risk (band 1 is highest risk, band 6 is lowest risk). Poole Hospital was rated a band four in March 2014 but this was upgraded to a band six – the best possible risk rating – in July 2014, which was then maintained in the final wave of reports in 2014/15, published in December 2014.

You can read more about our performance against quality standards and patient safety measures, as well as key CQC indicators, in the quality report on page 113.

- Getting understandable answers to important questions
- Patients taking part in cancer research
- Confidence and trust in all ward nurses
- Control of pain.

The results of the survey also identified areas where improvements might be made, including explanations of treatment side effects, availability of written information and privacy when receiving treatment.

Key aspects of Poole Hospital's accident and emergency (A&E) department were also rated highly in the national [Accident and Emergency Patient Survey](#), published by the Care Quality Commission in December 2014.

The department ranked amongst the best in the country for communicating with patients over test results and providing effective pain relief in a timely manner. Services were consistent with the national average in all other areas, and the trust did not score 'below average' in any areas.

The survey also highlighted areas where improvements could be made, such as the number of patients feeling their home circumstances were well assessed, and information about the waiting times for an examination.

Friends and Family Test

The Friends and Family Test (FFT) asks patients one simple question – 'how likely are you to recommend our ward/department to friends and family if they needed similar care or treatment?'

In common with all NHS hospitals, we now ask inpatients, as well as patients in our emergency department, maternity unit and outpatients department, to complete the FFT.

We use the feedback to improve standards and quality, and to address any specific issues on particular wards or departments.

Patients are also invited to provide further written comments. Over the course of 2014/15, we received 17,432 such comments, 88% of which were positive. All feedback is shared with the relevant managers or clinical leads, and any negative comments are reviewed so that appropriate actions can be taken as needed.

The test was also introduced for staff in June 2014 - see the 'supporting staff' section of this report on page 35 for more information.

Our performance in the Friends & Family Test during 2014/15 is set out in the table on the next page.

In all cases, when surveys identify areas for improvement, the trust takes swift action to investigate and improve issues, involving key clinical staff to ensure issues are addressed.

In addition to national patient surveys, the hospital receives feedback from patients through a variety of routes, including the NHS Choices website, the trust's own public website, the Friends and Family Test (see below) and comments cards. Feedback from these sources is collated and reviewed by the trust's patient experience group, which was established in October 2014 to ensure we are capturing and acting on all feedback as appropriate.



Friends and Family Test for patients – 2014/15

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Emergency department	14.8%	12.2%	11.2%	8.6%	13.8%	15.7%	15.6%	14.3%	17.2%	18.5%	19%	17.7%
Inpatients	65.2%	60%	60.5%	56.1%	55.3%	42.5%	44.4%	57.4%	59.8%	53.7%	52.9%	64.4%
Maternity services	28.1%	34.1%	31.1%	19.3%	27.9%	36.5%	28.9%	35.1%	31%	36.1%	32.4%	37.2%
Outpatients	N/A	N/A	N/A	N/A	N/A	N/A	18.9%	23.9%	17.3%	15.1%	16.9%	15.3%
Overall response rate	23.1%	27.7%	26.5%	22.8%	20.1%	25.4%	24.79%	25.55%	22.42%	23.31%	20.58%	22.57%
'Extremely likely' to recommend - overall	81%	80%	79%	79%	80%	82%	79%	81%	76%	80%	79%	76%
'Likely' to recommend - overall	16%	15%	16%	16%	16%	14%	18%	15%	17%	15%	17%	16%
Positive responses in comments - overall	92%	85%	87%	89%	91%	91%	90%	90%	90%	86%	87%	85%

Human rights disclosures

The Poole Approach pledges that we will strive to provide care with dignity and respect for all, and we are committed to protecting our patients' right to privacy.

We are committed to protecting patients' rights through adherence to the Mental Capacity Act 2005.

We achieved the mixed sex accommodation standard throughout 2014/15.

Financial performance

Despite the financial challenges facing the health sector, the trust has achieved its key financial objectives:

- The trust approved a 2014/15 financial plan with Monitor to make a loss of £3.794m (before estate revaluation impairments). The rationale for this agreed plan was to allow the trust time to continue to provide effective, high-quality services for the people of Poole and Dorset, whilst agreeing its future organisational strategy. This future strategy would be agreed as part of the wider Dorset Clinical Services Review (CSR), led by the Dorset Clinical Commissioning Group (CCG).
- Therefore the trust is content to report that it delivered an actual loss, prior to revaluation effects, of £3.436m, which was £358k ahead of the approved financial plan.
- When the impact of £1.504m of estate revaluation impairments is taken into account, the final reported loss is £4.940m.
- Income increased from £210.4m in 2013/14 to £215.3m in 2014/15.
- Despite making a loss of £3.4m, the trust maintained a sound liquidity position with a closing cash balance of £10.7m (last year £10.1m). The trust successfully applied for a £20m loan in the year to fund essential capital investment over a two-year period and £4.8m was drawn down in 2014/15, with the balance to be drawn down in 2015/16 and 2016/17.
- Invested £8.7m in the hospital and its equipment

- Achieved a continuity of services risk rating (CoSRR) of 3 at the end of the year

In common with the rest of the NHS, the trust faces significant financial challenges in the coming years. The trust will need to make significant future efficiency savings in order to deliver both a year on year balanced income and expenditure position, as well as ensure it has sufficient cash to finance its future operation. Further details are provided in the section on going concern on page 27.

Consolidated accounts

The NHS foundation trust is the corporate trustee to Poole Hospital NHS Foundation Trust Charitable Fund. The foundation trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the foundation trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

Non-NHS income disclosure

The income derived by Poole Hospital NHS Foundation Trust from the provision of goods and services for the purposes of the health service in England was greater than the income from the provision of goods and services for any other purposes during 2014/15.

The trust derived £2,302k income from private patient services during 2014/15, which equated to 1.2% of all income.

All profit derived from private patient services is reinvested into the hospital to benefit NHS patients.

Regulatory ratings

Since 1 April 2013 all NHS foundation trusts have required a licence from Monitor, the independent regulator, stipulating specific conditions they must meet to operate. Key amongst these are financial sustainability and governance requirements. The Risk Assessment Framework document sets out the approach taken to assess compliance.

The aim of the assessment is to show when there is:

- A significant risk to the financial sustainability of a provider of key NHS services which endangers the continuity of those services; and/or
- Poor governance at an NHS foundation trust.

The continuity of services risk rating (CoSRR) shows Monitor's view of the risk facing a provider of key NHS services. It therefore identifies the level of risk to the ongoing availability of key services. There are four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk.

The governance rating is assessed across a number of measures such as achievement of performance targets, staff and patient metrics, and rigorous assessments of governance. There are three categories to the governance rating ranging from green, where no concerns exist, to red, where enforcement action has begun.

The risk ratings for the year-to-date at each quarter end during 2014/15 are as follows:

	Q1	Q2	Q3	Q4
CoSRR	3	3	3	3
Governance	Green	Green	Green	Green

Note: Despite consistently maintaining CoSRR of 3 during 2014/15, which was in line with the trust's annual plan for 2014/15 the trust has approved a financial plan for 2015/16 that results in a CoSRR of 2 being achieved. Also during 2014/15 whilst the trust had a governance rating of green, it did not achieve the 95% A&E four-hour target in Q2, Q3 and Q4, with actual performance of 94%, 92% and 91.5%. All other Monitor performance targets were met in the year (see page 17 for more details).

Going concern

The board is required to formally consider whether it regards the trust as a 'going concern' as part of the annual accounts process. For the basis of this annual report going concern is defined as "having enough cash to remain in operation for the 12 months, from signing the accounts i.e. June 2015 to June 2016". The board of directors has concluded that it is appropriate to prepare the accounts on this basis, based on the following:

(a) Compliance with authorisation:

The trust's continuity of service risk rating (CoSRR) is a 3 at 31 March 2015. In addition, the trust's governance rating is green at 31 March 2015. The trust is

therefore fully compliant with relevant legislation.

(b) Financial results 2014/15:

- The trust's actual financial performance of a £3.436m loss was £358k better than the originally approved and financed plan
- The trust has maintained a healthy liquidity position with cash balances of £10.7m at the end of the year, which is £600k higher than the previous year-end balance
- The trust successfully applied for a £20m loan to fund essential capital improvements and £4.8m was drawn down in year with the balance of £15.2m to be drawn down in later years
- The trust has a continuity of service risk rating (CoSRR) of 3 as at 31 March 2015, which is a satisfactory rating

(c) Financial forecast 2015/16 – 2016/17:

- Poole Hospital NHS Foundation Trust is licensed by Monitor to provide health services. These health services are commissioned under contract by the local Clinical Commissioning Groups (CCGs) Dorset CCG and NHS England for specialised services.
- The trust's financial forecasts of both income and expenditure demonstrate that it will remain in a positive cash position up to October 2016 as a minimum. This is despite the trust planning to make a loss in 2015/16 of £6.7m. These forecasts reflect decisions made by the trust as part of the operational planning process, key decisions being:

(a) The trust is planning to achieve all Monitor governance standards during 2015/16 and thereby maintain a high quality of service pending the outcome of the Dorset CCG Clinical Services Review (CSR) in early 2016

(b) the trust's 2015/16 and 2016/17 cost improvement programmes are achieved

(c) the trust does not have to incur any unplanned material in-year cost pressures eg additional nursing and other clinical costs arising from quality or activity pressures.

- The trust has an agreed contract with Dorset CCG for 2015/16 under a risk share agreement, therefore there is minimal risk to the achievement of planned income levels in 2015/16. The contract with NHS England for specialised services in 2015/16 has also been agreed, but as a payments by results (PBR) contract and based on historic activity performance and future forecasts there is little risk of the income target not being achieved. Note, the NHS contract is a one-year contract, therefore negotiations on the 2016/17 contracts have not yet commenced.
- Even though the trust has approved a 2015/16 plan that results in the CoSRR reducing to a 2, the forecast cash balance as at 31 March 2016 is still £6.9m
- The trust is fully engaged in the Dorset CCG

Clinical Services Review (CSR) and the timetable for a decision is early 2016. This will enable implementation during 2016/17, thereby helping secure a long-term sustainable strategic future for Poole Hospital NHS Foundation Trust. In the event that the CSR implementation is delayed or the decision does not provide for a sustainable strategic future, the trust is already in discussion with Monitor and the CCG about transitional financial contingencies for 2016/17.

Risks to going concern

The board acknowledges that there are risks to the going concern status of the trust, but these risks are well understood and action can and will be taken to ensure that the risks are managed. The table on the next page summarises the risk and the mitigating action that can be taken.

Risk	Mitigating action
Trust is not successful in securing a timely decision on the outcome of the Dorset CCG Clinical Services Review early in 2016	<ul style="list-style-type: none"> • Obtain transitional financial support from national bodies during 2016/17 • Negotiate additional income from commissioners in 2016/17 to support continuity of services at agreed performance and quality levels • Delay planned capital programme in 2015/16 and 2016/17 • Delay parts of the approved £4.1m revenue service development programme in 2015/16 • Agree advanced payment of contract income with commissioners during 2016/17
Trust does not deliver planned cost improvement programme	<ul style="list-style-type: none"> • Action already taken in terms of resource and governance processes to ensure achievable savings will be delivered • If savings are demonstrably not achievable without risks to patient safety the trust will be in a stronger position to negotiate additional income
Additional cost pressures in year from either increased activity or quality issues, not reimbursed by commissioners because of the nature of the contracts	<ul style="list-style-type: none"> • If significant and justified, additional income will be negotiated with commissioners

Relationships

Poole Hospital enjoys an excellent working relationship with Dorset Clinical Commissioning Group (CCG), our main commissioners, as well as NHS England's Wessex Area Team, who commission specialised health services within Dorset and the wider area.

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 groups, particularly for cancer, cardiac and respiratory care, child health and diabetes, and a positive and constructive relationship with Healthwatch, the national consumer champion for health and care.

Poole Hospital has a close working relationship with Bournemouth University, which supports our education and research functions. The trust aims to use its links with the university to work

towards becoming a university hospital in the future.

Each of the three local authorities, Dorset CCG and Bournemouth University have had an appointed governor to the council of governors during 2014/15.

The trust has worked closely with other local healthcare providers for many years, including the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust, Dorset County Hospital NHS Foundation Trust and Dorset Healthcare NHS Foundation Trust, which provides community-based services and mental health services to our local population. We work collaboratively with all other local provider trusts as appropriate to meet the needs of patients within the local community

The trust also enjoys close working relations with other NHS organisations, the voluntary sector and our local politicians.

Protecting patients' information

Information governance is an important issue for the trust and the senior information risk owner (SIRO) and Caldicott Guardian are both board-level appointments, leading the drive to achieve standards for information security, confidentiality and data protection, records management and secondary use of information.

The trust takes a positive approach to information rights, and protecting people's information rights is a frontline service. We ensure we conform to all legislation requirements by undertaking the following:

- All staff are expected to take a positive approach to their responsibilities, and ensure they understand the importance of information rights and their own responsibility for delivering them
- Ensuring all staff receive information management/security training annually by providing regular corporate training sessions, electronic training and ad hoc sessions, which include assessments, and making guidance readily available in paper and electronic format, and also within the trust library
- Providing clear policies and guidance made available to all staff

- Conducting confidentiality audits throughout the trust
- Ensuring all serious incidents requiring investigation (SIRIs) are reported, investigated and managed in accordance with national requirements. The trust is committed to monitoring incidents to ensure that they are robustly investigated, and action is taken to improve patient safety and that lessons are learned order to minimise the risk of similar incidents occurring in the future.

During 2014/15, the trust reported one SIRI, relating to a technical issue in one of the trust's electronic transcribing systems. The fault meant the system did not recognise that patients had recently changed GP, resulting in some letters being dispatched to patients' former GPs. Immediate action was taken to investigate the issue and assess its impact, and as a result, the board of directors was given assurance that no patient harm resulted from the issue.

The trust processed 1,586 requests for personal information made under the Data Protection Act 1998 during the year, and the number of Freedom of Information requests processed increased from 488 to 522.

For 2014/15, the trust achieved a 73% satisfactory score for our submission of the information governance toolkit to HSCIC, which is a substantial improvement from the previous year.

Looking ahead

An outline of our plans for the future and the measures we have in place to safeguard patient services against key risks

The healthcare landscape has changed significantly over recent years and continues to evolve as the needs and expectations of the population change.

As an acute hospital, a range of clinical and economic trends and factors impact on our business, including:

National trends and factors

People are living longer, increasingly with acute, chronic and long-term conditions, and the NHS is adapting to treat people with long-term illnesses in their homes and in the community wherever possible, in order to keep them well and out of hospital.

Healthcare funding is changing nationally to reflect this, and further economic factors also impact on our business. The small annual rise in NHS funding cannot keep pace with the costs of providing hospital services, and in common with

all NHS hospitals, we must make significant efficiency savings over the coming years.

Changing clinical drivers also mean our services need to evolve to meet changing needs and recommendations.

NHS England's national pledge to increase seven-day services will mean better access and outcomes for patients, and is supported by recommendations from the Royal Colleges concerning the importance of consultant input seven days a week.

Poole Hospital has already adapted services to improve weekend care – for example, in our Rapid Assessment Consultant Evaluation (RACE) unit – and we are committed to further expanding seven-day services for patients in line with national requirements.



Local trends and factors

Poole Hospital is located in a region with a large and increasing proportion of older patients compared to the UK average, which presents particular challenges for the local health economy.

These challenges are felt across the region but are particularly challenging for Poole because the hospital sees an unusually high percentage of emergency (non-elective) patients and, as such, provides care to a large number of older people when they become acutely unwell.

In response to both national and local requirements, Dorset Clinical Commissioning Group (CCG) embarked on the Dorset Clinical Services Review in October 2014, a major review of healthcare services in the county designed to ensure future services meet the needs of patients, and operate efficiently and effectively. Poole Hospital's clinicians and senior managers have played an active role in this review and look forward to its outcome, due in early 2016 following a public consultation period.

Our priorities

Our priorities for 2015/16 are:

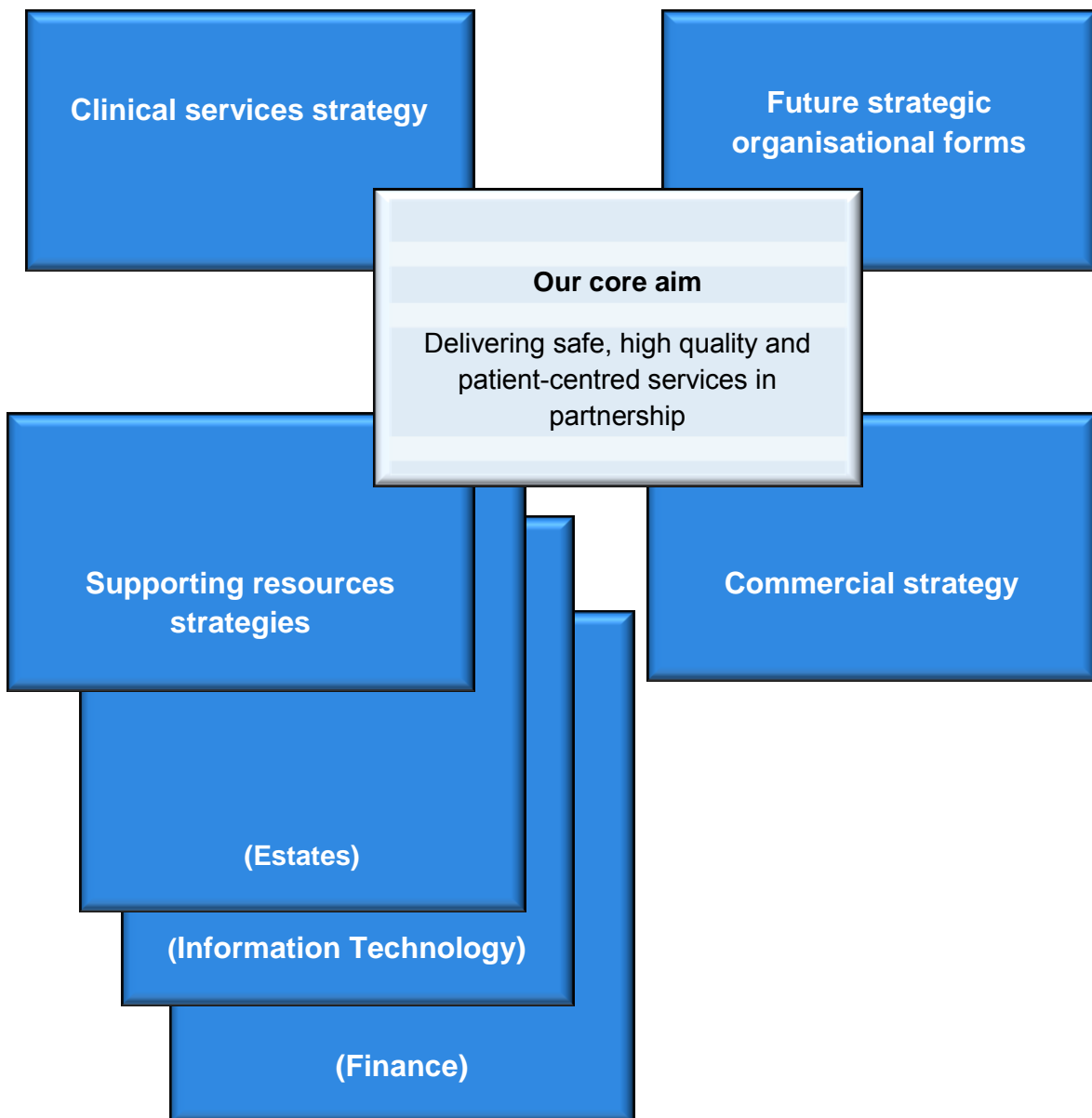
- Continuing our work to improve safety and quality for patients
- Continuing to invest in our staff and support their development
- Addressing bed capacity and flow
- Developing more seven-day services
- Increasing productivity in our theatres
- Expanding our service outside the hospital
- Taking forward plans to integrate pathology services
- Continuing to improve our estate
- Maintaining our reputation for delivery (finance; activity; performance, quality, cost improvement savings)
- Ensuring that the organisation is well placed, pending the outcome of the Clinical Services Review and preparing for the future

Our future strategy

A significant amount of work has taken place during 2014/15 to consider our future strategy, pending the outcome of Dorset's Clinical Services Review (CSR) in early 2016.

The CSR is expected to have a significant impact on the shape of local services in the

long-term future, so a detailed clinical strategy cannot be finalised ahead of the CSR's outcome. However, the board of directors has approved a new strategic framework that is based on five aligned domains of strategy, and together these will make up the trust's new five-year strategy, to be approved during 2016 following the outcome of the CSR.



Capital investments

To ensure the trust continues to provide high-quality and safe services the board of directors has agreed capital investments totalling £16.1m for 2015/16 including:

		£m
Estates	Backlog maintenance	1.365
	Major schemes	1.761
	Minor works	0.451
	PET/CT	0.400
	Linear Accelerator bunker	1.700
	Other	-0.300
	Energy Performance Contract scheme	3.650
		9.027
Equipment	Equipment replacement	2.994
	Radiotherapy scanner	0.500
	Radiology ray room	0.350
	3.844	
IT	15/16 Information Technology schemes	1.455
	14/15 schemes	1.354
	2.809	
Charitable funded	Equipment	0.450
Total		16.130

This very significant capital programme will ensure the trust is well set for its strategic future following the outcome of the Dorset CCG Clinical Services Review.



Managing risk

Poole Hospital has a well-developed risk management and safety structure with a designated executive director lead, the director of nursing and patient services.

The principal risks to the organisation are identified in the trust's board assurance framework. The assurance framework identifies the principal risks facing the trust and informs the trust board how each of these risks is being managed and monitored effectively. Each principal risk has an identified local risk manager who is responsible for managing and reporting on the overall risk. An assurance committee is also identified to assure the board that each principal risk is being monitored, gaps in controls identified and processes put into place to minimise the risk to the organisation.

The designated assurance committees of the board are the quality safety and performance committee, the workforce committee and the finance and investment committee. The audit and governance committee monitors the assurance framework process overall on a bi-annual basis. It is the responsibility of the assurance committees to report to the board of directors on a quarterly basis any new risks, identified gaps in assurance/control, as well as positive assurance on an exception basis. If a significant risk to the trust's service delivery or gap in assurance/control is identified then this is reported immediately via the executive directors.

Each department or area is responsible for carrying out risk assessments on known or potential risks which inform the trust risk register and assurance framework. Risks on the register are reviewed and updated by the directorates monthly, with updates provided to the executive team through directorate quarterly performance reports and through monthly directorate meetings.

All newly identified significant risks are presented to the board of directors monthly and escalated to the board assurance framework where appropriate.

The assurance framework has identified strategic risks around the following areas:

- Developing a financial plan
- Providing safe, high quality services to patients
- Workforce and staffing
- Addressing backlog maintenance
- Improving the resilience of emergency care services
- Delivering the IT strategy
- Developing a sustainable clinical and financial strategy.

Emergency preparedness

The trust works hard to ensure that comprehensive and effective plans are in place in the event of a major incident.

A major incident might include a serious threat to the health of the community; disruption to our services; or cause a large number of casualties which would require special arrangements to be implemented not only by this trust, but also by ambulance, police and fire services or primary care organisations.

We routinely review, update and test these plans to ensure we are prepared to care for patients in the event of a major emergency. Plans cover incidents including chemical, biological, radiological and nuclear, as well as flu outbreaks.

In May 2014, the trust took part in a major Emergo exercise run by Public Health England. This one-day exercise was a simulation system which tested the whole system's medical response to a major incident and was delivered in real time for staff. The hospital received a positive report from the exercise, including commendation of the clinical management of patients. Recommendations included an improvement of communication between silver and gold command – the two key command levels in a major incident – and of general communication to the organisation.

Following these recommendations, and in line with NHS England emergency preparedness, response and resilience (EPRR) documents, the trust incident response plan, which replaces the major incident plan, has been revised. The plan has gone through a period of implementation which included table-top exercises for the executive team in March 2015.

In response to the threat of ebola, every acute hospital has been required by NHS England to develop plans and to exercise against those plans. To date Poole Hospital has undertaken three exercises targeting different areas of the plan with the learning from each taken forward to improve the response.

Poole Hospital undertook a chemical, biological, radiological and nuclear (CBRN) exercise in December 2014. External agencies including Dorset Fire and Rescue and SWAST were present as observers, and gave valuable feedback. The exercise was rated 'good' in achieving its objectives, and identified some key actions to be taken, including training in the appropriate use of suits and erecting CBRN

tents. A work plan was subsequently developed and is being implemented by the CBRN working group.

Business continuity is recognised as the foundation of emergency planning. An analysis of business continuity plans took place in 2014/15, and the trust's business continuity plan has been rewritten in line with the new incident response plan.

The trust's patient plan for Very Important Persons (VIPs) has also been written to ensure that VIP receive the same confidentiality as everyone else, taking into account the extra security that this might involve.

The hospital continues to play an active role in the local health resilience group, working alongside other key organisations including the police, fire service, ambulance service and councils to ensure robust plans are in place for dealing with major incidents. The trust's emergency preparedness group also met regularly through the year to review activities and plan for the future.



Supporting staff

Our commitment to supporting, involving and developing the trust's workforce

At Poole Hospital, we recognise that the 3,700 staff who work here are our greatest asset, which is why we are committed to supporting our workforce and ensuring staff across the organisation are engaged and informed.

Communication and engagement

Our unique philosophy, the Poole Approach, underpins our values both as a care provider and an employer, and pledges that we will strive to always listen to our staff, patients and the public, and give information that is relevant and accessible.

The values embedded in the Poole Approach are supported by a wide-ranging set of communication and engagement activities, which ensure staff have access to information that is important to them, and can share their views, ideas and concerns.

Staff are kept up to date on the trust's activities, development and performance through a variety of communication channels and forums, and can raise questions and provide feedback should they wish to.

The key tools and channels used to communicate and engage with staff during 2014/15 are listed on the next page.



Face to face channels

- **Monthly Team Brief sessions:** these sessions are presented by an executive director and attended by managers, who cascade the information to teams after the event. The briefings incorporate an open Q&A session, with an opportunity to raise further questions via feedback forms after the event
- **Open engagement sessions for all staff with the executive team:** these sessions offer staff an opportunity to ask questions and share their views on a range of topics. Issues discussed during 2014/15 included Poole Hospital's strengths and areas for improvement, and the Dorset Clinical Services Review
- **Engagement sessions on clinical strategy:** in addition to open events for staff, sessions were also held with clinicians and senior manager to gain input into the development of the trust's future clinical strategy
- **Regular team meetings:** held by all directorates, care groups and professional groupings
- **Staff Partnership Forum (Agenda for Change staff) and Joint Local Negotiating Committee (medical staff):** these promote proactive working relationships with staff representatives and union colleagues on a wide range of issues. The trust has worked closely with these groups throughout the year to ensure their input and involvement, and engage their feedback on change projects and service redesign work

Newsletters and publications

- **Weekly staff bulletin:** the bulletin contains key corporate and operational updates, as well as important diary dates. It is sent to all email users each week and circulated in printed form, and welcomes content from staff across the organisation
- **Grapevine:** the trust's quarterly staff magazine focuses on the staff behind the trust's success stories, and includes contributions from those working in a wide

range of roles across the hospital

Electronic communications

- **Staff intranet:** the intranet can be accessed by all staff and allows employees to share and access information. It includes a frequently updated 'front page' carrying the latest news
- **All-user emails:** used to share information that is urgent or of significance to a wide segment of the organisation.

Feedback mechanisms

- **Participation in the NHS Staff Survey:** see next page for more details
- **Team Brief Toolkit feedback form:** this form allows managers to submit questions raised by their teams during meetings
- **Centralised communications email:** this provides staff with an additional route to raise questions and concerns on specific issues; answers are then provided via the most appropriate means
- **Centralised transformation email:** this email was established to support engagement with the trust's transformation programme in 2014/15, and provided staff with an easy route to submit comments and queries.

The trust's head of communications provides a bi-monthly report on staff communication and engagement to the workforce committee, a sub-committee of the board of directors, to ensure the board of directors is kept informed about developments and issues concerning staff engagement.

NHS staff survey: summary of performance

Overall the trust performed well in the 2014 Staff Survey. We featured in the top 20% in seven key areas including staff being able to contribute towards improvements at work and staff believing the trust provides equal opportunities for career progression or promotion. Our overall response rate to the survey was also amongst the highest in the country, following a targeted communication campaign to encourage participation.

Details of the key findings are outlined in the tables below. These include comparisons between the trust's results for the previous year, and the national average for acute trusts.

Comparison against the top and bottom five ranking scores are included along with key areas where we have seen real improvement. The lowest scoring areas form a part of the trust's programme of action to achieve and sustain improvements in these areas.

NHS staff survey 2014 findings

	2013	2013	2014	2014	
Response rate (compared to national average for acute trusts)	Trust	National average	Trust	National average	Improvement or deterioration
Response rate	63%	49%	56%	43%	Deterioration by 7%

Top five ranking scores in 2014 survey (Key Findings in brackets)	Trust	National average	Trust	National Average	Trust improvement or deterioration
Percentage of staff able to contribute towards improvements at work (Key Finding 22)	73%	68%	76%	68%	Improvement by 3%
Percentage of staff believing the trust provides equal opportunities for career progression or promotion (Key Finding 27)	95%	88%	91%	87%	Deterioration by 4%
Score for staff job satisfaction (Key Finding 23)	3.67	3.60	3.66	3.60	No change
Percentage of staff agreeing that they would feel secure raising concerns about unsafe clinical practice (Key Finding 15)	n/a	n/a	73%	67%	New question Higher score the better
Percentage of staff having well-structured appraisals in the last 12 months (Key Finding 8)	39%	38%	41%	38%	Improvement by 2%

	2013	2013	2014	2014	
Bottom five ranking scores in 2014 survey (Key Findings in brackets)	Trust	National average	Trust	National Average	Trust improvement or deterioration
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months (Key Finding 16)	20%	15%	21%	14%	Deterioration by 1%
Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month (Key Finding 12)	35%	33%	41%	34%	Deterioration by 6%
Percentage of staff agreeing that feedback from patients/service users is used to make informed decisions in their directorate/department. (Key Finding 29)	N/A	N.A	48%	56%	New question (higher score the better)
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months (Key Finding 18)	33%	29%	32%	29%	Improvement by 1%
Percentage of staff experiencing physical violence from staff in last 12 months (Key Finding 17)	1%	2%	4%	3%	Deterioration by 3%

Measuring progress

The trust is agreeing organisation-wide high level priority areas, based on key areas of concern, which will ensure appropriate targets can be set and actions taken. In addition, groups and corporate directorate are each responding to the views of their staff by identifying areas of action.

Actions arising from views given in the staff survey will form part of ongoing reviews; they will feature in the trust's quarterly performance reviews carried out by the executive team, and managers will also work alongside their own

teams to address areas where staff views are resulting in clear actions, ensuring appropriate actions are implemented on a trust-wide and local level as required. This work is supported by HR.

Communication of the results and the outcome of these in terms of changes within the trust are communicated to staff throughout the year. In this way staff are assured that their views are heard and have resulted in action.

Reports on survey results, action planning and activity against targets are made to the board of directors through the workforce committee.

Friends and Family - Staff

The Friends and Family Test (FFT) was extended to staff in April 2014. The Staff FFT, carried out by Quality Health, encourages staff to give their views, enabling staff to celebrate and build on what is working well in their services and quickly address areas in need of attention.

During the year all trust staff and volunteers were asked the questions: 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they needed treatment?' and 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?'

To read more about our performance in the Staff Friends and Family Test during 2014/15, and what our staff told us, see page 147 of the quality report.

Equality and diversity

Poole Hospital is committed to equality and diversity, both as a provider of healthcare and as an employer. We work within the provisions of the Equality Act 2010 and ensure that this forms part of our practice and is embedded within the values of our trust.

We do this through the implementation of the NHS Equality Delivery System. This has just been refreshed and we are working to implement Equality Delivery System 2. Our activity to progress equality in this way includes engaging with our patients, staff and other key stakeholders to agree objectives and actions to progress these both for patients and staff.

Workforce Race Equality Standard – a national system for the NHS

The NHS Equality and Diversity Council announced on 31 July that it had agreed action to ensure employees from black and ethnic minority (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace.

The move followed national reports which highlighted disparities in the number of BME

people in senior leadership positions across the NHS, as well as lower levels of wellbeing amongst the BME population.

The council committed, subject to consultation with the NHS, to implementing two measures to improve equality across the NHS from April 2015.

The first is a Workforce Race Equality Standard (WRES) which would, for the first time, require organisations employing almost all of the 1.4 million NHS workforce to demonstrate progress against a number of indicators of workforce equality, including a specific indicator to address the low levels of BME board representation.

Alongside the standard, the NHS will be consulted on whether the Equality Delivery System (EDS2) should also become mandatory. This is a toolkit, currently voluntarily used across the NHS, which aims to help organisations improve the services they provide for their local communities and provide better working environments for all groups.

The WRES Standard and the EDS2 will for the first time be included in the 2015/16 Standard NHS Contract. The regulators, the Care Quality Commission (CQC), National Trust Development Agency (NTDA) and Monitor will use both standards to help assess whether NHS organisations are well-led.

The standards will be applicable to providers and extended to clinical commissioning groups through the annual CCG assurance process Actions for ED Group.

A fair employer

Poole Hospital is proud to hold the Jobcentre Plus 'disability symbol' in recognition of our commitment to equality and fairness for prospective and current employees with disability.

The trust also operates the guaranteed interview scheme (GIS), established by the Department for Work and Pensions. This means we offer all disabled job applicants who meet the minimum qualifying criteria a guaranteed interview. The aim of this commitment is to encourage people

with disabilities to apply for jobs by offering an assurance that should they meet the minimum criteria they will be given the opportunity to demonstrate their abilities at interview.

As the commitment is related to abilities, the minimum criteria will be the essential aspects of the person specification for the position relating directly to an individual's abilities, for example, educational qualifications, skills and abilities. Normal eligibility requirements of a post will need to be fulfilled first before minimum criteria apply, for example to apply for internal positions you must be an existing trust employee.

A range of support is available both for staff with disability and those who develop a disability during their employment, including training and career development. This includes dedicated support from line managers, human resources and occupational health staff. This is underpinned by human resources procedures, including those in the areas of managing attendance, recruitment and also capability. Reasonable adjustments may be made as part of this work, which may include referral to the access to work scheme.

Occupational health and employee assistance

The trust's occupational health provision in 2014/15 has continued through a service level contract with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (RBCH).

This agreement is monitored at the trust's workforce committee to ensure requirements are consistently met and any concerns are robustly addressed.

Occupational health staffing levels at Poole have been maintained at an appropriate level both for clinical and support staff. This has resulted in key benefits for service users including extended hours of service and the provision of a physiotherapy service for staff.

The service is staffed by a team of registered nurses, all with occupational health experience and a team of administrative staff. Medical

expertise is provided by two occupational health physicians.

Amongst the services offered by occupational health are pre-employment screening, individual casework such as return to work assessments and management referrals, support for 'needlestick' (hypodermic needle) injuries, workplace assessments, control of substances hazardous to health (COSHH) assessments and surveillance.

The increased take up levels of the 2013/14 annual flu vaccination programme continued in 2014/15; this was achieved through a combination of innovative efforts by the communications team, HR and the occupational health nurses.

Support to staff is provided through the trust's independent employee assistance provider (EAP). The service provides staff with free, 24/7 access to a wide range of expert support and guidance. This includes a confidential counselling service, with face-to-face counselling as standard, and telephone advice and information on a wider variety of issues including debt management, legal support and family issues.

Breakdown of staff and directors by gender

As of 31 March 2015, Poole Hospital had:

- 5 female directors (including executive and non-executive directors and the chairman) and 8 male directors
- 97 female senior managers (band 8 and above) and 50 male senior managers.
- 2943 female staff (substantive posts) and 770 male staff

Staff sickness

The year-end out-turn for sickness absence was 3.80% against a target of 3.50%. This was largely due to significant numbers of staff affected by influenza and other viruses prevalent in the community during the fourth quarter.

In the latest comparison with national data, Poole Hospital's sickness rates are lower than

the national average. The national comparable data relates to 12 months from February 2014 to January 2015, at which time the national benchmark for all direct healthcare providers in England and Wales was 4.29%. Poole Hospital had an average rate of 3.76%, and was 68th out of 252 trusts.

The trust has managed sickness absence robustly during the year with a number of positive work programmes undertaken. A revised 'managing attendance' procedure has

been implemented with a range of tools to enable managers to deal effectively with staff absence. The trust has in place a number of support mechanisms for staff including the employee assistance programme which provides advice, support and counselling to all employees; a resilience programme to aid staff in identifying the triggers for stress and find ways to deal with it; occupational health services; and a physiotherapy service to assist staff suffering with musculoskeletal problems.

Staff sickness rates during 2014/15

Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
3.73%	3.66%	3.66%	3.88%	3.68%	3.57%	3.43%	3.57%	3.82%	4.28%	4.12%	4.18%

Sustainability

The steps we are taking to reduce our carbon footprint and manage the environmental impact of our trust's activities

Poole Hospital is committed to reducing its carbon footprint in line with the Climate Change Act (2008). This states that all organisations in the UK must reduce their carbon emissions by 80% by 2050 (against a 1990 baseline), with an interim target of 34% by 2020. The NHS seeks to lead the public sector in carbon reduction, and a new sustainable development strategy for the health and care system was launched at the start of 2014 to support this¹.

A sustainable development policy and accompanying action plan was published for the trust in 2014 which outlines the strategy for managing this reduction programme, and delivering ongoing financial and environmental benefits from reduced spending in utilities and waste. This strategy has been separated into a number of different areas of focus. The sections below highlight these areas and outline future priorities and targets.

Energy, water and carbon management

The trust has undergone a site-wide investment grade audit as a way of identifying possible energy saving schemes. These schemes ultimately aim to reduce energy consumption by 25% through a number of measures, some of which are shown below:

- Replacement of existing combined heat and power (CHP) units with a new larger unit
- Installation of low-energy LED lighting & lighting controls both internally and externally across majority of the estate
- Replacement of low temperature hot water (LTHW) and steam boiler plant
- Installation of solar panels on flat and pitched

¹ This strategy and the supporting modules can be found on the Sustainable Development Unit's (SDU) website here: <http://www.sduhealth.org.uk/policy-strategy/engagement-resources.aspx>

roof sections of the Philip Arnold Unit

The trust continues to invest in energy efficiency improvements where possible; for example, during all refurbishments low-energy LED lighting are installed as standard.

There are also plans to implement a complete replacement of all existing lighting in the multi-storey car park to low-energy LED lighting. This will significantly reduce energy consumption whilst making the area safer. The majority of this project will be funded through the Salix energy efficiency loan scheme² – which provides public sector organisations with a 100% interest-free source of capital funding to improve energy performance and reduce carbon emissions.

The performance data on page 46 shows the total energy consumption for the trust and demonstrates the trend in consumption and spend over time. In addition to electricity and gas, the carbon emissions from waste and water are also shown in separate tables over the same period.

Priorities and targets for 2015/16:

- Creation of a sustainable development management plan (SDMP)
- Approval and initiation of improvement schemes including installation of new CHP unit
- Replacement of existing lighting in multi-storey car park with low-energy LED lighting
- Continual review of the carbon reduction commitment (CRC) impact and future changes in legislation

² More information on Salix Finance can be found on their website at: <http://salixfinance.co.uk/>

Procurement and food

The trust is committed to reducing indirect environmental impacts associated with the procurement of goods and services. A management level procurement lead has been identified to develop a sustainable procurement strategy. The aim is to influence buying patterns and achieve further carbon reduction through the holistic assessment of suppliers – for example investigating their environmental policies and credentials.

Initially, the trust will use the Procuring for Carbon Reduction (P4CR) toolkit – developed by the NHS Sustainable Development Unit to help organisations identify and understand carbon reduction opportunities associated with procurement activities.

Priorities and targets for 2015/16:

- Complete a SCO2PE assessment to identify areas of high carbon emissions within the organisation
- Complete a Procuring for Carbon Reduction (P4CR) self-assessment to integrate carbon emissions into procurement activities
- Organise an introductory sustainable procurement training event

Transport and active travel

The trust recognises the benefits of reducing the negative environmental, health and social impacts of transport and is committed to reducing its carbon footprint and the impact of commuting on the local community from employee-based car travel.

A staff travel survey was undertaken in 2014 in partnership with Borough of Poole council to better understand staff travel patterns to and from work.

The survey demonstrated the high proportion of staff who travel to work by car, from a sample of over 570 staff. The findings indicated that there is scope to increase the number of staff travelling by 'greener' alternatives, eg public transport, and walking/cycling. This report will

help the trust develop an updated travel plan, and formulate a long-term vision on options to manage staff travel.

Priorities and targets for 2015/16:

- Update the trust travel plan
- Continue to promote and encourage sustainable form of transport to staff, patients and visitors
- Investigate improvements of facilities for cyclists and the introduction of other initiatives such as a cyclist user group and a loan bike scheme.

Waste reduction and recycling

A mixed recycling scheme has been in place at Poole Hospital for a number of years in partnership with the local authority. This helps to encourage a reduction in the quantity of general waste which is being sent to landfill. In addition, the trust recycles other types of waste where possible – for example all cardboard waste is baled, and in 2014 a household battery recycling stream was introduced. The trust even generates an income from selling baled cardboard to a local collection company.

Priorities and targets for 2015/16:

- Increase recycling awareness to encourage further uptake in recyclable waste segregation
- Investigate the introduction of a food waste stream for the catering department
- Introduce e-learning module focused on waste segregation into staff mandatory training.

Staff engagement and communications

The trust aims to ensure that all staff, patients, visitors and suppliers are able to effectively engage with, and support, the trust's sustainability strategy. A sustainability officer was appointed in 2015 and will act as the key contact within the trust for all related enquiries, as well as promoting the actions the trust is taking to reduce carbon emissions.

Priorities and targets for 2015/16:

- Continued engagement with staff, patients, and visitors through internal and external communications, for example staff bulletins, magazines and external press releases
- Take part in related events such as NHS Sustainability Day
- Investigate introduction of green impact scheme to engage staff with sustainability and form teams of “green champions” across the trust

Performance data

Greenhouse gas emissions and energy use		2012/13	2013/14	2015/16
Non-financial indicators (tonnes CO₂e)	Total gross emissions:	8,018	9,030	8,867
	Gross emissions scope 1 (Gas)	3,568	3,324	3,286
	Gross emissions scope 2 (Electricity)	4,131	5,408	5,294
	Gross emissions scope 3 (Waste/water/business travel)	319	298	287
Related energy consumption (MWh)	Total consumption:	27,584	29,246	27,253
	Electricity	8,322	11,183	9,850
	Natural gas	19,262	18,063	17,403
Financial indicators (£1,000's)	Expenditure on energy	1,896	1,808	1,585
	CRC gross expenditure	96	104	107
	Expenditure on official business travel	228	176	187
Energy consumption (MWh) per occupied floor area³ (m²):		0.41	0.43	0.40

Waste		2012/13	2013/14	2015/16
Non-financial indicators (tonnes)	Total waste:	850	811	872
	High temp disposal waste	408	411	440
	Landfill	361	308	347
	Recycled/reused	81	92	84
Financial indicators (£1,000's)	Total waste cost:	230	234	226
	High temp disposal waste	179	185	170
	Landfill	48	46	52

³ The 2014/15 ERIC data definition has been used for the entire dataset to calculate total occupied floor area

Recycled/reused	3	3	4
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Water		2012/13	2013/14	2015/16
Non-financial indicators (1,000's m³)	Water consumption	107	108	105
Financial indicators (£1,000's)	Water supply costs	210	225	229
	Sewerage costs	102	106	107
Water usage (m³) per occupied floor area (m²):		1.58	1.59	1.55

To find out more about the overarching NHS sustainability strategy, or the Climate Change Act (2008) please visit the following links:

NHS Sustainable Development Unit: <http://www.sduhealth.org.uk/>

UK Climate Change Adaptation: <https://www.gov.uk/government/policies/adapting-to-climate-change>



> Chief executive Debbie Fleming supports NHS Sustainability Day 2015 by planting a tree supplied as part of the NHS Forest initiative

Strategic report – signature

Signed by:

A handwritten signature in blue ink, appearing to read 'D Fleming', with a stylized flourish at the end.

Date: 27 May 2015

Debbie Fleming, chief executive



**Additional
information**



Complaints

Poole Hospital received 493 formal complaints between 1st April 2014 and 31st March 2015. In terms of outcome, 36% were not upheld, 33% were upheld partially, 23% were upheld in their entirety, 5% received reimbursement for the loss of property and 3% of complaints were withdrawn.

Six complaints were referred to the Parliamentary and Health Service Ombudsman and subsequently not upheld.

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

- Steps put in place to ensure radiologists make it clear what is required for procedures and to improve the quality of communication from admin staff to patients to ensure the latter has a clear understanding of what is required.
- Purchase of plasma screens to inform patients of waits in phlebotomy.
- Midwifery staff reminded of the need to discuss whooping cough vaccine and to document this.
- Oncology – two toilets to be built to improve facilities for those patients attending radiotherapy.
- Follow up with cohort of medical secretaries to remind them to respond to voicemail and to advise the caller(s) of actions taken.
- A new advice sheet written for patients presenting with a nasal fracture with deviation as a consequence of no ENT clinic appointment being made following this diagnosis.
- Update on essential skills for supporting breastfeeding and ensuring forms for the assessment of breastfeeding are completed. A change made to the referral process to the tongue tie clinic.

- Reminder sent to all heads of department in radiology to reiterate to staff their responsibilities in checking patients' identity prior to imaging.

Public consultations and engagement

The trust did not take part in any formal public consultations during 2014/15.

A number of events took place during the year to engage with the public via the trust's foundation trust membership. Members' events included the trust's annual members' meeting in September 2014 and a programme of clinical presentations (see page 91 for more details on member engagement).

The trust also engages with the local community and stakeholders through corporate communications activities such as social media, and actively maintains a presence on Twitter and Facebook.

Counter fraud and security

Poole Hospital embraces and complies fully with the NHS Protect standards for providers on counter fraud and security management arrangements

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 proactive counter fraud work, as detailed in the annual work-plan approved by the audit and governance committee. 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 and governance committee. The LCFS attended committee meetings to report progress against the agreed counter fraud work-plan and advise the outcome of any completed investigations or proactive 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 Secure (Fraud and Security Solutions) hosted by Dorset Healthcare University NHS Foundation Trust.

Over the last 12 years a number of cases have been successfully investigated at the trust, leading to the application of a range of disciplinary, professional and criminal sanctions and financial recovery where appropriate.

An assessment of the trust's counter fraud arrangements is undertaken as part of the NHS Protect quality assurance programme. The LCFS submits an annual assessment of the trust's compliance with the standards to NHS Protect. . In 2013/14 the LCFS assessed the trust as being a low-risk organisation (green rating).

Developments in IT

The informatics services for Poole Hospital joined with the Royal Bournemouth and Christchurch Hospitals (RBCH) service to form a single integrated informatics function for the two trusts in June 2013. Staff were transferred to the employment of RBCH and the consolidation of operational processes is underway.

The two trust boards signed off an informatics strategy in May 2013 with the following vision:

RBCHFT and PHFT will make patient care safer and more efficient and improve the working lives of staff by using modern Informatics. The trusts will achieve paperless patient journeys by the development, purchase and implementation of linked clinical computer systems presenting all appropriate clinical information and functionality at the point of care, seamlessly integrated with primary care systems.

And

RBCH and PHFT will implement digital channels to help patients and carers feel more connected with the trusts, take less effort in their healthcare transactions, respond to their concerns and improve their control of their care options.

During 2014/15 the trust has successfully continued to implement this strategy, through improving the IT infrastructure, implementing a new nursing national early warning system known as eNEWS, as well as implementing a new electronic document management system that will replace paper medical records with digital electronic records.

Improving the hospital environment

The trust is committed to provide a safe and quality environment for patients and staff. During 2014/15, 30 capital schemes were carried out, the major schemes included:

- The completion of the St Mary's Maternity refurbishment (£804k)
- A phase of the main lift replacement program (£370k)
- The expansion and refurbishment of the aseptic suite (£315k)
- Fire safety works, doors, compartments and alarms (£610k)
- Electrical upgrades to main riser 3 (£125k)
- The refurbishment of level C3 (£330k)
- The refurbishment of Kimmeridge ward for escalation beds (£417k)

In addition to these larger projects, £130k has been spent on asbestos removal, £121k on legionella precautions and £120k on the medical gases infrastructure.

This programme of capital works to improve the hospital environment will continue in 2015/16 and 2016/17 and will be financed through the balance of the £20m loan obtained in 2014/15.

Research and innovation

Poole Hospital is committed to research, development and innovation.

We strive to provide evidence-based care of the highest standard possible, and are committed to participating in clinical research. Clinical trials offer the best way to compare different approaches to preventing and treating illness and health problems. Health professionals, and by extension patients, need the evidence from trials to know which treatments work best.

At Poole, we were involved in 150 clinical research studies during 2014/15, and continued to promote the 'OK to ask' campaign, which is designed to ensure patients have the information and confidence to bring up clinical research with their care teams.

More information about our participation in clinical research can be found in the quality report.

Cost allocation and charging guidance

The trust can confirm with regard to the preparation of reference costing and other reported costs that it is compliant with the recent Monitor Approved Costing Guidance updated as at February 2014.

Charitable income

For financial reporting purposes the trust's charitable accounts are now consolidated within the main trust accounts. However, both the foundation trust and the charity are shown separately in the full accounts. With specific reference to the charitable fund accounts in 2014/15, £940k of charitable income (including interest) was received and £957k was spent i.e. £17k expenditure over income.

The balance of charitable funds held at 31 March 2015 totalled £1,885k. This sum includes £172k in tangible fixed assets, which relates to the Health Information and Resource Centre.

Public Sector Payment Policy

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.

	Volume	Value
Percentage of bills paid within target	71.2	68.0



Directors' report



Quality governance

A summary of the processes the trust has in place to ensure quality standards are maintained for all our patients

Our key focus at Poole Hospital is quality of care, and the trust has robust processes in place to support that.

Our quality strategy – which was revised in July 2014 – contains clear priorities as set out in the quality account (see 113). The quality strategy and quality account seek to ensure that high quality care is at the centre of everything we do for all our patients, and to confirm that the direction of travel is both documented and measurable.

Over the next three year period the five quality strategy objectives are to:

- Ensure robust quality and governance frameworks are in place
- Work in partnership to continually strive for quality improvement
- Remain compliant with the Care Quality Commission (CQC) and other regulatory bodies
- Deliver high quality, safe and effective care
- Improve patient experience further by developing the Poole Approach.

The trust delivers its quality strategy through a robust quality governance framework and gives assurance to the board that it is compliant with essential levels of quality and safety through its reporting schedule.

Quality is a standing agenda item at board meetings, and quality and safety elements are discussed ahead of finance and performance issues. Quality performance is the key agenda for the quality safety and performance committee, which is chaired by a non-executive and attended by key executive board members and senior managers. Quality is also now included as a standing item at all directorate performance meetings.

In January 2015, ‘ward to board’ reporting was introduced as a regular item at the board of director’s meetings. These reports summarise ward-level performance in a range of key areas including pressure ulcer and falls reports, adverse incidents, cleanliness and hygiene, complaints and Friends & Family Test feedback. They also include data from the trust’s monthly point of care audit, the Wednesday Ward Watch.

The reports provide the board with more detailed insight into ward-level performance, and are also used by matrons as an additional tool to monitor key quality and safety measures.

During 2014/15, the trust conducted a comprehensive quality governance review to ensure a robust framework exists for escalating issues or concerns. The review included a governance mapping exercise, as well as a review of the groups that feed into the quality and safety committee, and led to further improvements in our processes for escalating issues swiftly and appropriately.

The quality report on page 113 contains more detailed information on our performance against key measures linked to quality and safety. The report also highlights a range of initiatives that support our commitment to quality and sets out areas for improvement in the coming year.

The annual governance statement on page 174 also provides more detailed information on our quality governance and standards.

Audit information

As far as each individual director of Poole Hospital NHS Foundation Trust is aware, there is no relevant audit information of which the foundation trust's auditor is unaware. Each director has taken all of the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the foundation trust's auditor is aware of that information.

The board of directors has approved a policy for the provision of any non-audit service that might be provided by the trust's external auditor. This policy removes any unnecessary restrictions on the purchase of services from the external auditor but ensures that any non-audit service provided by them cannot impair or cannot be seen to impair the objectivity of their opinion on the financial statements.

The trust's current auditors, Deloitte, were appointed in October 2012 and have not provided any non-audit services to the trust since appointment

Governance & membership report

Details on our directors, governors and membership activities

Introduction

As a foundation trust, Poole Hospital is run by a board of directors. This is 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 the terms of its licence.

Council of governors

The council of governors (CoG) is made up of the Trust Chairman, fourteen public governors and four staff governors, who are democratically elected respectively by the public members or the staff members of the foundation trust. There are also five appointed governors from our major partnership organisations. NHS councils of governors are responsible for holding the non-executive directors to account for the performance of foundation trusts. 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 we serve.

The council of governors has the powers to appoint the chairman and non-executive directors of the trust and to approve the appointment of the trust's chief executive. The council of governors also has the powers to remove, the chairman and non-executive directors at a general meeting of the CoG.

Board of directors

The board of directors is made up of executive directors and non-executive directors. The board usually meets once a month (sometimes excluding August and/or December) and its role is to determine the overall corporate direction of the trust and ensure delivery of our goals, contractual targets and regulatory requirements.

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 areas 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, other than that during periods when vacancies have arisen.

The trust has various routes for resolving disagreements between the board of directors and the council of governors. These include the interventions of the senior independent director and the deputy chairman of governors (who is a governor). There is also a formal position for resolving any disagreements which can be found at:

[https://www.poole.nhs.uk/pdf/Dispute%20Resolution%20Procedure%20Final%20Version%20\(following%20CoG%201-5-14\).pdf](https://www.poole.nhs.uk/pdf/Dispute%20Resolution%20Procedure%20Final%20Version%20(following%20CoG%201-5-14).pdf)

Non-executive directors may have their tenure terminated by their own resignation, through the intervention of Monitor or a decision by the council of governors based on the approval of three quarters of the members of the council of governors.

Role of the chairman is:

- Building a well-balanced and effective board
- Chairing board and CoG meetings, and setting the board and CoG agendas
- Ensuring annual review of the board, council and the non-executive directors is undertaken
- Encouraging constructive challenge at board meetings
- Ensuring appropriate induction and development programmes for the board and council
- Ensuring effective two way communication between the board and council members
- Promoting high standards of corporate governance.

Role of the chief executive is:

- Being the accounting officer for the trust
- Developing and implementing the trust's strategic direction and vision statement
- Recommending the annual and strategic plans for the trust
- Providing leadership to the trust
- Managing the trust's risk register and establishing internal controls
- Reviewing the trust's organisational structure and developing the executive directors
- Ensuring that the chairman and board are kept advised and up to date on trust business and wider healthcare policy and developments
- Maintaining relationships with the CoG

- Chairing the hospital executive group (HEG) of executive and clinical directors, responsible for delivering the trust's strategic objectives, operational management, service planning and delivery and advising the board of directors.

The trust has a formal statement regarding the division of responsibilities between the chairman and chief executive as required by Monitor's code of governance and this can be found on our website:

<https://www.poole.nhs.uk/pdf/D23%20-%20Chairman%20v%20Chief%20Executive%20Responsibilities%20Statement.pdf>

Role of the non-executive directors is:

- Providing effective leadership and appropriate challenge at the board
- Assisting in the development of strategic focus for the trust bringing individual expertise
- Serving on the board sub-committees
- Assisting with senior clinical appointment panels for the trust.

Role of the executive directors is:

- Supporting the chief executive in implementing the trust's strategic direction and vision
- Ensuring that performance and quality targets are met
- Providing leadership for the day to day running of the trust
- Implementing the trust's annual plan
- Mitigating risks within the trust to ensure internal controls
- Reviewing individual organisational structures to ensure succession planning.

Role of the vice chairman is:

- Chairing board and CoG meetings in the absence of the chairman
- Supporting the chairman on board related matters as required
- Deputising for the chairman's day to day role in times of absence.

Role of the senior independent director is:

- Being available to governors and members on matters which cannot be resolved by the chairman or chief executive
- Being involved in the process for evaluating the performance of the chairman
- Leading a meeting of the non-executive directors to evaluate the chairman's performance, as part of the process agreed with the CoG for appraising the chairman
- Liaising with the chairman, and company secretary, in relation to setting the agenda of the CoG.

Board evaluation

During the autumn of 2014 the Kings Fund undertook an annual review of the effectiveness of the board and its committees as part of a wider approach to board and organisational development at Poole Hospital.

This wider approach to board and organisational development was predicated by the effects of the prohibited merger, the substantial changes to the composition of directors, the Trust's challenged financial position and the potentially considerable changes arising from the Dorset Clinical Services Review.

The Kings Fund, in relation to the work commissioned for the 2014/15 annual evaluation of the effectiveness of the board and its committees, undertook a robust and independent review of the Board's and its committees' governance and risk management processes including:

- The Board Development plan
- Governance Plan
- Governance structures
- Governance cycles
- Risk register and BAF.

The board are to approve the outcomes of the review at their meeting in April 2015 and incorporate them with the wider piece of work on organisational development and board governance by The Kings Fund.

Board development

The board has continued its ongoing development through its board seminars and externally facilitated events including:

- Board assurance framework
- Transformation programme
- Better together/social care fund
- IT strategy
- Strategic development
- Care of the dying
- CQC preparation
- Well led board
- 7 day services
- Clinical services review.

The board also engaged in joint development sessions with the governors in June 2014 and December 2014 which focused on presentations on the CQC, serious untoward incidents (SUI) and never event processes, emergency surgery and the emerging five year plan for Poole Hospital.

Key activities of the board

The main priority of the board continues to be the safety and quality of services for patients. Board members undertake weekly visits to areas within the hospital to discuss quality and safety issues with staff and consider opportunities for improvement.

In 2014/15 the board has particularly focussed on the increase in emergency attendances and the impact this has had on the experience of patients and the capacity within the hospital to respond. The board has reviewed the number of beds required to deal with these pressures and the plans for more seven-day services.

The board scrutinises in detail information about the performance of the trust at every meeting. This includes financial information; data on staffing levels, quality standards, key safety measures and access targets. The board has introduced regular “ward to board” reporting which includes detail of the safety indicators of wards throughout the hospital. A patient’s story is presented to the board every month.

The Trust reported a final deficit position of £3.4 million which is £400k better than the approved Operating Plan for 2014/15 submitted to Monitor. The closing cash balance is £10.7million compared to a plan of £9.5 million. This cash difference arises primarily due to the improved outturn and phasing of the capital programme between 2014/15 and 2015/16. This is a strong financial performance in the first year of the current two year operational plan. This financial performance was underpinned by the full achievement of the Trusts CIP target of £6.6 million in 2014/15 while maintaining quality standards, and maintaining good working relationships with Dorset CCG, which ensured additional in year resilience funding for urgent/emergency pressures.

The future role of the trust within the Dorset health community is being considered as a part of the Dorset Clinical Services Review. The board is engaging fully with this to develop a sustainable submission for the 2015/17 forward planning process. In 2014/15 the trust successfully applied to the Independent Trust Finance Facility, which is part of the Department of Health, for a loan to support the capital programme – including the replacement of equipment, a major programme to address backlog maintenance and enhancements to the estate.

The board has an agreed governance cycle which ensures that reports are regularly received on key issues of compliance with regulators and other statutory requirements, risk assessment and governance. In 2014/15 the board has specifically considered its planning for Care Quality Commission’s inspection in 2015/16, the trust’s actions in relation to the Francis Report and the Savile Enquiry Reports and the Lampard Reports (2014 and 2015) Being Open and the Duty of Candour, the Fit and Proper Person’s Test and the Freedom to Speak Up Review.

One new non-executive director and four new executive directors joined the board in 2014/15 and it has therefore been important for the board to focus on its development and assess its working arrangements. The Kings Fund has undertaken an external review of board effectiveness which has reaffirmed that robust governance processes are in place. The board has agreed an improvement plan which focuses on the continued development of the Board, and the wider development of the organisation so as to reflect the new “well-led” framework that has been adopted by our regulators.

Statement of directors' responsibilities

The directors are required under the National Health Service Act 2006 to prepare and submit an annual report and accounts, and to ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance. The Act lays down three main statutory requirements for an NHS foundation trust in relation to its accounts:

- To keep proper accounts and proper records in such form as the regulator may, with the approval of the Secretary of State, direct
- To prepare in respect of each financial year annual accounts in such a form as the regulator may, with the approval of the Secretary of State, direct
- To comply with any directions given by the regulator with the approval of the Secretary of State as to the methods and principles according to which the accounts are to be prepared; and the content and form to be given in the accounts. In determining the form and content of the annual accounts, Monitor, as the regulator, must aim to ensure that the accounts present a true and fair view and comply with International Financial Reporting Standards.

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

In scrutinising the 2014/15 annual report and accounts the directors found them to be:

- **Fair** – In representing a true representation of the issues encountered by the trust
- **Balanced** – In presenting a consistent view of the trust and its performance
- **Understandable** – in using straightforward language in an easy to read manner with defined and well linked sections.

The board of directors is also responsible for assessing the effectiveness of internal controls.

Information regarding the current board of directors' registered interests is available at

<https://www.poole.nhs.uk/about-us/board-of-directors.aspx>

Working with governors

The trust has a formal engagement document that sets out how the boards of directors' works with the CoG to ensure the directors have an understanding of the views of governors and members and directors are invited to the CoG meetings. The document underlines the importance of frequent informal communication in building a positive and constructive relationship, and outlines formal communication methods and can be found on our website:

<https://www.poole.nhs.uk/about-us/council-of-governors/governance-arrangements.aspx> Poole Hospital NHS Foundation Trust: Council governance arrangements

Communications between the CoG and the board may occur with regard to, but shall not be limited to:

- The board of directors' proposals for the strategic direction of the trust and the annual plan
- The board of directors' proposals for developments
- Trust performance
- Involvement in service reviews and evaluation relating to the trust's services.

Members of the board of directors



Angela Schofield, chairman

Date of appointment: 16 May 2011

Date of expiry: 15 May 2017

Angela joined the trust from her previous position as chairman of NHS Bournemouth and Poole. She also has close links with Bournemouth University where she was joint head of school at the Institute of Health and Community Studies. She has also previously been vice-chair of Bournemouth Teaching Primary Care Trust.

Angela has a professional background as a healthcare manager. Formerly chief executive of an NHS trust in Yorkshire and general manager of Poole Bay Primary Care Group, she has also held academic posts at the Health Services Management Unit, at the University of Manchester.

Other directorships and registered interests*

Trustee - Brendon Care

Other committee memberships

Appointments committee

Council of governors

Finance and investment committee

Nominations, remuneration and evaluation committee

Remuneration committee



Jean Lang DL, non-executive director; chairman of the audit and governance committee (until 31 October 2014); chairman of the quality, safety and performance committee (from 1 November 2014)

Date of appointment: 1 December 2006

Date of expiry: 30 November 2015

Jean was 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. Since retiring from private practice Jean sits as a tribunal judge in the Social

Entitlement Chamber.

Other directorships and registered interests*

Trustee - Dorchester Child Contact Centre

Director – Charihelp

Trustee – Charihelp

Trustee – Poole Africa Link

Trustee - The Roberts Trust

Trustee – Bunbury Charitable Trust

Other committee memberships

Appointments committee

Audit and governance committee

Quality, safety and performance committee (from 1 November 2013)

Remuneration committee



Ian Marshall, non-executive director; chairman of the finance and investment committee (from 1 November 2014)

Date of appointment: 1 February 2011
Date of expiry: 31 January 2017

Ian is a chartered accountant and has worked in industry, banking and insurance for the past 40 years, moving to non-executive director roles in the mid-1990s. He is currently chairman of a Lloyds of London insurance syndicate which insures marine, energy, professional liability and other commercial risks. In 2008 he was appointed as a senior advisor to the Financial Services Authority, where he advises on board and governance matters. Apart from commercial appointments, Ian is honorary treasurer and council member of the children's charity Barnardo's, and an active worker with two microfinance charities in Malawi, which he visits twice a year.

Other directorships and registered interests*

Director – Markel Capital Holdings
Director – Markel Syndicate Management Limited
Director – Markel International Insurance Company Limited
Director – Ian Marshall Limited
Director – Khama Design

Other Committee Memberships

Appointments committee
Audit and governance committee (from 1 November 2014)
Finance and investment committee
Remuneration committee



Dr Calum McArthur, non-executive director

Date of appointment: 1 November 2014
Date of expiry: 31 October 2017

Surgeon Rear Admiral Calum McArthur, who retired from the Royal Navy at the end of 2014, took up the role with Poole Hospital's board of directors on 1 November. He is the Head of Joint Medical Command for HM Forces and Royal Navy Medical Director General and also a practising GP.

Other directorships and registered interests*

Medical examiner - Capita Medical Group
Specialist Adviser (primary care) – CQC
Sessional GP – Med Co Locum Agency
Sessional GP – Military Medical Personnel Locum Agency
GP appraiser – Health Education Wessex
Ambassador – Alcohol Concern Charity

Other committee memberships

Appointments committee
Finance and investment committee (from 1 November 2014)
Quality, safety and performance committee (from 1 November 2014)
Remuneration committee



Dame Yvonne Moores, non-executive director; vice-chairman (until 31 October 2014), chairman of the quality, safety and performance committee (until 31 October 2014)

Date of appointment: 1 November 2006

Date of expiry: 31 October 2014

From 1982 to 1999, Yvonne was the chief nursing officer for Wales, Scotland and England. In the last of these three posts, she was also 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. She is also the chair of the National House Building

Council's pensions board. She is an international adviser to Thailand's Princess Srinagarindra Foundation and a patron of the Poole Africa Link charity.

Other directorships and registered interests*

Pro-chancellor – Bournemouth University

Chair – National House Building Council pensions board

Patron – Poole Africa Link

Non-majority shareholder in Glaxo SmithKline

Non-majority shareholdings in Source BioServices

Other committee memberships

Appointments committee

Audit and governance committee

Quality, safety and performance committee

Remuneration committee



Michael Mitchell, non-executive director; vice chairman (from 1 November 2014); chairman of the finance and investment committee (until 31 October 2014); chairman of the audit and governance committee (from 1 November 2014 to 31 March 2015)

Date of appointment: 1 November 2010

Date of expiry: 31 March 2015

Michael was chief executive of the department store group Beale plc from 1982 to 2002. Since 2002 he has been a non-executive director and consultant in both the private and public sectors. Currently he is a Poole Harbour Commissioner, a director of Old and Campbell Ltd, and Chairman of Goulds (Dorchester) Ltd.

Other directorships and registered interests*

Director – Goulds (Dorchester) Ltd

Director – Old & Campbell Ltd

Poole Harbour Commissioner

General management consultancy

Other committee memberships

Appointments committee

Audit and governance committee (from 1 November 2014)

Finance and investment committee (until 31 October 2014)

Quality, safety and performance committee (from 1 November 2014)

Remuneration committee



Guy Spencer, non-executive director; senior independent director; chairman of the workforce committee (until 31 December 2014)

Date of appointment: 25 April 2008

Date of expiry: 30 November 2015

Guy was environmental services director at Dorset County Council from 1996-2001. He has been a board member of Bournemouth and Poole College since 1999 and an independent transportation consultant since 2001.

Other directorships and registered interests*

Board member – Bournemouth & Poole College

Daughter is a finance manager at The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust

Son is coordinator with Borough of Poole drug and alcohol action team

Son-in-law is Chief Officer of NHS Fareham and Gosport CCG and NHS South Eastern Hampshire CCG

Other committee memberships

Appointments committee

Audit and governance committee

Remuneration committee

Workforce committee



Nick Ziebland, non-executive director; chairman of the workforce committee (from 1 January 2015)

Date of appointment: 31 August 2011

Date of expiry: 30 August 2017

Nick is a former executive at the British Airports Authority (BAA), having previously worked for companies including J Sainsbury and Imperial Group. He has also served as a non-executive director for the South East Coast Strategic Health Authority and as an independent committee member for Dorset Community Health Services.

Other directorships and registered Interests*

Non-executive director – Local Food Links

Mental Health Act Manager – Dorset Healthcare University Foundation Trust

Other committee memberships

Audit and governance committee (from 1 November 2014)

Appointments committee

Quality, safety and performance committee (until 31 October 2014)

Remuneration committee

Workforce committee



Debbie Fleming, chief executive

Date of appointment: 1 April 2014

Debbie has over 30 years' experience in the NHS. She joined Poole Hospital from NHS England, where she served as area director for Wessex, and has also held a variety of other senior posts within the NHS including more than a decade in chief executive roles at Bournemouth & Poole and Hampshire primary care trusts.

Her appointment as chief executive marks a return to Poole Hospital for Debbie. She began her NHS management career at the hospital and enjoyed ten years as the trust's general manager for medicine during the 1990s.

Other directorships and registered interests*

Member – Wimborne Academy Trust

Other committee memberships

Appointments committee

Finance and investment committee



Paul Miller, director of finance

Date of appointment: 7 April 2014

Paul has over 20 years' NHS board experience, including 15 as a director of finance. He joined Poole Hospital from Avon & Wiltshire Mental Health Partnership NHS Trust, where he was employed as the director of business development and deputy chief executive. Paul was also the chief executive of Velindre NHS Trust in Wales for four years.

Other directorships and registered interests*

Wife is deputy Director of Finance of NE Hampshire and Farnham CCG

Coach/mentor (part time) - HFMA

Other committee memberships

Finance and investment committee



Mark Mould, chief operating officer

Date of appointment: 7 April 2014

Mark joined Poole Hospital from University Hospital of North Staffordshire NHS Trust, where he provided key operational leadership in a number of senior roles, including acting chief operating officer and deputy chief operating officer. Mark's extensive NHS experience also includes Salford Royal Hospital NHS Trust.

Other directorships and registered interests*

50% share in property rental company

Trustee – Poole Africa Link

Wife is Community Children's Nurse at Staffordshire and Stoke on Trent

Partnership Trust

Other committee memberships

Finance and Investment committee

Quality, safety and performance committee

Workforce committee



Jackie Nicklin, acting joint chief operating officer

Date of appointment: 1 November 2013

Date of termination: 6 April 2014

Jackie commenced her career as a diagnostic radiographer in 1986, specialising in CT and MRI, and working at a senior level in both general and tertiary acute healthcare in Truro, Edinburgh and Oxford. Jackie joined Poole Hospital in 2004 as radiology manager and soon expanded her general management skills to lead all clinical support, maternity and children's services before becoming deputy chief operating officer.

Other directorships and registered interests*

Nil

Other committee memberships

Finance and Investment committee

Quality, safety and performance committee

Workforce committee



Tracey Nutter, director of nursing

Date of appointment: 1 April 2014

Tracey has substantial experience as a clinical leader in the NHS and has been employed as the director of nursing at Salisbury NHS Foundation Trust for the last ten years. Her 30-year NHS career spans a number of large, complex organisations, including Southampton University Hospitals NHS Trust and Barts & The Royal London NHS Trust.

Other directorships and registered interests*

None

Other committee memberships

Quality, safety and performance committee

Workforce committee



Barbara Peddie, acting joint chief operating officer

Date of appointment: 1 November 2013

Date of termination: 6 April 2014

Barbara joined the NHS as a graduate management trainee in Wessex. She then spent time in management posts in Luton and Dunstable Hospital, and Crawley Hospital, before she moved to a senior management role at Harrogate District Hospital. On return to Dorset after 10 years in Harrogate, Barbara was part of the new primary care groups at their inception, moving to the Poole Primary Care Trusts to gain further experience in primary care, before taking up a post at Poole Hospital. Barbara has taken on several senior management roles across the trust in the last 12 years, and is currently one of the two deputy chief operating officers.

Other directorships and registered interests*

On finance committee of the parish council of St Joseph's Church, Branksome. Parish priest is part of chaplaincy service at Poole Hospital NHS Foundation Trust

Brother employed as bank porter at Poole Hospital NHS Foundation Trust

Other committee memberships

Finance and Investment committee
Quality, safety and performance committee
Workforce committee

**Mr Robert Talbot, medical director**

Date of Appointment: 1 April 2008

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.

Other directorships and registered interests*

Wife is matron in oncology at Poole Hospital

Other Committee Memberships

Quality, safety and performance committee
Workforce committee

Future appointments

Below are the details of the directors who were appointed in 2014/15 but will not take up their employment with the trust until the 2015/16 financial year.

Mark Orchard, director of finance

Date of appointment: 1 May 2015

Paul Miller, director of strategy

Date of appointment: 1 May 2015

Philip Green, non-executive director

Date of appointment: 25 April 2015

In addition, during the year the following served on the board in a non-voting capacity:

- Sarah-Jane Taylor, director of human resources and organisational development (until 31 August 2014)
- Mark Friedman, transformation director (until 16 January 2015)
- Judy Saunders, director of human resources and organisational development (from 1 September 2014).

Clinical members of the hospital executive group also attend the board of director meetings as part of their on-going development.

In compliance with paragraph B.3.3 of the Monitor code of governance for NHS 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 during 2014/15.

All of the non-executive directors are considered to be independent by the board of directors. This included Dame Yvonne Moores (appointment ended 31 October 2014), Mrs Jean Lang and Mr Guy Spencer who have served on the board of directors for more than six years. The council of governors has reappointed Mrs Lang for a further one year beginning on 1 December 2014 and Mr Spencer for a further

period of one and a half year beginning on 25 April 2014. These two reappointments were viewed as necessary in order to provide continuity for the board of directors in light of the subsequent resignations of the board executive and non-executive directors.

In determining their independence, the board of directors considered whether their previous tenure as non-executive directors of the Trust might affect their independence. The board's conclusion, based on a number of factors including their experience and knowledge from their roles elsewhere and the fact that they have always exercised a strongly independent judgment during the preceding period of tenure as non-executive directors, was that the independence of their character and judgement was not compromised. For these reasons the board of directors considers each non-executive director to be independent in character and in judgement.

The chairman has no other significant commitments

*Interests recorded as at 31 March 2014

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS 2014/15

NAME OF COMMITTEE:	BOARD OF DIRECTORS										
Membership (Voting Members)	MEETING DATES										
	23 April 2014	28 May 2014	25 June 2014	30 July 2014	27 August 2014*	24 September 2014	29 October 2014	26 November 2014	28 January 2015	February 2015	25 March 2015
ANGELA SCHOFIELD chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DEBBIE FLEMING chief executive	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓
JEAN LANG non-executive director	✓	✓	x	✓	✓	x	✓	x	✓	✓	✓
IAN MARSHALL non-executive director	✓	✓	✓	✓	x	✓	✓	✓	✓	x	✓
CALUM MCARTHUR ³ non-executive director								✓	✓	✓	✓
PAUL MILLER director of finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MICHAEL MITCHELL non-executive director/ vice chairman ⁶	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
YVONNE MOORES ² non-executive director/ vice chairman	✓	✓	✓	✓	x	✓	✓				
MARK MOULD chief operating officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
TRACEY NUTTER director of nursing	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓
GUY SPENCER non-executive director/SID	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	✓
ROBERT TALBOT medical director	✓	✓	✓	✓	✓	x	✓	x	✓	✓	✓
NICK ZIEBLAND non-executive director	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓
Other directors (non-voting members)											
MARK FRIEDMAN ⁴ transformation director	✓	✓	✓	✓	✓	✓	✓	✓			
SARAH JANE TAYLOR ¹ director of HR and organisational development	✓	✓	✓	✓	x						
JUDY SAUNDERS ⁵ director of HR and organisational development						✓	x	✓	✓	✓	x
Was the meeting quorate?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

* Extraordinary meeting

¹ Mrs S-J Taylor left the Trust on 31 August 2014

² Dame Yvonne Moores left the Trust on 31 October 2014

³ Dr C McArthur joined the Trust as non-executive director from 1 November 2014

⁴ Mr M Friedman left the Trust on 16 January 2015

⁵ Mrs J Saunders was appointed as interim director of HR on 1 September 2014 and became substantive on 1 February 2015

⁶ Mr M Mitchell became vice chairman on 1 November 2014

AUDIT AND GOVERNANCE COMMITTEE

Chairman: Michael Mitchell, non-executive director - from November 2014 to 31 March 2015
Jean Lang, non-executive director – until 31 October 2014 (reappointed as chairman 1 April 2015)

The audit and governance committee, which consists of four non-executive directors of the trust, other than the chairman, has an important role to play in ensuring we conduct our 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.

The audit and governance committee meets five times a year. Its governance cycle includes;

Reports for scrutiny;

External Audit plans, investigations and findings
Internal Audit plans, investigations and findings
Counter Fraud Service plans and findings
Authorisation of tenders
Losses and special payments
Information Governance
Compliance with the Monitor's terms of licence
Compliance with the Monitor's code of governance
Reservation and delegation of powers
Draft Board Governance Statement
Draft Annual Governance Statement
Draft Annual Report and Accounts
Organisational risks
Trust Assurance Framework
Emergency preparedness and business continuity plans

Minutes for scrutiny from;

Hospital Executive Group
Risk Management Group

Additionally the committee has considered;

Business Continuity Plans;
AIRS (Adverse Incident Report System) process and timeliness of reporting
Non-clinical policies and procedures;
Emergency Preparedness.
Risk Register Scoring Process
Electronic Document Management

In scrutinising the 2014/15 annual report and accounts the committee found it to be;

Fair – In representing a true representation of the issues encountered by the trust
Balanced – In presenting a consistent view of the trust and its performance
Understandable – in using straightforward language in an easy to read manner with defined and well linked sections.

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. The internal audit function is provided by TIAA. The overall assessment opinion was a 'reasonable assurance' which took into account:

There were generally sound systems of internal control, designed to meet the organisation's objectives and that controls are generally being applied consistently. However, some weaknesses in the design and/or inconsistent application of controls, put the achievement of particular objectives at risk.

The following audits were provided with a "substantial' assurance opinion:

- Regulatory compliance
- Revalidation of medical staff
- Clinical audit processes

The key areas where only a "reasonable assurance" opinion was provided are listed below. For all the recommendations made, actions have been agreed with management to address the weaknesses identified.

- Data Quality
- Health and Safety Management
- Assurance Framework
- Estates compliance
- In house procurement service
- G2 Meditech Digital Dictation System
- Financial Accounting and Payroll
- Cost improvement programme
- Temporary Staff Payments
- Electronic Document Management System
- IG Toolkit Version 12 Part 1 and 2
- Fundraising processes
- Ward Rostering\Safe staffing (draft report stage)

External auditors

The role of external auditors is to provide an independent audit opinion on the annual report and accounts, as well as providing a limited assurance opinion on the quality report. Having followed an agreed tendering process the council of governors, in October 2012, approved the appointment of Deloitte as the external auditors for a three year period. The assessment of the effectiveness of the external audit process is a matter for the director of finance.

The key elements for the framework of assessment of effectiveness of the external audit process employed by the director of finance include a review of performance in relation to the contracted service specification, the standard of audits conducted, the recording of any adjustments, the timeliness of reporting, the availability of the Auditor for discussion and meetings on key issues, and the quality of reporting to the Audit and Governance Committee, the board of directors and the council of governors. Using this framework the director of finance as at 31 March 2015 is satisfied with the effectiveness of the external audit process.

Significant issues considered by the committee in receiving the accounts

The significant audit risks which were identified as part of the overall audit strategy were:

- NHS Revenue and Provisions
- Going Concern
- Property Valuations

AUDIT AND GOVERNANCE COMMITTEE ATTENDANCE REGISTER 2014/2015

NAME OF COMMITTEE:	AUDIT AND GOVERNANCE COMMITTEE					
REPORTS TO :	BOARD OF DIRECTORS					
Membership (as per Terms of Reference)	MEETING DATES					
	14 May 2014	28 May 2014*	10 September 2014	12 November 2014	14 January 2015	11 March 2015
MICHAEL MITCHELL ¹ chairman/ non-executive director				✓	✓	✓
JEAN LANG ² chairman/ non-executive director	✓	✓	✓	✓	✓	✓
NICK ZIEBLAND ³ non-executive director				✓	✓	✓
GUY SPENCER non-executive director	✓	✓	✓	✓	✓	✓
IAN MARSHALL ⁴ non-executive director	x	✓	✓			
DAME YVONNE MOORES ⁵ non-executive director	✓	✓	✓			
In attendance:						
Angela Schofield (Trust Chairman)	x	✓	✓	x	x	x
Calum McArthur non-executive director				✓		
<i>Executive directors/deputies</i>	4	5	4	2	4	4
<i>External audit</i>	1	2	1	2	1	2
<i>Internal audit</i>	2	1	1	1	1	1
<i>Counter fraud</i>	0	0	1	0	1	0
Was the Meeting Quorate?	Y	Y	Y	Y	Y	Y

* Special meeting with Finance & Investment Committee

¹ Mr M Mitchell was chairman of the committee from 1 November 2014

² Mrs J Lang was chairman of the committee until 31 October 2014

³ Mr N Ziebland was co-opted onto the committee from 1 November 2014

⁴ Mr I Marshall was stood down from the committee from 31 October 2014

⁵ Dame Yvonne Moores resigned 31 October 2014

FINANCE AND INVESTMENT COMMITTEE

Chairman: Ian Marshall, non-executive director – from November 2014 to present
Michael Mitchell, non-executive director – until October 2014

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 the use of our financial resources is robust. It sets 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 of the committee comprises a non-executive director (chairman), director of finance (vice-chairman), chief operating officer, chief executive and two other non-executive directors. Other senior managers may attend on an *ad hoc* basis as requested by the committee.

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

FINANCE AND INVESTMENT COMMITTEE ATTENDANCE REGISTER 2014/2015

NAME OF COMMITTEE:	FINANCE AND INVESTMENT COMMITTEE											
REPORTS TO :	BOARD OF DIRECTORS											
Membership (as per Terms of Reference).	MEETING DATES											
	22 April 2014	27 May 2014	23 June 2014	28 July 2014	27 August 2014	22 September 2014	27 October 2014	24 November 2014	15 December 2014	27 January 2015	23 February 2015	23 March 2015
MICHAEL MITCHELL ¹ Chairman/ non-executive director	✓	✓	✓	✓	✓	✓	✓					
IAN MARSHALL ² Chairman/ non-executive director	✓	✓	✓	✓	x	✓	✓	✓	✓	✓	x	✓*
DEBBIE FLEMING chief executive	✓	x	✓	x	✓	✓	x	x	x	✓	✓	✓
CALUM MCARTHUR ³ non-executive director								✓	x	x	✓	✓
JEAN LANG ⁴ non-executive director								x	✓	✓	x	x
PAUL MILLER director of finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MARK MOULD chief operating officer	✓	x	✓	✓	✓	✓	x	✓	x	x	✓	✓
ANGELA SCHOFIELD chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓
In attendance												
ANDREW GOODWIN deputy director of finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
MARK FRIEDMAN ⁵ transformation director	✓	x	✓	✓	✓	✓	✓	x	✓			
Was the meeting quorate?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

* Via telephone.

¹ Mr M Mitchell was chairman and member of the committee until 1 November 2014

² Mr I Marshall was chairman of the committee from 1 November 2014.

³ Dr C McArthur joined the Trust as a non-executive director in November 2014.

⁴ Mrs Lang joined the committee on 1 November 2014.

⁵ Mr M Friedman left the Trust 16 January 2015.

QUALITY, SAFETY AND PERFORMANCE COMMITTEE

Chairman: Jean Lang, non-executive director – from November 2014

Dame Yvonne Moores, non-executive director – until October 2014

The quality, safety and performance committee is a sub-committee of the board of directors.

The committee receives detailed quality, safety and performance reports so that it can ensure that patient safety and quality of services meet registrations and compliance requirements.

Membership of the committee comprises three non-executive directors (one of which chairs the committee), the director of nursing and patient services, medical director and chief operating officer.

The committee meets bi-monthly, or more frequently if required.

**QUALITY, SAFETY AND PERFORMANCE COMMITTEE
ATTENDANCE REGISTER 2014/2015**

NAME OF COMMITTEE:	QUALITY, SAFETY & PERFORMANCE COMMITTEE					
REPORTS TO:	BOARD OF DIRECTORS					
	MEETING DATES					
Membership (as per terms of reference)	27 May 2014	28 July 2014	22 September 2014	24 November 2014	26 January 2015	23 March 2015
DAME YVONNE MOORES ¹ Chairman/ Non-Executive Director	✓	✓	✓			
JEAN LANG ² Chairman Non-Executive Director				x	✓	✓
CALUM MCARTHUR ³ Non-Executive Director				✓	✓	✓
MICHAEL MITCHELL ⁴ Non-Executive Director				✓	x	x
MARK MOULD Chief Operating Officer	✓	✓	✓	✓	✓	✓
TRACEY NUTTER Director of Nursing & Patient Services	✓	✓	✓	✓	✓	✓
ROBERT TALBOT Medical Director	✓	✓	x	✓	✓	✓
NICK ZIEBLAND ⁵ Non-Executive Director	✓	✓	✓			
In attendance:						
Debbie Fleming Chief executive	x	x	✓	x	x	x
Angela Schofield Trust chairman	x	✓	✓	✓*	✓	x
Mandy Baker Assistant director of nursing	x	✓	✓	✓	✓	✓
Was the meeting quorate?	Y	Y	Y	Y	Y	Y

¹ Dame Yvonne Moores left the Trust 31 October 2014

² Mrs J Lang became chairman of the committee from 1 November 2014

³ Dr C McArthur joined the committee on 1 November 2014

⁴ Mr M Mitchell joined the committee on 1 November 2014

* Mrs a Schofield chaired the committee on this occasion

WORKFORCE COMMITTEE

Chairman: Nick Ziebland, non-executive director – from January 2015 to present
Guy Spencer, non-executive director – until December 2014

The workforce committee is a sub-committee of the board of directors.

The committee receives detailed workforce related reports so that it can ensure that workforce capacity and capability is assured for the future strategic direction of the trust.

Membership of the committee comprises of three non-executive directors (one of which chairs the committee), the director of human resources and organisational development, director of nursing and patient services, medical director and chief operating officer.

WORKFORCE COMMITTEE ATTENDANCE REGISTER 2014/2015

NAME OF COMMITTEE:	WORKFORCE COMMITTEE				
REPORTS TO :	BOARD OF DIRECTORS				
Membership (as per Terms of Reference).	Meeting Dates				
	22 April 2014	23 June 2014	15 September 2014	1 December 2014	23 February 2015
GUY SPENCER ¹ chairman/ non-executive director	✓	✓	✓	✓	✓
NICK ZIEBLAND ² chairman/ non-executive director	✓	✓	✓	✓	✓
JEAN LANG ³ non-executive director	✓	x	x		
JUDY SAUNDERS director of HR and organisational development	x	x	✓	✓	✓
IAN MARSHALL non-executive director				✓	x
MARK MOULD chief operating officer	x	✓	x	✓	✓
TRACEY NUTTER director of nursing	✓	x	✓	✓	✓
ROBERT TALBOT medical director	✓	✓	x	✓	✓
SARAH JANE TAYLOR ² director of HR and organisational development	✓	✓			
In attendance					
DEBBIE FLEMING chief executive	✓	✓	x	x	x
PAUL MILLER director of finance	✓	x	x	x	x
YVONNE JEFFREY assistant director of nursing		✓			
Was the meeting quorate?	Y	Y	Y	Y	Y

¹ Mr Nick Ziebland became chairman of the Workforce Committee from 1 January 2015

² Sarah Jane Taylor left the Trust 31 August 2014

APPOINTMENTS COMMITTEE

The Appointments Committee makes the executive appointment to the Board of Directors. It is made up of the Chairman and Non-Executive Directors of the Board of Directors. The Chief Executive is a member except when an appointment of the Chief Executive is discussed. The Director of Human Resources and Organisational Development attends except when his/her own appointment is discussed.

The Committee met on 25 June 2014 to approve the minutes of former Appointments Committee meetings held on 26 June 2013, 30 October 2013, 18 December 2013, 8 January 2014 and 29 January 2014

The Committee met on 27 August 2014 to approve the appointment of an Interim Director of Human Resources and Organisational Development from 1 September 2014 and to review the ongoing appointment of the Transformation Director

The Committee met on 26 November 2014 to approve the extension of the contract for the Transformation Director to 16 January 2015 and to receive verbal updates on the intended recruitment of a Director of Strategy and a Company Secretary.

The Committee met on 25 February 2015 to approve the appointment of the Director of Finance, the Director of Strategy and the Director of Organisational Development and Human Resources

Appointments to executive director posts are made in open competition and external recruitment agencies are used to support the recruitment process. Appointments can only be terminated by the Board of Directors.

NAME OF COMMITTEE:	APPOINTMENTS COMMITTEE			
REPORTS TO :	BOARD OF DIRECTORS			
Membership (all Non-Executive Directors as per Terms of Reference).	MEETING DATES			
	25 June 2014	27 August 2014	26 November 2014	25 February 2015
Angela Schofield, Chairman	✓	✓	✓	✓
Michael Mitchell, Non-Executive Director	X	✓	✓	✓
Yvonne Moores, Non-Executive Director	✓			
Jean Lang, Non-Executive Director	X	✓	X	✓
Ian Marshall, Non-Executive Director	✓	X	✓	X
Nick Ziebland, Non-Executive Director	✓	✓	✓	X
Guy Spencer, Non-Executive Director	✓	X	✓	✓
Calum McArthur, Non-Executive Director			✓	✓
Philip Green, Non-Executive Director Designate				✓
Debbie Fleming, Chief Executive	✓	✓	✓	✓
Sarah-Jane Taylor, HR Director	✓			
Carla Jones, Acting HR Director	-	✓	-	-
Judy Saunders, Interim HR Director	-	-	✓	-
Was the meeting quorate? Y / N	Y	Y	Y	Y

Council of governors

The council is made up of the trust chairman, fourteen elected public governors, four elected staff governors, and five nominated by partner organisations governors.

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 National Health Service Act 2006 and the Health and Social Care Act 2012, 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 council met on six occasions in 2014/15 with the individual attendance recorded in the table on page 86.

The trust is committed to embedding transparency and accountability throughout. The trust recognises it has a specific responsibility to inform Monitor of any potential breach of the provider licence at the earliest practicable opportunity. The trust believes that its robust and effective engagement policy would ensure this is done should it be necessary. The trust does not currently foresee any circumstances whereby it would be necessary for the governors to have to inform Monitor of any possible breaches.

The council is chaired by the chairman of the trust, and Guy Spencer, non-executive director, was the senior independent director for the period of this report and was available to the council of governors if they had concerns about the performance of the board of directors, compliance with the provider licence or welfare of the trust which contact through the normal channels of chairman or chief executive failed to resolve or for which such contact is inappropriate.

The council's lead governor is Vivien Duckenfield, and Geoffrey Carleton is deputy chairman of governors.

During 2014/15 the council of governors was made up as follows:

Elected representatives for Bournemouth:

- Terence Purnell
- Brian Newman

Elected representatives for Poole:

- Paul Chappell (from 28 July 2014)
- Andrew Creamer
- Vivien Duckenfield
- Carol Morgan (from 26 June 2014)
- Linda Nother
- James Pride
- Elizabeth Purcell
- Sandra Yeoman

Elected representatives for Purbeck, East Dorset & Christchurch:

- Geoffrey Carleton
- Rosemary Gould
- Barbara Hooper

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

- Isabel McLellan

Elected staff representatives:

- Lynn Cherrett (clinical staff)
- Kris Knudsen (clinical staff)
- Sylvia Lowrey (clinical staff)
- Graham Whittaker (non-clinical staff)

Nominated representatives from partner organisations:

- Colette Cherry, Bournemouth University
- Cllr David Jones, Dorset County Council
- Chris McCall, NHS Dorset
- Cllr Ann Stribley, Borough of Poole
- Vacancy, Bournemouth Borough Council

Governor training and development

The council of governors has set up a new reference group called the governor training and development reference group. This is chaired by a governor and supported by the company secretary. The group sets out the development of the governors for the year and agreed at their first meeting that their focus was to continue with training and development sessions for the whole governor body and provide individual training as required. They also agreed to continue the membership to the south west governor exchange network and continue joint development sessions with the board of directors.

The council of governors held three development events during the period of the report:

June 2014 with the board of directors they had presentations on the CQC and serious untoward incidents (SUIs) and never event processes.

November 2014 the governors had an away day: in the morning they had presentations and discussion on strategic planning and the integrated performance report. The board of directors joined the council for the afternoon session. This session was externally facilitated and focused on governance learning and development. The director of nursing then provided a short presentation on how the council and board could gain assurance on managing risks and levels of standards of care.

December 2014 the governors were joined by the board of directors and members of the hospital executive group for two clinical presentations on the emergency department and the five year strategic plan.

The governors' development plan covers:

- developing membership engagement and growth
- developing the engagement with directors
- developing the informal reference group
- developing the role of the governor
- developing resources.

The council has sent representatives to the South West Governors Exchange Network enabling governors from each foundation trust to meet up to three times a year to discuss matters of mutual interest and network with colleagues.

All governors are provided with an induction and receive appropriate updates on the publications; "Your Statutory Duties: A Reference Guide for NHS Foundation Trust Governors" and the "Guide to Monitor for NHS Foundation Trust Governors". These documents are also supported by a trust governor reference manual.

The council is kept fully informed through governor briefings and clinical presentations throughout the year, some of which members of the Trust are invited to.

The council will continue to develop further the membership and its engagement with members through the overarching membership strategy and the membership engagement reference group.

The chairman takes steps to ensure that governors have the skills and knowledge they require to undertake their role. This includes access to a comprehensive induction process and development training events.

The governor training and development group has agreed the draft development programmes for two

away days for the council for 2015/16 and has had input into possible changes to the induction programme for new governors.

Elections

A notice of election was published in March 2014 for two vacant public seats, both to commence a three year term of office:

- The two public seats for the Poole constituency closed on 27 May 2014 and Paul Chappell and Carol Morgan were elected.

A notice of election was published in February 2015 for two public seats, one in the Purbeck, East Dorset and Christchurch constituency and one for the North Dorset, West Dorset, Weymouth and Portland constituency which now includes residents from the rest of England. Both seats are to commence a three year term of office.

All elections were held in accordance with the election rules set out in the trust's constitution.

Governor expenses

A total of 23 governors hold office. During the period of 2014/15 seven governors claimed expenses for mileage and related car parking charges to attend meetings or training events both locally and nationally, totalling £1,330.

Wherever possible governors will car share when attending events in the region.

Details of governors' declaration of interests which relate to the business of the trust can be viewed on our public website: <https://www.poole.nhs.uk/about-us/council-of-governors.aspx> or contact the Board and Council Administrator, on 01202 442895.

COUNCIL OF GOVERNORS 2014 - 2015 ATTENDANCE REGISTER

Name	Constituency	Type of Membership	Appointment Date	Appointment	Meeting dates					
					1 May 2014	31 July 2014	25 Sept 2014*	October 2014	January 2015	March 2015*
Air Vice Marshall Geoffrey Carleton	Purbeck, East Dorset & Christchurch	Elected 3 years	01.05.09 01.11.12	30.04.12 31.10.15	✓	✓	x	✓	x	✓
Mr Paul Chappell	Poole	Elected 3 years	28.07.14	27.07.17		✓	x	x	x	x
Ms Lynn Cherrett	Clinical staff	Elected 3 years	01.11.07 01.11.10 01.11.13	31.10.16	✓	x	✓	✓	✓	✓
Ms Colette Cherry	Bournemouth University	Appt'd 3 years	11.07.13	10.07.16	✓	✓	x	x	✓	✓
Mr Andrew Creamer	Poole	Elected 3 years	01.11.07 01.11.09 01.11.12	31.10.15	✓	x	✓	✓	✓	✓
Mrs Vivien Duckenfield	Poole	Elected 3 years	01.11.07 01.11.10 01.11.13	31.10.16	✓	✓	✓	✓	✓	✓
Mrs Rosemary Gould	Purbeck, East Dorset & Christchurch	Elected 3 years	01.11.07 01.11.10 01.11.13	31.10.16	✓	✓	✓	x	x	✓
Mrs Barbara Hooper	Purbeck, East Dorset & Christchurch	Elected 3 years	01.05.12	30.04.15	✓	x	x	✓	x	x
Mr David Jones	Dorset County Council	Appt'd 3 years	01.07.10 09.07.13	19.04.13 08.07.16	✓	✓	x	✓	✓	x
Miss Kris Knudsen	Clinical staff	Elected 3 years	01.11.09 01.11.12	31.10.15	✓	x	x	✓	✓	x
Mrs Sylvia Lowrey	Clinical staff	Elected 3 years	01.11.12	31.10.15	✓	x	x	✓	✓	✓
Dr Chris McCall	Dorset Clinical Commissioning Group	Appt'd 3 years	01.04.13	31.03.16	✓	✓	x	✓	✓	✓

Name	Constituency	Type of Membership	Appointment Date	Appointment	Meeting dates					
					1 May 2014	31 July 2014	25 Sept 2014*	October 2014	January 2015	March 2015*
Mrs Isabel McLellan	N Dorset, W Dorset, Weymouth & Portland#	Elected 3 years	01.05.09 01.05.12	30.04.15	✓	✓	x	✓	x	x
Mrs Carol Morgan	Poole	Elected 3 years	26.06.14	25.06.17		✓	✓	✓	✓	x
Mr Brian Newman	Bournemouth	Elected 3 years	01.11.09 01.11.12	31.10.15	✓	✓	x	✓	✓	x
Mrs Linda Nother	Poole	Elected 3 years	01.11.13	31.10.16	✓	✓	✓	✓	✓	✓
Mr James Pride	Poole	Elected 3 years	01.11.07 01.11.10 01.11.13	31.10.16	x	✓	✓	✓	x	x
Mrs Elizabeth Purcell	Poole	Elected 3 years	01.11.07 01.11.10 01.11.13	31.10.16	✓	✓	✓	x	✓	✓
Mr Terence Purnell	Bournemouth	Elected 3 years	01.11.07 01.11.10 01.11.13	31.10.16	✓	x	x	✓	✓	✓
Mrs Ann Stribley	Poole Borough Council	Appt'd 3 years	27.06.11 27.06.14	26.06.17	✓	✓	✓	✓	✓	✓
Mr Graham Whitaker	Non-Clinical Staff	Elected 3 years	01.11.13	01.11.16	✓	✓	✓	x	✓	✓
Mrs Sandra Yeoman	Poole	Elected 3 years	01.11.09 01.11.12	31.10.15	✓	✓	✓	✓	✓	✓

No. public governors attending	8	11	11	10	8	8
No. appointed governors attending	3	4	4	3	4	3
No. of Staff governors attending	3	4	1	3	4	3

*
Extraordinary meeting
#The N Dorset,

W Dorset, Weymouth & Portland constituency changed to the N Dorset, W Dorset, Weymouth & Portland incorporating the Rest of England constituency from 31 July 2014

BOARD MEMBER ATTENDANCE AT THE COUNCIL OF GOVERNORS 2014 – 2015

Name	1 May 2014	31 July 2014	25 September 2014*	30 October 2014	15 January 2015	26 March 2015*
Debbie Fleming chief executive	✓	x	x	✓	✓	✓
Jean Lang non-executive director	x	x	x	x	x	x
Ian Marshall non-executive director	x	x	x	x	x	x
Calum McArthur ¹ non-executive director					x	x
Michael Mitchell non-executive director	x	x	x	x	x	x
Paul Miller director of finance	✓	✓	x	x	✓	✓
Yvonne Moores ² non-executive director	✓	x	x	x		
Mark Mould chief operating officer	✓	x	x	x	x	x
Tracey Nutter director of nursing	✓	x	x	✓	✓	✓
Angela Schofield chairman	✓	✓	✓	✓	✓	✓
Guy Spencer non-executive director	✓	✓	✓	x	✓	x
Robert Talbot medical director	✓	✓	x	✓	✓	x
Nick Ziebland non-executive director	x	x	✓	x	x	x
<i>In attendance</i>						
Sarah-Jane Taylor ⁴ director of human resources and organisational development	✓	x				
Judy Saunders ³ director of human resources and organisational development			x	x	x	x
Mark Friedman ⁵ transformation director	✓	✓	x	x		

¹ Calum McArthur joined the Trust as a non-executive director on 1 November 2014

² Yvonne Moores left the Trust 31 October 2014

³ Judy Saunders was appointed as interim HR director on 27 August 2014

⁴ Sarah Jane Taylor left the Trust 31 August 2014

⁵ Mark Friedman left the Trust 16 January 2015

* Extraordinary Meeting

Nominations, remuneration and evaluation committee (NREC)

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 the trust chairman, and comprises two public members, one nominated member, and one staff member. Members during 2014/15 were the trust chairman and:

- Lynn Cherrett (elected staff governor, clinical)
- James Pride (elected public governor, Poole)
- Ann Stribley (appointed governor, Borough of Poole)
- Sandra Yeoman (elected public governor, Poole)

During the period 1 April 2014 to 31 March 2015 the committee met formally five times.

On 1 May 2014 the committee considered:

- Annual report of the work of the Nominations, Remuneration and Evaluation Committee
- Chairman's re-appointment
- Non-executive re-appointment
- Planned non-executive review
- Proposed non-executive appointment

On 31 July 2014 the committee considered:

- 2013/14 annual appraisal of chairman and non-executive directors
- Remuneration and allowances for chairman and non-executive directors
- Non-executive director appointment
- Absent governor

On 30 October 2014 the committee considered:

- Re-appointment of non-executive director
- Appointment of new non-executive director
- Absent governors

On 15 January 2015 the committee considered electronically:

- Governance cycle
- Agreed methodology for the chairman and non-executive directors 2014/15 performance evaluation
- Absent governors

In March 2015 the committee considered electronically:

- Agreed the extension of tenure of a non-executive director
- Agreed the non-executive director recruitment process and timetable
- Absent governor

During the year an interview panel consisting of members of the committee met to review applications, shortlist and undertake a formal interview for the recommendation of a new non-executive director. Advice was taken from an external recruitment agency and the posts were advertised to ensure open competition.

During 2014/15, on the recommendation of the NREC, the council of governors approved:

- The re-appointment of the chairman
- The re-appointment of two non-executive directors
- The appointment of two new non-executive directors
- The remuneration and allowances of the chairman and non-executive directors
- The outcome of the 2013/14 chairman and non-executive director appraisal

NOMINATIONS, REMUNERATION & EVALUATIONS COMMITTEE ATTENDANCE 2014 - 2015

Name	Constituency	Meeting Dates				
		May 2014	July 2014	October 2014	January 2015*	March 2015* ¹
Mrs Angela Schofield	Chairman	✓	✓	✓	✓	✓
Mrs Lynn Cherrett	Clinical staff	✓	x	✓	✓	✓
Mr Jamie Pride	Poole	x	✓	✓	✓	✓
Cllr Ann Stribley	Borough of Poole	✓	✓	✓	✓	✓
Mrs Sandra Yeoman	Poole	✓	✓	✓	✓	✓
<i>In attendance</i>						
Mr Guy Spencer	Senior independent director	✓	✓	x	x	x
Mrs Sarah Jane Taylor	Director of HR and organisational development	✓				
Was the meeting quorate according to its terms of reference?		Y	Y	Y	Y	Y

*Electronically facilitated meeting ¹ Extraordinary NREC meeting

Membership

Poole Hospital NHS Foundation Trust has a public constituency and a staff constituency. The public constituency has four classes. These 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 (including the rest of England)

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

Anyone aged 12 and over who lives in England and is not employed by Poole Hospital can become a public member.

At 31 March 2015 the trust had 6,336 public members. The target was to achieve a year end total of 6,260 members with a focus on increasing younger membership. The trust achieved both of these targets with increases in the under 16 membership from 11 members to 114 members and the 17-21 year olds increasing from 245 to 1023 members.

The council's Membership Engagement and Recruitment Group has agreed a year end target of 6,500 members for 2015/16. Governors are targeting recruitment to achieve a sign up of new members of 150 per quarter to achieve this target and will continue to work with the local college to promote membership to younger people.

The staff and volunteer members total was 3858. All staff and volunteers are members of the Trust automatically unless they choose to opt out.

The membership broadly reflects the populations the trust serves in terms of diversity. However, as may be expected given the demographics of the local area, the trust has proportionally slightly more members in the women and older age groups.

A breakdown by constituency is provided here for information

Public constituency	
Poole	3,300
Purbeck, East Dorset and Christchurch	1,757
Bournemouth	950
North Dorset, West Dorset and Weymouth and Portland (including rest of England)	329
	6,336

Staff constituency	
Clinical	3,442
Non-clinical (including volunteers)	1,154
	4,596

Membership development strategy

The main aim of the trust's membership development strategy is to:

- have a meaningful membership that is interested in the future of the trust and is representative of the community we serve
- ensure that members have a say in helping us develop the future quality and type of services provided
- use our membership base to strengthen our links with the community and all stakeholders.

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

- outsourcing part of the membership recruitment to an external agency to increase the membership of the hospital
- increasing governor participation in the recruitment and engagement of members
- organising membership events to increase opportunities for membership engagement and participation
- working to increase overall public membership number in line with agreed annual targets
- working to grow a representative membership.

Governors attended a number of public events, including:

- Coeliac UK AGM
- Local Women's institutes and townswomen guilds
- WRVS Café
- Freshers' Week at Bournemouth University, Talbot campus
- Health and Social Care induction day for students at Bournemouth University, Lansdowne campus
- Lewis Manning conference

Elected governors listen to and represent the opinion of the Trust members on a whole range of issues including the objectives, priorities and strategy within the Trust's forward plan. The listening takes place, throughout the year, on an informal basis with one to one governor member contact, clinical presentation events, a range of membership recruitment opportunities and the Trust's annual members' meeting. The governors are given the opportunity to communicate those opinions expressed by members directly or via the council's membership engagement and recruitment group or the council's future plans and priorities group to the council of governors.

Appointed governors are able to present the views of their appointing bodies on the objectives, priorities and strategy within the Trust's forward plan directly or via the council's future plans and priorities group to the council of governors.

The council reserves time in its future plans and priorities group and at formal council of governor meetings governance cycles to pay particular attention to the Trust's forward plan.

Those views expressed to the council of governors are communicated to the board of directors via the annual planning processes.

The membership engagement and recruitment reference group of the council of governors had four meetings during the year. The group is chaired by a governor and is supported by the company secretary function.

Recruitment and engagement events during the year took place in the hospital, local events and Bournemouth University. Links have been made with the Bournemouth and Poole College where promotion of membership is provided to existing and new students.

Contact with members has also taken place through individual contact, open events, public meetings and trust literature.

The trust held its annual members' meeting on 25 September 2014. Members were invited via the membership newsletter, Foundation Talkback, and letters to individuals who expressed an interest in attending. The event was publicised in the local press, on our website and throughout the hospital. The event was well attended and Mr Daniel Webster provided a presentation on maternity care which was very well received.

The trust newsletter for members, Foundation Talkback, is published three times a year and as well as informing members of a range of activities and events taking place a column is provided for governors to give an overview of their role. This gives the governors an opportunity to highlight the relevance of their role and to encourage membership engagement with the trust. The trust has arranged for Foundation talkback to increase to a quarterly production for 2015/16

The trust held clinical presentations arranged to give the governors an overview of a particular service. Members will be invited to two of these events each year in order to gain a broader understanding of the work of Poole Hospital.

The staff governors are available via email whereby staff members can express views on services and developments within the hospital. This is then anonymously fed back to the chairman and chief executive of the trust.

Members may contact the council of governors through the membership office by telephone 01202 448723, in writing, by email 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 2014/15

Monitor, the independent regulator of NHS foundation trusts, has produced a code of governance, which consists of a set of principles and provisions which may be viewed on Monitor's website:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/327068/CodeofGovernanceJuly2014.pdf

Poole Hospital NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

NHS foundation trusts are required to provide a specific set of disclosures to meet the requirements of the *NHS Foundation Trust Code of Governance*, which should be submitted as part of the Annual Report (as referenced in the *NHS Foundation Trust Annual Reporting Manual*). The relevant provisions and disclosures are set out here and include;

1. Provisions A.2.2, A 5.10, A.5.11, A.5.12, A.5.13, A.5.14, A.5.15, B.2.11, B.2.12, B.2.13, B.4.3, B.5.8, B.7.3, B.7.4, B.7.5, D.2.4, E.1.7 and E.1.8 are statutory requirements with which the trust must comply. There is no requirement to report on these provisions but the trust confirms that it is compliant with all the statutory requirements as identified in these provisions from the code of governance.
2. Provisions as set out in A below require a supporting explanation, even in the case that the trust is compliant with the provision.
3. Provisions A.1.3, B.1.4, B.2.10, B.3.2, C.3.2, D.2.1, E.1.1 and E.1.4 require the relevant information to be made publicly available. Poole Hospital Foundation Trust can confirm that all the relevant information has been made publicly available and it is compliant with all the requirements of these provisions from the code of governance. Some of the information is available on request and some is made available on the trusts website.
4. Provision B.7.1 requires that the governors of the trust have been given all relevant information in line with the code provisions. The trust confirms that all governors of the trust have been provided with relevant information and it is compliant with all the requirements of this provision from the code of governance.
5. Provision B.7.2 requires that the members of Poole Hospital Foundation Trust have been given relevant information in line with the code. The trust can confirm that the members have been provided will all relevant information and it is compliant with all the requirements of this provision from the code of governance.
6. Provisions as set out in B below require an explanation if the trust has departed from them.
7. Provisions as set out in C below require an explanation as the trust partially meets or does not meet the requirements of the listed provisions from the code of governance.

A. The provisions requiring a supporting explanation are listed below, even in the case that the trust is compliant with the provision. Where the information is already contained within the annual report, a reference to its location has been supplied.

Relevant statutory requirements	Compliance Y/N	Evidence or Non Compliance Explanation	
A.1.1.	The board of directors should meet sufficiently regularly to discharge its duties effectively. There should be a schedule of matters specifically reserved for its decision. The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors (as described in A.5). This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors. These arrangements should be kept under review at least annually.	YES	All in place: <ul style="list-style-type: none"> • Disagreement statement- page 57 • Summary of decisions- page 56 • Board responsibility/ operating/ statement- pages 56-58 • Decision statement – pages 56-60
A.1.2.	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent directors (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	YES	Meetings and attendance registers- Pages 70-90

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
A.5.3.	The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor. A record should be kept of the number of meetings of the council and the attendance of individual governors and it should be made available to members on request. B.1.4	YES	Council of Governors and supporting details- pages 83-90
B.1.1.	The board of directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	YES	Board of Directors- pages 62-69
B.1.4.	The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	YES	Director's skills, expertise and experience- page 62-69 Statement on balance, completeness and appropriateness – page 56-60
B.2.10.	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	YES	Nomination Committee- page 89-90 Remuneration Committee – 107-108
B.3.1.	A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.	YES	Chairman's Commitments- pages 69

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
B.5.6.	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	YES	Trust Member Engagement- page 91-93
B.6.1.	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	YES	Evaluation of the Board- page 59 External Assessor Evaluation- page 59
B.6.2.	Where an external facilitator is used for reviews of governance, they should be identified and a statement made as to whether they have any other connection with the trust.	YES	External Facilitator Review- page 59
C.1.1.	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	YES	Director's Statement- page 61 Auditor's Statement- page 181 Annual Governance Statement – page 174

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
C.2.1.	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	YES	Page 61
C.2.2.	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	Page 71-75
C.3.5.	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	YES	N/A Would do so in the event.

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
C.3.9.	<p>A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include:</p> <ul style="list-style-type: none"> • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. 	YES	Audit Committee- pages 71-75
D.1.3.	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	YES	Refer to Remuneration Committee Terms of Reference. (director of human resources and organisational development) Currently N/A
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website.	YES	Contact processes on website, foundation talkback newsletter and within the annual report.

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
E.1.5	The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face to face contact, surveys of members' opinions and consultations.	YES	Board engagement with council of governors policy statement- page 61
E.1.6.	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	YES	Member engagement- pages 91-93

B. Departure from the code: The code requires that the provisions A.1.4, A.1.5, A.1.6, A.1.7, A.1.8, A.1.9, A.1.10, A.3.1, A.4.1, A.4.2, A.4.3, A.5.1, A.5.2, A.5.4, A.5.5, A.5.6, A.5.7, A.5.8, A.5.9, B.1.2, B.1.3, B.2.1, B.2.2, B.2.3, B.2.4, B.2.5, B.2.6, B.2.7, B.2.8, B.2.9, B.3.3, B.5.1, B.5.2, B.5.3, B.5.4, B.6.3, B.6.4, B.6.5, B.6.6, B.8.1, C.1.2, C.1.3, C.1.4, C.3.1, C.3.3, C.3.6, C.3.7, C.3.8, D.1.1, D.1.2, D.1.4, D.2.2, D.2.3, E.1.2, E.1.3, E.2.1 and E.2.2 require an explanation if the trust has departed from the code. The relevant provisions and explanations regarding the code are included here.

Code Provisions		Compliance Y/N	Evidence or Non Compliance Explanation
D.2.3.	The council of governors should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	PARTIAL	See Council of Governors/Nominations, Remuneration and Evaluations Committee papers. The trust has frozen the remuneration for the chairman and non-executive director for the past five years and has not commissioned external professional advisers.

C. Areas of Non Compliance with the code

1) Explanation Re: Provisions; the board considers the trust has met the provisions of the code with the exception of the following areas where the trust explains where has not met or has only partially met the provisions;

- a) **Provision D.2.3** of the code states that the council of governors should consult external professional advisers to market-test the remuneration levels of the chairman and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.

***Explanation;** the trust has frozen the remuneration for the chairman and non-executive director for the past five years and has not commissioned external professional advisers.*



Remuneration report



Annual statement on remuneration

Major decisions on senior managers' remuneration and terms of service, including salary arrangements for newly appointed directors, changes to individual remuneration arrangements and amendments to salary ranges, are made by the trust's remuneration committee.

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 and organisational development attends except when his/her own performance and/or salary is discussed. The chief executive attends to provide advice on issues concerning the performance of directors and salary ranges, except when his/her own performance and/or salary is discussed.

The beginning of the financial year 2014/15 was a time of significant change on the board of directors, with a new chief executive and three new executive directors joining the trust in April. The year also saw further changes to the executive team, which are summarised in the notes to the table on pages 109-110.

During 2014/15, the remuneration committee met to agree the following:

- 11 June 2014: to approve the proposal to increase the medical director's responsibility to full time and to reduce clinical responsibility to one day per week
- 25 June 2014: to review the salary for the company secretary and to discuss recruitment arrangements for the director of strategy post
- 27 August 2014: to approve the remuneration arrangements for the interim director of human resources and organisational development; to agree a mutually agreed resignation scheme for the existing director of human resources and organisational development, and agree the salary ranges for a director of strategy and director of human resources and organisational development
- 28 January 2015: to approve the salary ranges for the director of finance and the director of strategy.

The tables on pages 109-111 provide details on the salaries and entitlements received by all directors, and incorporate the changes listed above. Further information on the context for changes that took place during the year is provided in the notes to those tables.

Further detail on attendance at the remuneration committee during 2014/15 is outlined in the table on page 108

Angela Schofield, chairman, remuneration committee

Senior managers' remuneration policy

All executive directors are employed on a Trust contract . Directors' remuneration packages do not include any additional components other than salary and entitlement to be part of the standard NHS pension scheme.

Executive directors' remuneration is managed through a process of objective setting and annual appraisals. Salaries are reviewed by the trust's remuneration committee following the executive appraisal cycle.

All operational practice is in line with employment contracts and aligned to annual plan and delivery.

Service contract obligations

Executive Director Contracts do not contain Service obligations which could give rise to or impact on remuneration payments or loss of office.

Payments for loss of office

The remuneration committee, with regard to HM Treasury guidance, if appropriate, would agree termination payments.

Payments for loss of office for executive directors would be made in line with national NHS Policy. The trust does not have a local policy for payments for loss of office for directors.

Notice periods for executive directors are set in line with national NHS guidelines.

Payments for loss of office were made during 2014/15 under an approved Mutually Agreed Resignation Scheme (MARS) - 12 staff across the whole trust left as part of the scheme at a cost of £208k.

Consideration of general terms

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.

Senior managers' contracts

All executive directors employed during 2014/15 were employed on a substantive (permanent) basis, with the exception of the transformation director and interim HR director (more detail available in the notes to the table on pages 109-110)

More information on the appointment dates for senior managers can be found in the board of directors section on pages 62-69

Directors' substantive contracts carry a six-month notice period.

Benefits policies

Accounting policies for pensions and other retirement benefits are set out in note 1.3 to the accounts and details of senior employees' remuneration can be found on 109-110 of the remuneration report.

Expenses paid to governors and directors

With regards to expenses paid to governors, this information is all included on page 85 of the annual report. With regards to directors' expenses, please see the salary entitlements table above.

Non-executive directors

Non-executive directors' remuneration is set out in the 'salary and pension entitlements' table below; decisions on non-executive directors' remuneration are made by the council of governors, advised by the nominations, recruitment and evaluation committee (see pages 89-90 for more details).

Off payroll arrangements

During the year the trust held two off-payroll engagements, for more than £220 per day. Both of these arrangements included contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations.

These off-payroll engagements related to the transformation director, which was a fixed term appointment, which ended on 16 January 2015, and the HR director, which was a temporary appointment as a result of a vacancy until a substantive appointment was made in February 2015.

Details of payments made under these arrangements are disclosed in the detailed director's remuneration report.

For all off-payroll engagements as of 31 Mar 2015, for more than £220 per day and that last for longer than six months	2014/15
	Number of engagements
	Number
No. of existing engagements as of 31 Mar 2015	0

For all new off-payroll engagements, or those that reached six months in duration, between 01 Apr 2014 and 31 Mar 2015, for more than £220 per day and that last for longer than six months	2014/15
	Number of engagements
	Number
Number of new engagements, or those that reached six months in duration between 01 Apr 2014 and 31 Mar 2015	2
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	2
Number for whom assurance has been requested	2
Of which:	
Number for whom assurance has been received	2
Number for whom assurance has not been received *	0
Number that have been terminated as a result of assurance not being received	0

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 01 Apr 2014 and 31 Mar 2015	2014/15
	Number of engagements
	Number
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	2
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility". This figure should include both off-payroll and on-payroll engagements.	2

In any cases where individuals are included within the first row of this table, please set out:	
Details of the exceptional circumstances that led to each of these engagements.	Transformation Director - fixed term appointment approved by Board and agreed with Monitor. HR Director - covering vacant post.
Details of the length of time each of these exceptional engagements lasted.	Transformation Director in post until 16 January 2015. HR Director substantive appointment made in February 2015.

Remuneration committee

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.

In determining remuneration policy and packages, the committee has regard to the trust's overarching reward and benefits strategy for all staff (Agenda for Change), the arrangements in the wider NHS and any extant guidance from the Treasury.

The committee also approves any changes to the standard contract of employment for executive directors including termination arrangements, taking into account any relevant guidance from the Monitor Code of Governance.

More detail on the activities of the remuneration committee during 2014/15 can be found in the chairman's statement on page 104.

NAME OF COMMITTEE:	REMUNERATION COMMITTEE			
REPORTS TO :	BOARD OF DIRECTORS			
Membership (all Non-Executive Directors as per Terms of Reference).	MEETING DATES			
	11 June 2014	25 June 2014	27 August 2014	28 January 2015
Angela Schofield, Chairman	✓	✓	✓	✓
Michael Mitchell, Non-Executive Director	✓	X	✓	✓
Yvonne Moores, Non-Executive Director	✓	✓	X	
Jean Lang, Non-Executive Director	X	X	✓	✓
Ian Marshall, Non-Executive Director	✓	✓	X	✓
Nick Ziebland, Non-Executive Director	X	✓	✓	✓
Guy Spencer, Non-Executive Director	✓	✓	X	✓
Calum McArthur, Non-Executive Director				✓
Philip Green, Non-Executive Director Designate				✓
Debbie Fleming, Chief Executive	✓	✓	✓	✓
Sarah-Jane Taylor, HR Director	✓	✓		
Carla Jones, Acting HR Director	-	-	✓	-
Judy Saunders, Interim HR Director	-	-	-	✓
Was the meeting quorate? Y / N	Y	Y	Y	Y

Salary and pension entitlements of senior managers

Poole Hospital NHS Foundation Trust - Annual Report 2014/15

Salary and pension entitlements of senior managers

Remuneration

Name and Title	2014-15				2013-14			
	Salary	Other Remuneration	Benefits in Kind	Total	Salary	Other Remuneration	Benefits in Kind	Total
	(bands of £5000) £000	(bands of £5000) £000	(bands of £100) £100 Note 2	(bands of £5000) £000	(bands of £5000) £000	(bands of £5000) £000	(bands of £100) £100 Note 2	(bands of £5000) £000
Mrs. Debbie Fleming- Chief Executive (Note 1)	170-175	-	-	170-175	-	-	-	-
Mr. Paul Miller- Director of Finance (Note 3)	135-140	-	-	135-140	-	-	-	-
Mr. Peter Gill - Director of Informatics (Note 4)	45-50	-	-	45-50	45-50	-	-	45-50
Mr. Mark Mould- Chief Operating Officer (Note 5)	125-130	-	-	125-130	-	-	-	-
Ms. Tracey Nutter- Director of Nursing & Patient Services (Note 6)	120-125	-	-	120-125	-	-	-	-
Mr. Robert Talbot - Medical Director (Note 7)	140-145	35-40	-	175-180	85-90	85-90	-	170-175
Mrs. Judy Saunders- Director of OD and Workforce (Note 8)	55-60	-	-	55-60	-	-	-	-
Mrs. Sarah-Jane Taylor - Director of HR and Organisational Development (Note 9)	40-45	90-95	-	130-135	90-95	-	-	90-95
Miss. Barbara Peddie - Joint Acting Chief Operating Officer (Note 10)	0-5	-	-	0-5	45-50	-	-	45-50
Ms. Jacqueline Nicklin - Joint Acting Chief Operating Officer (Note 10)	0-5	-	-	0-5	45-50	-	-	45-50
Mr Mark Friedman - Director of Transformation (Note 11)	335-340	-	-	335-340	175-180	-	-	175-180

Mrs. Angela Schofield – Chairman	35-40	-	-	35-40	35-40	-	-	35-40
Mrs. Jean Lang - Non-Executive Director	15-20	-	-	15-20	10-15	-	-	10-15
Mr. Ian Marshall - Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
Dr. Calum McArthur- Non Executive Director (Note 12)	5-10	-	-	5-10	-	-	-	-
Mr. Michael Mitchell - Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
Dame Yvonne Moores - Non Executive Director (Note 13)	5-10	-	-	5-10	10-15	-	-	10-15
Mr. Guy Spencer - Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
Mr. Nick Ziebland - Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15

Note 1. Mrs. Debbie Fleming was appointed as Chief Executive on 1 April 2014

Note 2. Benefits in kind relate to the profit element on business mileage claimed.

Note 3. Mr. Paul Miller was appointed as Director of Finance on 7 April 2014

Note 4. Mr. Peter Gill is a joint appointment with Royal Bournemouth and Christchurch Hospital NHS Foundation Trust (RBCH). 50% of Mr. Gill's costs have therefore been included in the pay bandings above.

Note 5. Mr. Mark Mould was appointed as Chief Operating Officer on 7 April 2014

Note 6. Ms. Tracey Nutter was appointed as Director of Nursing & Patient Services on 1 April 2014

Note 7. Other remuneration in respect of Mr. Robert Talbot relates to clinical work undertaken during the year. The proportion of Clinical work during year was calculated at 20% (2013/14 50%).

Note 8. Mrs. Judy Saunders was appointed as Director of OD and Workforce on 1 February 2015 (interim from 1 Sept 2014)

Note 9. Mrs. Sarah-Jane Taylor resigned as Director of HR on 31 August 2014. Other remuneration shown above relates to a payment under an approved Mutually Agreed Resignation Scheme (MARS).

Note 10. Miss Barbara Peddie and Ms. Jacqueline Nicklin jointly held the post of Chief Operating Officer from 1 November 2013 to 31 March 2014. This was further extended for a period of six days to 6 April 2014

Note 11. Mr Mark Friedman held the post of Director Of Transformation from 27 November 2013 to 16 January 2015. This was a fixed term appointment related to the delivery of the Trust's Transformation programme.

Note 12. Dr. Calum McArthur was appointed on 1 November 2014

Note 13. Dame Yvonne Moores resigned on 31 October 2014

Pension benefits

Name and title	Real increase in pension sum at age 60 (bands of £2500) £000	Real increase in pension lump sum at age 60 (bands of £2500) £000	Total accrued pension and related lump sum at age 60 at 31 March 2015 (bands of £5000) £000	Cash Equivalent Transfer Value at 31 March 2015 £000	Cash Equivalent Transfer Value at 1 April 2014 £000	Real Increase in Cash Equivalent Transfer Value £000
Mrs. Debbie Fleming- Chief Executive	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Paul Miller- Director of Finance	10-12.5	30-32.5	215-220	1,071	815	238
Mr. Peter Gill - Director of Informatics (see Note 1)	0-2.5	0-2.5	50-55	210	193	13
Mr. Mark Mould- Chief Operating Officer	10-12.5	30-32.5	155-160	633	440	183
Ms. Tracey Nutter- Director of Nursing & Patient Services	12.5-15	42.5-45	215-220	1,043	723	304
Mr. Robert Talbot - Medical Director	n/a	n/a	n/a	n/a	n/a	n/a
Mrs. Judy Saunders- Director of OD and Workforce	n/a	n/a	n/a	n/a	n/a	n/a

Note 1. Mr. Peter Gill is a joint appointment with RBCH and therefore only 50% of his costs have been included above.

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.

Remuneration report – pay multiples

The Hutton Review of Fair Pay Implementation required that a pay multiple be calculated as part of the remuneration report. Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director at Poole Hospital NHS Foundation Trust in the financial year 2014/15 was £175,000-£180,000. This was 6.5 times the median remuneration of the workforce which was £26,822 (whole time equivalent).

The median pay calculation is based on:

- Payments made to staff in post on 31 March 2015
- The reported salary used to estimate the median pay is the gross cost to the Trust, less employers Pension and employers Social Security costs. The reported annual salary for each whole time equivalent has been estimated by using contracted values.
- Payments made in March 2015 to staff who were part-time were pro-rated to a whole time equivalent salary.

Included in the calculation is an estimated average cost for agency staff. All agency staff expenditure is processed through dedicated account codes on the financial system. The total expenditure at 31st March 2015 on these codes was used to estimate an average salary. This was calculated by dividing the total expenditure by the estimated number of agency staff used during the year. There has been no deduction made for agency fees for the provision of these staff.

The median salary has been calculated as the middle salary if salaries were ranked in ascending order, and equates to £26,822 (2013/2014 £26,822).

The higher paid director is excluded for the median pay calculation.

The higher paid director's remuneration is based on their total remuneration which includes all salaries and allowances (including director's fee), bonus payments and other remuneration.

Remuneration report – signature

Signed by:



Date: 27 May 2015

Debbie Fleming, chief executive



Quality report



Quality report

Part 1 Chief executive's statement

Poole Hospital is passionate about maintaining and improving the quality of patient care. The Poole Approach “friendly, professional, patient centred care with dignity and respect for all” remains a central philosophy, led by the board of directors and understood by all of our staff. Each year, a quality report is included within the overall annual report of the organisation, in order to communicate to our patients, members of the public and all our stakeholders how well Poole Hospital is meeting their expectations regarding high quality healthcare.

This report covers a variety of areas in which the trust aims to deliver clinical excellence as part of our standard, everyday business. This includes the development of award winning models of care, nationally recognised nursing standards, world class key-hole surgery, innovative day case services, pioneering clinical research, a state-of-the-art cancer centre and overall, an ongoing commitment to quality improvement and innovation. The report also highlights how we have performed against a number of key priorities relating to patient safety, clinical effectiveness and patient experience.

During the year, there have been a number of changes to the executive team, with four new executives joining the trust in April 2014. These appointments have brought a wealth of experience to the trust, and have enabled Poole Hospital to move forward with confidence, following the decision by the Competitions Commission in 2013 not to allow a planned merger with Royal Bournemouth and Christchurch hospitals. Since then, the board of directors has been working closely with clinicians, staff and partners to develop a new strategy for the trust that will deliver a clinically and financially stable future. The trust has agreed a two year plan with our regulator Monitor that will enable us to continue moving forward, pending the outcome of the Dorset Clinical Services Review and the system-wide work of the Dorset “Better Together” Programme.

Meanwhile, patients throughout the year have had increasing opportunities to comment on the care and treatment they receive through the “Friends & Family Test”. As well as covering inpatient services, the Friends & Family Test has now been extended to include outpatients and maternity services, with very useful feedback also being obtained by means of the separate Friends & Family Test for staff.

The trust is yet to receive a new-style inspection by the Care Quality Commission (CQC) but in the meantime, we continue to work hard to ensure that we meet (and indeed exceed) patient expectations. At the time of writing, we are rated Band 6 (for safety) by the CQC intelligence monitoring indicator – which means that we are deemed to be a “low-risk” organisation. The trust expects to be inspected by the CQC by the end of December 2015.

During the course of the year, we were pleased to receive a very positive endorsement from a number of national surveys of patients, as they reported on their experience of care within Poole Hospital. The 2014 emergency department national

patient survey results showed seven areas of noticeable progress in areas of; care and treatment, pain relief and explanation of tests required. 12 areas have been highlighted for improvement to bring Poole Hospital in line with the highest performing trusts nationally including; information giving, waiting times, reassurance and wait for pain relief. Further details of our actions can be found later in this report.

We are particularly proud of our performance in delivering high quality cancer services, with patients continuing to rate Poole Hospital's cancer care highly through the national cancer patient survey with 92% of patients rating their care at Poole Hospital as excellent/very good. This places the hospital in the top 20% of trusts in the country, for the third year in succession.

To the best of our knowledge the trust remains the only hospital in England to achieve and maintain Practice Development Unit status on every ward within the organisation.

A Practice Development Unit recognises and celebrates the intense work and well-deserved achievements of each individual team which when brought together as one combined unit across the trust culminates in the ultimate pursuit of excellence in patient care at Poole Hospital.

The trust is now further strengthening its commitment to quality and safety by participating in the nationwide Sign up to Safety campaign. This programme aims to significantly reduce avoidable harm to patients across the NHS over the next three years. Poole Hospital has signed up to the national campaign and the following five pledges;

- Putting safety first - reducing avoidable harm
- Continually learning – by constantly measuring and monitoring our services
- Being honest – about our progress to tackle patient safety
- Collaborating – taking a lead in supporting learning with our local partners
- Being supportive – helping people understand why things go wrong.

With strong clinical leadership, great staff engagement across the trust and robust relationships with our local partners, we expect to deliver a demonstrable difference in outcomes for patients over the next few months and years.

Nevertheless, despite this overall positive picture, we are aware that there is always room for improvement – and this is particularly the case for an organisation such as Poole Hospital, which is delivering services under great pressure. With this in mind, we have identified a number of key projects for the coming year that we know will make a real difference in improving the quality and safety of our services - details can be found later in this report.

In closing, I would like to thank all those who routinely provide feedback to the trust regarding the quality of our services. This feedback really is very important to us, as we seek to understand how well we are doing. Within Poole Hospital, quality really does come first - and as such, we are committed to doing everything possible to continually improve the standard of care delivered to our patients.

Finally, as chief executive of this organisation, I should like to take this opportunity to pass on my thanks to all staff for their contribution in delivering high quality care. It is the high calibre of the staff working within Poole Hospital that results in the delivery of such great services, and I am very proud of all our achievements.

To the best of my knowledge, the information contained within this report is accurate, and I hope that you enjoy reading about all the progress that has been made to date, and our plans to improve things further.

A handwritten signature in blue ink, appearing to read 'D Fleming', with a stylized flourish at the end.

DEBBIE FLEMING

Chief executive

PART 2 – PRIORITIES FOR IMPROVEMENT

1. OVERVIEW

High quality care for all our patients remains at the centre of everything we do, and maintaining and improving the quality of patient care remains top priority for the trust. In order to ensure that quality continues to be supported across the trust a comprehensive quality strategy and clinically lead quality reporting process was introduced in July 2014. The ongoing desire to continually improve our 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 2014-2015, we made good progress against all five of our key quality improvement measures. This included;

- Continuing to build on the 'Poole Approach' through engagement with staff and the development of a number of trust wide events to continually refresh this important trust philosophy.
- Ensuring that the 'right patient, is in the right place, at the right time by improving our monitoring and control of patients admitted to a ward outside their speciality and reviewing our bed configuration to ensure we get this right for our patients. Fully reviewing our clinical staffing needs, embarking on a structured overseas recruitment project and complying with new national monthly reporting requirements on staffing levels by ward.

We fully achieved what we set out to achieve in expanding the Friends and Family test (FFT) across the trusts for both patients and staff and have improved our staff compliance against our mandatory (essential) training programme. Full details of these achievements can be found later in this report.

Alongside these quality improvement measures, clinical staff continually worked really hard to manage infection control across the wards. The trust reported zero cases of MRSA against an annual target of zero; an improvement on two reported for 2013/14. Cases of c.difficile (c-diff) remain very low – nine cases against a challenging target of 13 – the overall picture on infection prevention is very positive, with most c-diff cases unavoidable. In December 2014 the trust 'signed up' to the new national Sign up to Safety campaign which aims to significantly improve patient safety across the NHS over the next three years. More details of our local Sign up to Safety campaign can be found later in this report.

We have maintained waiting times for our patients by meeting the 18-week target for referral to treatment 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.

The trust maintained its registration as a healthcare provider with the Care Quality Commission. Throughout 2014-2015 the trust continued to be registered, without conditions, to provide:

- Nursing care
- Accommodation for persons who require nursing or personal care
- Diagnostic and screening procedures
- Treatment of disease, disorder and injury
- Surgical procedures
- Maternity and midwifery care
- Personal care
- Termination of pregnancies
- Management of supply of blood and blood derived products
- Assessment or medical treatment for persons detained under the mental health act
- Family planning.

The trust rating for the Care Quality Commission Intelligent Monitoring Report published in July 2014 was Band 6 and in December 2014 we remained at Band 6 which means that we are deemed to be a “low-risk” organisation (Band 1 very high risk to Band 6 very low risk). In the July and December 2014 Intelligent Monitoring Reports the CQC did not identify any elevated risks.

The trust has not been subject to an inspection visit from the CQC during the year but has followed up on all the actions identified from the unannounced CQC visit in January 2014. However the trust expects to receive a full CQC inspection during 2015.

There are a number of inherent limitations in the preparation of quality accounts which may impact the reliability or accuracy of the data reported. These include:

- Data is derived from a large number of different systems and processes. Only some of these are subject to external assurance, or included in internal audits programme of work each year
- Data is collected by a large number of teams across the trust alongside their main responsibilities, which may lead to differences in how policies are applied or interpreted. In many cases, data reported reflects clinical judgement about individual cases, where another clinician might have reasonably have classified a case differently
- National data definitions do not necessarily cover all circumstances, and local interpretations may differ
- Data collection practices and data definitions are evolving, which may lead to differences over time, both within and between years. The volume of data means that, where changes are made, it is usually not practical to reanalyse historic data.

The trust and its board have sought to take all reasonable steps and exercise appropriate due diligence to ensure the accuracy of the data reported, but recognises that it is, nonetheless, subject to the inherent limitations noted above.

2. QUALITY IMPROVEMENTS IN 2014-2015

The board of directors considers issues relating to patient care and safety, quality and clinical performance in detail at the meetings of its quality, safety and performance committee and during the public part of every monthly board meeting. In reviewing patient care, patient safety, clinical effectiveness and patient experience the board has targeted five key areas for improvement in this year (April 2014-March 2015). In selecting the areas for this year's quality improvements, the board has sought the views of patients, the public and staff through the council of governors and external stakeholders. The board has deliberately continued to target one area from the improvement targets in 2013-2014 to seek improvements in areas where the trust did not succeed in the past year. Quality improvement remains a top priority for the board of directors.

The areas for improvement in 2014-2015 were:

2.1 The Poole Approach – culture and care

The Poole Approach pledges that the trust will strive to provide 'friendly, professional, patient-centred care with dignity and respect for all'.

This unique philosophy of care continues to be a focus for the new executive team as the trust develops its strategies and quality plans for the coming year following the prohibition of the planned merger with Royal Bournemouth and Christchurch Hospitals NHS Foundation trust and the recent appointment of three new executive directors and a new chief executive.

This work will continue to build on the successful Golden Rules programme and will involve further education, audit and monitoring to ensure staff trust-wide continue to embrace the culture and care ethos through the Golden Rules and the Poole Approach.

2.2 Right patient right place/bed occupancy/patient moves

Increase the number of the right patients, in the right bed, reduce unnecessary patient moves and reduce the overall bed occupancy rates, working closely with partner agencies to improve discharge planning and reduce our delays and improve our patients overall experience.

2.3 Clinical staffing

The trust will formalise outcomes from the most recent detailed nursing and midwifery establishment review undertaken in the autumn of 2013. This is particularly important in response to the findings of the Francis Report 2013 and CQC Hard Truths 2013 new board reporting requirements. This staffing review will enable the trust to identify both the changing needs of patients and the changing nature of the workforce to ensure that patients are cared for by appropriately qualified and experienced staff in safe environments.

2.4 Seeking patients' views – Friends and Family Test

Increasing the number of opportunities for patients to provide feedback and comments on the services, care and treatment that they receive remains a key target for the coming year. This will involve increasing the patient response rate to the Friends and Family Test (FFT) across the trust, including the introduction of FFT for outpatients during 2014, responding to patient feedback, and increasing the number of patients who are 'extremely likely' to recommend Poole Hospital to friends and family.

2.5 Mandatory training

Increase the trust-wide compliance against mandatory (essential) training requirements within the year to support the ongoing delivery of high quality care for our patients. This will involve a review of all mandatory training including a review of training availability and capacity, as well as further developments in the successful e-learning packages already available to staff.

3. Quality improvements 2014-2015 in detail;

The detail of our progress on our quality improvements in 2014-2015 is set out below: (it should be noted that the quality improvement topics vary from year to year and may not always have been subject to detailed monitoring in previous years).

3.1 Poole Approach - culture and care

The trust will continue to maintain and build on the Poole Approach and the Golden Rules throughout the challenging months ahead.

Actions

Ensure the ethos of the Poole Approach is continually refreshed and referred to in training events, key trust documents and reports.

Further develop our Golden Rules (Golden Rules were introduced in 2011 to underpin the Poole Approach and ensure a continued focus on dignity, privacy and respect for all patients) in partnership with patients and help community colleagues to embrace this approach.

Ensure effective staff engagement across the trust that enables any changes to values that reflects on the Poole Approach and Golden Rules.

Progress

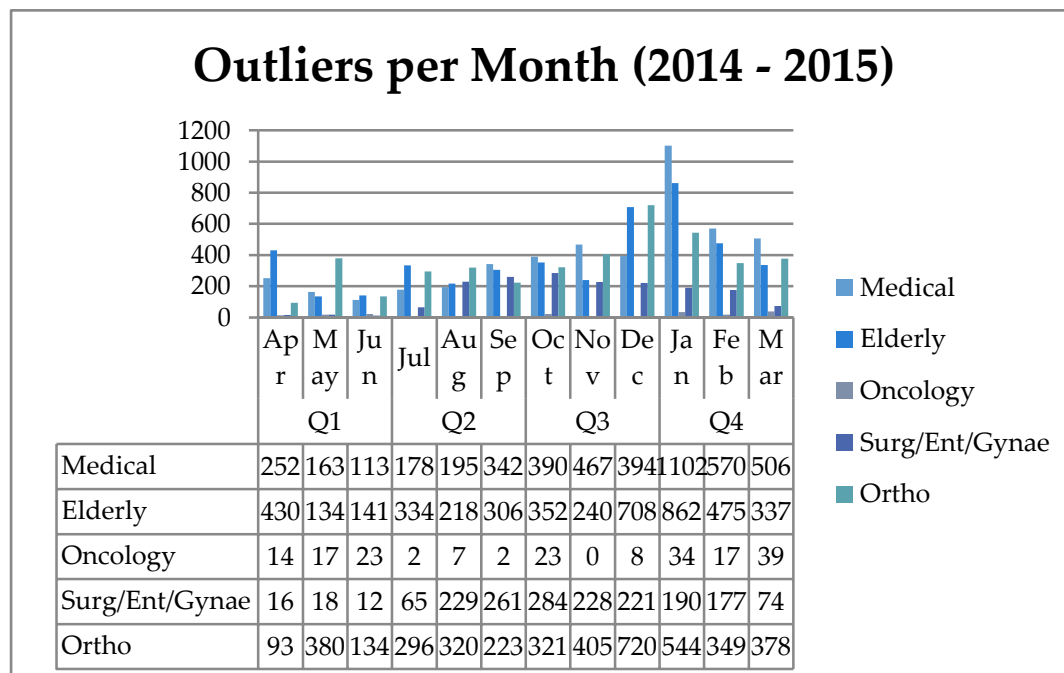
- Staff engagement via trust briefing and open sessions with CEO
- Introduction of Schwartz rounds to support staff
- A number of Golden Rules champion awards given to staff
- A Patient Experience Group was established in October 2014 to ensure the important patient feedback is analysed, understood and acted upon
- Trust signed up to safety campaign with pledge to develop a patient experience steering group - patient experience steering group set up includes a patient representative. Terms of reference available on request.
- Expansion of Friends and Family Test (FFT) to outpatients and staff completed.
- Decreasing negative FFT responses- a reduction has been successfully achieved for inpatients.

Improvement target achieved

3.2 Right patient, right place, right time, including bed occupancy

The trust continues to experience a high level of bed occupancy and a high number of outlying patients (patients who are being looked after outside their specialty area)- see table 1.

Table 1



Actions

Right patient, right bed, first time is the gold standard. Most patients receive their emergency/urgent care treatment in the right specialty bed. The right patient in the right place will be factored into bed demand to enable firm plans to be put into place to ensure patients are cared for in the right specialty and this is discussed at the twice daily operations meetings. A bed capacity review has been undertaken and the decision to include 20 Kimmeridge ward beds and six beds on C4 ward and other escalation capacity into the funded bed capacity will help to alleviate the need for multiple outliers.

Continue to review and improve discharge planning.

Continue to work with our partner organisations with regard to delayed discharges and admission avoidance

Progress

- Twice daily monitoring of outlying patients who are outside their specialty area at bed meetings continues
- Review by consultant/medical team or specialist nurse daily on weekdays and specialist nurse review at weekends for elderly care patients
- Closer working with partner agencies to improve discharge planning and timely discharge (Social Services and CCG)
- Implementation of the patient safety bundle for discharge in elderly care wards in improving the number of patients who go home in time for lunch
- Discharge coordinator roles in Ansty ward– post appointed and commences April 2015
- A new Delayed Transfer of Care (DTC) group has been set up that meets bi-weekly to discuss delays, build relations and formulate ideas/work streams to try and improve delays and flow. This group is attended by matrons and therapy leads from Poole Hospital and team leaders from our local authority and community partners.

Improvement target not achieved - We were not able to consistently increase the number of patients in the right place at the right time. Progress on this target was hindered by a very busy winter where bed occupancy levels were very high. This was experienced across the whole health system.

3.3 Clinical staffing

Nursing and midwifery establishments need to be reviewed regularly to identify both the changing needs of patients and the changing nature of the workforce; patients have a right to be cared for by appropriately qualified and experienced staff in safe environments,

Actions

Review the work to date in April 2014.

Review and revise the reporting process to support the national hard truths board reporting requirements.

Review the supervisory status for ward sisters/ charge nurses.

Progress

The Nursing and Midwifery Staffing Working Group meets monthly setting the agenda around issues related to recruitment and retention of nurses and midwives by focusing on:

- Current vacancies
- Starters and leavers
- Maternity leave
- Sickness, absence etc
- Spend on specialling (providing 1-1 staff for individual patients)
- Spend on staffing escalation
- Rostering
- Electronic rostering
- NHS England / CQC Safe Staffing reports
- Establishment review

The current nursing and midwifery recruitment initiatives being;

For registered nurses, a return to practice course based at Bournemouth University and aimed at registered nurses whose NMC registration has expired is available, these nurses are given a mentored clinical placement at PHFT and supported to re-train with Bournemouth University. In addition the trust runs a shorter three week course 'return to acute nursing' to target currently registered nurses who are not currently working in acute care to support them to improve their acute clinical skills in a clinical environment thus facilitating them to work in acute care.

For the newly qualified registered nurse and midwife PHFT is actively recruiting by attending job fairs, inviting cohorts of individuals from all universities to open days at the hospital where we can inform them of the current preceptorship programme and clinical practice development opportunities available to them. This is advertised via the trust web page, Bournemouth University and through the current support we offer via the newly qualified recruitment advertisement.

There is an active overseas recruitment programme running which has successfully recruited nurses from both Europe and the Philippines; current plans are to continue this focusing on nurses with more experience.

For health care assistants, a successful values based recruitment event has taken place where candidates had the opportunity to be more informed on the role and were interviewed on the same day. These staff will now be registered to undertake the 'care certificate for health care assistants' which will be their first stage of their future development.

All of the recruitment activities are supported with a current retention strategy for individuals that link to appraisal and Training Needs Analysis (TNA).

The trust responded to the National Quality Board requirements by:-

- Agreeing to produce a report to the trust board every six months, outlining the position of nurse and midwifery staffing across the trust

- Publishing a monthly report detailing planned and actual staffing on a shift by shift basis at ward level on the trust's website; 'Safe Staffing' www.poole.nhs.uk/about-us/our-performance/safe-staffing.aspx. This is uploaded to the relevant hospital webpage for NHS Choices and reported to the trust board as part of the integrated performance report (quality and patient experience)
- Placing at the entrance to every ward, planned (budgeted establishment) levels of nurses per shift and the actual levels of nurses per shift for registered nurses and health care assistants.

Improvement target achieved

3.4 Seeking patient views

The trust actively participates in the national patient's surveys and the Friends and Family Test (FFT) for inpatients, ED and maternity. During 2014/15 the FFT will extend to outpatients and staff.

Actions

Identify electronic systems to support the introduction of FFT in outpatients.

Implement the actions identified from the 2013 national inpatient and maternity surveys.

Progress

- The trust signed up to the national Sign up to Safety campaign with a pledge to develop a patient experience working group
- The patient experience steering group has been set up and had its first meeting in October 2014 and meets monthly
- Introduced a text system in ED to improve FFT response rates. Response rates now on target reaching 15% in Quarter 3 and achieved. Achieved 19% in February 2015 against the target of 20% by the end of March 2015
- Early implementation of FFT in outpatients– implemented October 2014 and part of the trusts regular reporting of FFT. Early indications are a very positive experience for patients in the outpatients department with 90% recommending Poole Hospital outpatients service
- Action plans in place in response to national inpatient and emergency department surveys. See section six for more details
- Discussions taking place to create the Golden Rules - patient partnership in an easy read form and in conjunction with the Poole Forum. Launching in April 2015
- Production of other easy read documents also being considered included a user friendly version of the quality account improvement topics for 2015/16.

Improvement target achieved

3.5 Mandatory training

Mandatory (essential) training compliance falls short of the required level in some areas (minimum of 90%). Trust-wide figures for compliance with mandatory training during the reporting period reached 85% in March 2015 (up from 76% in previous year), with a variance between the compliance levels of staff groups averaging between 91% (most compliant staff group), to the least compliant staff group at 64%.

Actions

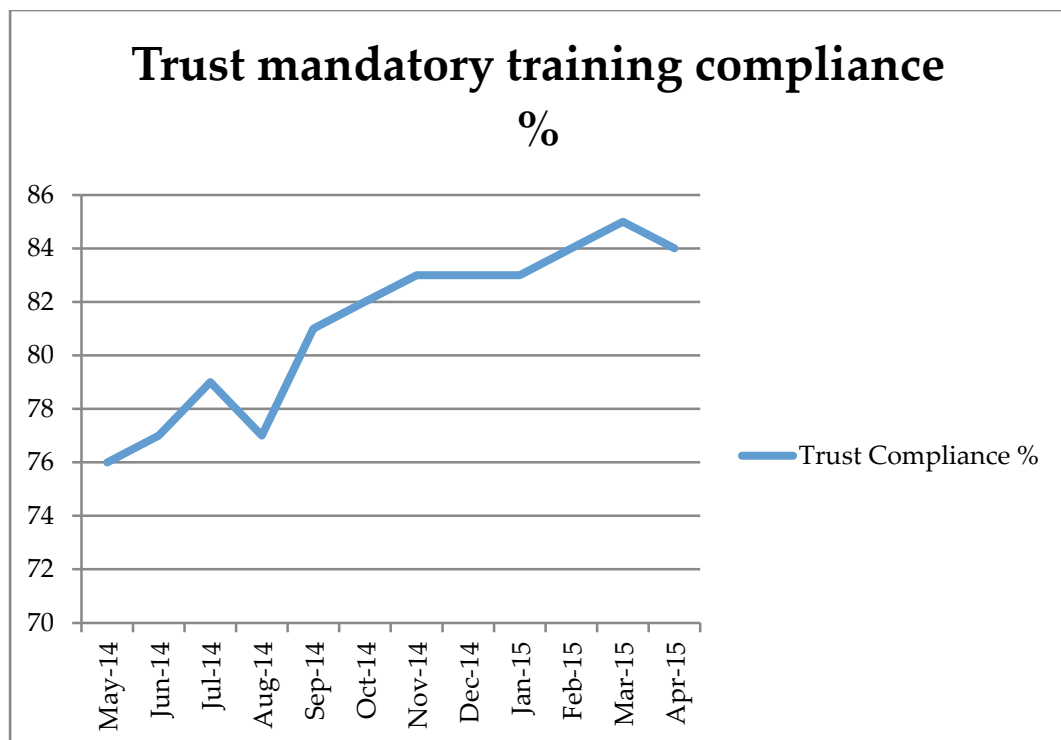
Monitoring figures should be included within the monthly integrated performance report – action complete.

Ensure that there is compliance with the policy for those who do not attend - the policy for patient and personal safety training places a responsibility on managers to monitor their staff compliance levels and to manage non-attendance appropriately. The monthly education department compliance report provides managers with compliance levels.

Monitoring should be included with education group meetings and workforce committee – action complete.

Progress

- Mandatory training figures now included in monthly Integrated Performance reports
- Review of training related attendance policies (DNA)
- Regular reports to the Education Group and Workforce Committee - ongoing
- Compliance percentage- an improving picture. Last report (31st March 2015) indicated a compliance level of 85% across the trust.
- Learning disability session now included in the core training programme, delivered by a member of the Poole Forum - complete
- Human resources developing an organisational development training tool kit for senior staff – ongoing action.



Improvement target partially achieved – a number of areas across the trust met or exceeded the target whilst a small number did not meet the target.

4. QUALITY IMPROVEMENT FOR THE COMING YEAR 2015-2016

4.1 Handover at discharge – board sponsor director of nursing

The handover of patients on discharge is a complicated and multifactorial process. The trust will further develop effective discharge processes and improve communication both internal and external to the organisation.

Aim

To ensure that at every handover/discharge patients will have adequate and timely communication and any essential information needed for relevant staff and teams is available and acted upon.

Current position

Discharge support team improved reporting and tracking of discharges and discharge planning documentation has been updated. All patients reviewed by matrons and senior management when over length of stay 20 days. Senior nurses involved in the daily management of complex discharges.

A pilot of the discharge 'safer care bundle' has been implemented in care of the elderly wards to be rolled out across the trust. CHC education sessions with discharge facilitators have taken place and more sessions are planned for senior nurses and ward leads.

Actions

1. Implement discharge safety flow bundle trust wide
2. Ensure systematic approach to providing patients with information on what is happening now and next throughout their stay
3. Ensure confirmation of patients understanding of their discharge arrangements, their understanding of information/any documentation provided on discharge.
4. Explore options to increase patients 'home for lunch' scheme?
5. Key work stream for the trusts 'Sign up to Safety' campaign.

Progress and measurement

- Total number of ward areas who have implemented bundle
- Themes arising from root cause analysis (RCA's) completed for 'poor' discharge
- The number of adverse incident reports (AIRS) relating to discharge (agree how issues are measured and agree target for reduction)
- Increase the number of patients in medicine and elderly care wards who get home in time for lunch.

4.2 Deterioration of patients – board sponsor director of nursing

The trust has the electronic National Early Warning System (eNEWS) in place to support the early recognition of patient's whose condition deteriorates. We need to

ensure that all patients' needs are recognised promptly and escalation processes used effectively.

Aim

To enable staff to recognise when a patient's condition deteriorates and takes the appropriate immediate action to ensure avoidable harm is reduced to an absolute minimum.

Have a robust graded response strategy to ensure the patient is seen by the right person with the right skills at the right time.

Signed up to national safety campaign; quality improvement topic identified from national agenda; deterioration of patients.

Current position

Regular audit of response to the deteriorating patient have shown gaps in the use and escalation of the current paper based patient observations record.

Implementation of Vital Pac system commenced January 2015, the last area will be live by the end of April.

Significant staff training programme will support this project; matrons will take over the business as usual role when the project team disbands at the end of April. VitalPAC allows for performance monitoring of adherence to the Track and Trigger system as well as timeliness and completion of observations.

Actions

1. Implement 'VitalPAC' patient observation system.
2. Produce reports on response to escalation.
3. Link to Sign up to Safety campaign - key work stream.
4. Paediatric module under development should be available for implementation in the summer. Further project support will be needed for this to happen.
5. Implement safety briefings

Progress and measurement

Identify key measures to successful implementation and reduction of harm to patients;

- Total number of areas implemented VitalPac trust wide
- Key performance indicators via the VitalPac system and identify improvement targets
- Thematic analysis from Root Cause Analysis (RCA's)
- Total number of areas implementing 'safety briefings' will indicate a high level of commitment and involvement trust wide.

4.3 Medication errors - board sponsor medical director

The trust must ensure that patients are protected from harm from the unsafe use and management of medicines. We will support staff to ensure that patients receive their medicines in a safe and timely manner.

Aim

To ensure that the trust's policies and procedures and practical application supports the delivery of safe medication to patients. Resulting in a reduction of medication related incidents and errors.

Current position

- Medicines incident review group meets monthly
- Monthly reporting to the Risk Management and Safety Group (RM&SG) chaired by the director of nursing
- Bi-monthly reporting to the Drugs and Therapeutics Group
- Monitoring via the CCG contract monthly
- Communication to clinical teams re errors
- New chief pharmacist in post March 2015.

Actions

1. Introduce electronic prescribing
2. Reduce missed doses
3. Review audit processes currently in place
4. Medicines review group to identify Key Performance indicators (KPI's) and or monthly dashboard.

Progress and measurement

- Number of AIRS
- Audit programme - pharmacy
- Monitoring and reporting of Key Performance Indicators

4.4 Sepsis – board sponsor medical director

Sepsis is a medical emergency which can occur as part of the body's response to infection. It is estimated that 35,000 people die from sepsis in England each year. Sepsis affects all age groups with over 70% of cases arising in the community. Key to reducing these figures is timely recognition and diagnosis of sepsis and prompt treatment.

Aim

To ensure that all patients presenting with signs of sepsis are identified in a timely manner and that management is in accordance with national standards of best practice.

Current position

The trust has developed services to better identify and manage sepsis. This has included the inclusion of sepsis recognition and management as part of induction and update training and implementation of a standard proforma for the early identification and management of patients in the emergency department and paediatric unit. For inpatients, an embedded system for the early identification of patients who are deteriorating and the clinical outreach team have supported best practice. During the early part of 2015 this local system is being updated and changed to a national electronic system called eNEWS.

Participation in national and local audits has shown that there is further work required to ensure a consistently high standard of care across the whole hospital. This will be supported through the successful embedding of eNEWS along with sepsis specific projects.

Actions

1. Participate in the Sign up to Safety campaign sepsis work stream launching in May 2015
2. Review and further develop systems to capture robust data on sepsis incidence and mortality
3. Review and further develop the existing good practice with assessment tools in emergency department and paediatrics across into all inpatient areas of the trust.

Progress and measurement

The mechanisms for measurement will be developed as part of the safety collaborative and are likely to include:

1. Compliance with use of the assessment proforma
2. Compliance with the national 'sepsis six' care bundle.

4.5 Patient involvement and feedback – board sponsor director of nursing

Responding to patient feedback continues to be a top priority to the trust. Seeking patient views remains an ongoing theme as part of the trust annual Quality Account.

Aim

To increase patient involvement in developing trust services. Work with patients and their relatives when things go wrong and be responsive to feedback received via a variety of sources.

Current position

Positive response from patients via the national patient surveys.

Decreasing negative response from inpatients through the FFT process.

Positive patient feedback via FFT and other patient surveys. Including outpatient FFT from October 2014.

Patient representative involvement in key meetings and working groups.

Poole hospital is one of only six trusts nationwide involved in real-time patient feedback research study through questionnaires and interviews and is focussing on the patients journey and organisational learning.

From October 2014 the board of directors receives a monthly patient story by way of a short DVD where a patient describes their journey whilst a patient at Poole Hospital.

Actions

1. Implement the patient experience working group
2. Fully implement Friends and Family Test (FFT) in outpatient settings.
3. Ensure a systematic/consistent approach to protect the confidentiality of patient information displayed on white boards in ward public areas wherever possible. Keeping patient details to the minimum and making best use of symbols and colour coding across all areas?
4. Implement safety briefings involving patients to enable them to contribute to their own safe care whilst in hospital.
5. Review serious untoward incident (SUI) process to facilitate greater patient involvement.
6. Real-time research study to commence June 2015 – August 2016.
7. Appoint a 'carers support' lead working across all elderly care wards.

Progress and measurement

- FFT and patient survey results will support achieving patient centred coordinated care and reduction in negative comments.
- Decrease in related complaints will be evident.
- NICE guidance compliance will improve.

Detailed progress will be reported on the above quality improvements in the next quality report.

5. STATEMENTS OF ASSURANCE FROM THE BOARD OF DIRECTORS

As a provider of healthcare services, the trust is required to make a number of statements. The trust has reviewed that data and has satisfied itself that it covers the three dimensions of patient experience, clinical effectiveness and patient safety accurately and correctly.

5.1 Provision of clinical services

- During 2014-2015, Poole Hospital NHS Foundation Trust provided a range of NHS services and did not sub-contract any services.
- The trust has reviewed all the data available to us on the quality of care of these NHS services. The income generated by the NHS services reviewed in 2014-2015 represents 100 per cent of the total income generated from the provision of these services.

5.2 Clinical audits and national confidential enquiries

Participation in clinical audits

The following report provides information on national and local clinical audits as requested in the Quality Accounts reporting requirements for 2014/15 (gateway reference 03123). The requirements are to utilise the Quality Account Toolkit for 2010/11 (4.31 page 26 to 4.56 page 31). The clinical audit department do not manage the national confidential enquiry process and therefore this information has been excluded.

As per the clinical audit policy, the trust states its intent to participate in national audits as below:

“The trust seeks as a priority to participate where applicable in all national audits approved by the National Advisory Group on Clinical Audit and Enquiries (NAGCAE)⁴. Where a national audit is not approved by the National Advisory Group on Clinical Audit & Enquiries (NAGCAE) participation is at the discretion of the specialty or the lead clinician for clinical audit”.

The above statement provides clarity regarding the trust’s intention to undertake national clinical audit, clearly identifying the master list of national audits and enables quarterly reporting of participation rates. The following information is based on this master list of national audits.

5.3 Participation in clinical audits

5.3.1 During **2014/15**, **31** national clinical audits covered NHS services that **Poole Hospital** provides.

5.3.2 During that period **Poole Hospital** participated in **94%** of the national clinical audits which it was eligible to participate in.

5.3.3 The national clinical audits that **Poole Hospital** was eligible to participate in during **2014/15** are as follows:

Eligible and Participated	
1	Acute coronary syndrome or acute myocardial infarction (MINAP)
2	Adult community acquired pneumonia (BTS)
3	Adult critical care (ICNARC CMP)
4	Bowel cancer (NBOCAP)
5	Cardiac arrest (NCAA)
6	Cardiac arrhythmia (HRM)
7	Chronic obstructive pulmonary disease (COPD): Secondary care workstream
8	Diabetes (adult) (ANDA)
9	Diabetes (paediatric) (PNDA)
10	Elective surgery (national PROMs programme)

⁴ National clinical audits approved by NAGCAE include audits listed in the Quality Accounts as well as those listed within the National Clinical Audit Patient Outcome Programme.

11	Epilepsy 12 (childhood epilepsy)
12	Falls and fragility fracture audit programme (FFFAP): National hip fracture database (NHFD)
13	Fitting child (care in emergency departments) (CEM)
14	Head and neck oncology (DAHNO)
15	Heart failure (HF)
16	Inflammatory bowel disease (IBD)
17	Lung cancer (NLCA)
18	Mental health (care in emergency departments) (CEM)
19	National diabetes audit of footcare (NDFa)
20	National emergency laparotomy audit (NELA)
21	National joint registry (NJR)
22	National pregnancy in diabetes audit (NPID)
23	Neonatal intensive and special care (NNAP)
24	Oesophago-gastric cancer (NOGCA)
25	Pleural procedures (BTS)
26	Prostate cancer
27	Sentinel stroke national audit programme (SSNAP)
28	Trauma (TARN)
29	Ulnar neuropathy at elbow testing
Eligible and did not participate	
30	Rheumatoid and early inflammatory arthritis
31	Older people (care in emergency departments) (CEM)

6. The national clinical audits that **Poole Hospital** participated in, and for which data collection was completed during **2014/15**, are listed below alongside the number of cases submitted to each audit as a percentage of the number of registered cases required by the terms of that audit.

Eligible and participated		Data collection completed in 2014/15	% Cases submitted	Comments
1	Acute coronary syndrome or acute myocardial infarction (MINAP)	Yes		No formal case ascertainment rates have been published as the number of Poole cases for this audit is small. However, any eligible cases for MINAP are submitted via Royal Bournemouth Hospital (RBH).
2	Adult community acquired pneumonia (BTS)	No		Deadline date for data submission is 31/05/2015.
3	Adult critical care (ICNARC CMP)	Yes		Not appropriate to calculate case ascertainment rates due to the nature of the project.
4	Bowel cancer (NBOCAP)	Yes		Awaiting national report to confirm formal case ascertainment rate.

5	Cardiac arrest (NCAA)	Yes	Not appropriate to calculate case ascertainment rates due to the nature of the project.	
6	Cardiac arrhythmia (HRM)	Yes	200 cases submitted	No data on expected denominator figure available to be able to calculate % case ascertainment.
13	Fitting child (care in emergency departments) (CEM)	Yes	98%	
14	Head and neck oncology (DAHNO)	Yes	Awaiting national report to confirm formal case ascertainment rate.	
15	Heart failure (HF)	Yes	88%	Data submitted on 271 cases. 88% of expected based on HES data.
16	Inflammatory bowel disease (IBD)	Yes	9 cases submitted	No data on expected denominator figure available to be able to calculate % case ascertainment.
17	Lung cancer (NLCA)	Yes	93%	
18	Mental health (care in emergency departments) (CEM)	Yes	100%	
19	National diabetes audit of footcare (NDFA)	No	Deadline date for data submission is 31/07/2015.	
20	National emergency laparotomy audit (NELA)	Yes	93%	113 cases submitted. Estimated 11 cases per month (year 1 = 11 month data collection period i.e. estimated 121 cases).
21	National joint registry (NJR)	Yes	121%	Data was submitted to the NJR for 108 hip replacements. This represents a case ascertainment rate of 121% based on comparison with HES/PEDW data.
22	National pregnancy in diabetes audit (NPID)		Awaiting national report to confirm formal case ascertainment rate.	

23	Neonatal intensive and special care (NNAP)	Yes	Awaiting national report to confirm formal case ascertainment rate.	
24	Oesophago-gastric cancer	Yes	80 to 90%	Expected cases

	(NOGCA)			based on HES 101-150. 97 cases submitted. Case ascertainment recorded as 80 to 90%.
25	Patient information and consent (blood and transplant)	Yes	100%	
26	Pleural procedures (BTS)	Yes	100%	
27	Prostate cancer	Yes	Prospective data collection started April 2014 with monthly data submissions required. Poole cases for this national audit are being submitted via the Urology MDT at RBH. Awaiting national report to confirm formal case ascertainment rate.	
28	Sentinel stroke national audit programme (SSNAP)	Yes	Awaiting national report to confirm formal case ascertainment rate.	
29	Trauma (TARN)	Yes	85.5%	
30	Ulnar neuropathy at elbow testing	Yes	100%	

7. The reports of **26** national clinical audits were reviewed by the provider in **2014/15** and **Poole Hospital** intends to take the following actions to improve the quality of healthcare provided.

National Clinical Audits Reviewed in 2014/15 and Local Action Plans

No	Title	Actions being taken
1	National Paediatric Diabetes Audit (NPDA) - 1st September 2011 until 31st August 2012	No local action plan required.
2	National Neonatal Audit Programme (NNAP) (1st January 2012 to 31st December 2012)	<ol style="list-style-type: none"> 1. Obstetric team to be made aware of the audit results 2. Nursing staff to be made aware and a Breast Feeding Working Group (BFWG) is to be set up on NICU 3. For the BFWG to develop strategies for improving breast feeding rates on NICU.
3	National Audit of Seizure Management in Hospitals 2 (from 1st January 2013)	<ol style="list-style-type: none"> 1. Presentation of NASH2 audit results to the neurology department 2. Presentation of NASH2 audit results to be medical directorate clinical governance meeting (July 2014) 3. Neurology assessment education / training to be delivered to the emergency department.

4	National Diabetes Inpatient Audit (NADIA) - 16/09/13 to 20/09/13	No local action plan required.
5	ICNARC: National Cardiac Arrest Audit (NCAA) (1st April 2013 to 31st March 2014)	1. Implementation of a computerised observation alert system is currently being planned. There is always scope for improving care of critically deteriorating patients. This new alert system should streamline the recognition of deteriorating patients.
6	The National Hip Fracture Database: National Report 2014 (1st January 2013 to 31st December 2013)	1. Development of pre-operative protocol for administration of vitamin K for patients on warfarin to ensure that a safe level of INR is achieved 2. To discuss at the trauma and orthopaedics transformation meeting re compliance with standard "admitted to orthopaedic ward within four hours of presentation".
7	National Joint Registry (NJR): 11th Annual Report (1st January 2013 to 31st December 2013)	No local action plan required.
8	National Neonatal Audit Programme (NNAP) (1st January 2013 to 31st December 2013)	1. To set up a breast feeding interest group 2. To involve dietitians in talking to mothers regarding breast feeding 3. To involve midwifery support to increase awareness of importance of breast feeding amongst mothers.
9	National Paediatric Diabetes Audit (NPDA) - (1st September 2012 to 31st August 2013)	No local action plan required.
10	National UK Inflammatory Bowel Disease (IBD) Audit 1st January 2013 to 31st December 2013	No local action plan required.
11	National Audit of Cardiac Rhythm Management (1st January 2012 to 31st December 2012)	No local action plan required.
12	BTS National Pleural Procedures Audit (1st June 2014 to 31st July 2014)	1. Business case for a consultant for the Pleural Service 2. To disseminate the findings from the audit at the next departmental meeting.

13	National Head and Neck Cancer Audit (DAHNO): 9th Annual Report (1st November 2012 to 31st October 2013)	No local action plan required.
14	National Audit of the Adherence to British Society for Clinical Neurophysiology (BSCN) and Association of Neurophysiological Scientists (ANS) Standards for Ulnar Neuropathy at Elbow (UNE) Testing	<ol style="list-style-type: none"> 1. To undertake a re-audit of temperature recording 2. To introduce identification of patient verification by use of tick box 3. To ensure that stimulation points include just proximal to the wrist and proximal and distal to the elbow for ulnar motor conduction.
15	Intensive Care National Audit and Research Centre (ICNARC): Case Mix Programme (1st April 2012 to 31st March 2013)	1. To set up mortality and morbidity meetings for the senior clinical group within CCU, in order to discuss / review CCU deaths flagged within ICNARC.
16	National Hip Fracture Database: Anaesthesia Sprint Audit of Practice 2014	No local action plan required.
17	National Elective Surgery Patient Reported Outcome Measures (PROMs) (1st April 2012 to 31st March 2013)	1. To discuss the importance of data collection at team meetings.
18	National Comparative Audit of the Use of Anti-D (Spring 2013)	<ol style="list-style-type: none"> 1. To review reasons for late Routine Antenatal Anti-D Prophylaxis (RAADP) at 31 weeks and amend process to comply with guidelines 2. Develop a robust system for recording consent in patients' medical notes 3. To ensure information leaflets remain readily available and documented in patient notes when given to patient.
19	National Audit of Patient Information and Consent Blood Transfusion Service 2014	<ol style="list-style-type: none"> 1. Hospital transfusion team and committee to promote the need for a complete consent process pre-transfusion and for counselling process post transfusion 2. To improve the documentation for the consent process - reviewing the transfusion prescription and record format in a bid to improve/prompt for this 3. To include within the e-learning package the requirements for an adequate consent process 4. Attendance by the transfusion practitioner at clinical

		governance meetings to inform more senior clinical staff of the requirements.
20	National Audit of Cardiac Rhythm Management (1st April 2013 to 31st March 2014)	1. To improve the footprint of complex advice and support at Poole.
21	National CEM Re-audit of the Management of Severe Sepsis and Septic Shock in Adults	<ol style="list-style-type: none"> 1. To disseminate results to all staff (doctors and nurses) in the emergency department (ED) 2. To make sepsis poster for ED 3. Rapid assessment and triage to be reinstated 4. If patients early warning system (EWS) scoring is high, the patients notes to be put in top section of the notes rack, to highlight priority 5. To instigate 'Code Blue' calls for any patient where pre-alert is sepsis or possibility of sepsis on initial observations.
22	The Trauma Audit and Research Network (TARN) 1st April 2013 to 31st March 2014	No local action plan required.
23	National CEM Audit of the Management of Acute Asthma in Children Attending the ED (1st August 2013 to 31st January 2014)	<ol style="list-style-type: none"> 1. Encourage use of asthma proforma 2. Ensure a 'step down' plan is in the emergency department to give to patients who are discharged 3. Record peak expiratory flow rate (PEFR) on all patients presenting with asthma 4. Record Children's Observation and Severity Tool (COAST) observations for all children who are unwell.
24	National CEM Re-audit of Paracetamol Overdoses in the Emergency Department (ED) (1st August 2013 to 31st January 2014)	1. New updated paracetamol proforma to be introduced.
25	National Bowel Cancer Audit: 2014 Annual Report (1st April 2012 to 31st March 2013)	1. To continue to monitor the performance of the colorectal MDT and achieve good compliance with the audit.
26	National Lung Cancer Audit: 2014 Annual Report (1st January 2013 to 31st December 2013)	No local action plan required.

National clinical audit reports currently being reviewed by the local clinical teams

No.	Title
1	National Audit of Chronic Obstructive Pulmonary Disease 2014 - Secondary Care Audit
2	National Paediatric Diabetes Audit (NPDA) - (1st April 2013 to 31st March 2014)
3	Intensive Care National Audit and Research Centre (ICNARC): Case Mix Programme (1st April 2013 to 31st March 2014)

8. The reports of **113*** local clinical audits were reviewed by the provider in **2014/15** and **Poole Hospital** intends to take the following actions to improve the quality of healthcare provided:

*Of the 113 local clinical audits reviewed, 25 identified that change in practice was not required due to good performance.

Of the remaining 88, **Poole Hospital** has undertaken the following actions to improve the quality of healthcare provided. The following are a number of examples:

8.1 Develop new and improved existing patient information

- Development of a new leaflet for friends and family of patients under the care of the palliative care team, to raise awareness of services available to them
- Updates made to the patient information leaflets for the patch test clinic within dermatology
- New information leaflet on dental care for parents / carers of children with juvenile inflammatory arthritis
- Posters for the elderly care wards to raise awareness among visitors / relatives, as well as staff, of the importance of patients having easy access to drinks.

8.2 Improve the education and training of new as well as existing staff

- Attendance of theatre practitioners on a cell salvage course
- Ongoing education and training for anaesthetic staff in difficult airway skills with a broad base of equipment, as well as specific training in the use of specialised airway equipment
- Training on end-of-life care is now incorporated in trust induction as well as clinical skills mandatory training. Mandatory training element is available on an e-learning and face-to-face basis
- Staff education regarding the provision of TED stockings and associated documentation
- Additional training sessions provided at Agents of Nutrition and Tissue Viability (ANT) study days and mealtime companion training, regarding the use of appropriate kit for provision of drinks and avoidance of beakers and straws.
- Education sessions for elderly care doctors on the NICE guidelines for the assessment and management of head injury, particularly focusing on head injury advice
- Education sessions have been set-up to promote correct positioning during enteral feeding, as well as in correct aftercare management of balloon gastrostomy tubes and PEG tubes
- Provision of education sessions on the safe insertion and delivery of nasogastric tube feeding in adult patients
- Education and information provided to general practitioners and community midwives explaining the best time for referral of neonates with jaundice for screening
- Training for all out of hour's staff within biochemistry in porphobilinogen (PBG) analysis.

8.3 Develop new and update existing local policy and guidance documents

- Production of guidelines for INR reversal in both low risk and high risk patients admitted with fractured neck of femur
- Update of the local policy for requesting of abdominal x-rays
- Implementation of the new pan-Dorset Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) / Allow a Natural Death (AAND) policy
- Update of trust guidelines on antibiotic prophylaxis prescribing in paediatric surgery
- Guide to acute kidney injury (AKI) added to the intranet
- Production of guidelines on when the pink day ward discharge form should be used (children with child protection concerns).

8.4 Develop new and improve existing local proforma / charts / forms

- Development of a new EPR x.doc to enable better recording of DNACPR discussions and decisions
- EPR updated to allow the date of last menstrual period (LMP) to be added to radiology requests
- Creation of a new care pathway for patients presenting with an abscess.
- Amendment of the surgical WHO checklist to include a new section for the documentation of consideration of chemo thromboprophylaxis
- New clinical proforma for the ambulatory management of pulmonary embolism.
- New care plan document for patients with percutaneous endoscopic gastrostomy (PEG) tubes as well as for patients with balloon gastrostomies which outlines day to day care.
- Updates made to the electronic documentation system (Symphony) in the Emergency Department so that the questions regarding safeguarding children are now mandatory.
- Updates made to the Diabeta diabetes system so that contraception and pre-pregnancy questions are mandatory for pre-menopausal women.
- Development of a checklist to support the management of acute kidney injury (AKI), as well as new AKI alerts within the 'renal profile' in the biochemistry reports.
- A new sticker has been devised which is placed on the intravenous (IV) chart to remind all clinicians that when a patient is on total parenteral nutrition (TPN) additional fluids may not be required.
- Introduction of a new unprovoked venous thromboembolism (VTE) assessment proforma.
- Revision of the diabetes keto-acidosis proforma.
- Introduction of a new specific treatment chart for end of life care and diabetes.
- An attention deficit hyperactivity disorder (ADHD) pro forma has been developed, which is based on NICE guidelines, and is being used by paediatric consultants.

8.5 Updates to local clinical working practice

- Trial of new patient warming products in order to minimise perioperative hypothermia.

- Ranger fluid warmers being used on patients undergoing laparoscopic surgery in order to minimise perioperative hypothermia.
- Purchase of a new software programme which enables investigation of readmission rates for fractured neck of femur patients with wound infections.
- Consultant to be involved in the decision making process for the care of all trauma call patients.
- Introduction of a stat dose of vitamin K on admission for all low risk patients with a fractured neck of femur and on anticoagulation, before INR result available.
- Working in partnership with a local pharmacy in order to provide head and neck cancer patients with a reference point for accessing / sourcing recommended dental / oral hygiene products.
- Changes made to the system for booking patch test clinic appointments so that they are now booked by the dermatology secretaries on the day of the clinical appointment where the decision is made to refer for this test.
- Training in CT head provided to the emergency department (ED) to enable the provision of a new service which focuses on providing stroke patients with a CT scan of the head within 10 minutes of arrival at the ED.
- Tobramycin levels now processed locally rather than being sent off-site.
- New red topped water jugs on the elderly care wards as an alert to all staff that drinks should be prompted with patients at every encounter.
- Appointment of discharge co-ordinators on the medical wards to support discharge planning.
- Changes made to the process of vetting electroencephalogram (EEG) referrals so that all EEG requests are now reviewed by a consultant neurophysiologist, where they identify the most appropriate test available before the patient is given an appointment.
- Urine cultures or urine dipsticks are now carried out as a routine part of the prolonged neonatal jaundice screening.

9. Clinical research 2014-2015

The following information is based on Poole Hospital recruitment figures due to the lag time in receipt of the National Institute of Health Research (NIHR) figures. All data is cross checked with the NIHR to ensure consistency in reporting.

9.1 Participation in clinical research

The number of patients receiving NHS services provided or sub-contracted by Poole Hospital in 2014/15 that were recruited during that period to participate in research approved by a research ethics committee was 1,701 (non-commercial, commercial and educational studies).

Participation in clinical research demonstrates Poole Hospital's commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinical staff stay abreast of the latest possible treatment possibilities and active participation in research leads to successful patient outcomes.

Poole Hospital was involved in conducting 150 clinical research studies during 2014/15 in the following specialities:

- Age and ageing
- Cancer: brain; breast; colorectal; gynaecology; head and neck; lung; lymphoma; melanoma; renal; upper GI; urology; paediatrics; haematology; thyroid
- Cardiovascular
- Critical care
- Dermatology
- Physiotherapy
- Emergency medicine
- Gastroenterology
- Health service research
- Maternity
- Neurology
- Orthopaedics
- Paediatrics
- Occupational therapy
- Reproductive health
- Rheumatology
- Stroke
- Surgery

There were 18.42 whole time equivalent (WTE) clinical staff participating in research approved by a research ethics committee during 2014/15. These staff participated in research covering 18 medical specialties.

In the last three years, three publications have resulted from our involvement in NIHR research, which shows our commitment to transparency and desire to improve patient outcomes and experience across the NHS.

Our engagement with clinical research also demonstrates our commitment to testing and offering the latest medical treatments and techniques. Two studies in particular demonstrate this:

- 'High Sensitivity troponin T for early rule-out of myocardial infarction in recent onset chest pain' undertaken in the accident and emergency (A&E) department and the cardiology department (as part of a Bournemouth University PhD from 2010-2014 by one of our former Phd doctors) has been very successful and looks at a new blood test to rule out heart attacks in patients presenting with chest pain to A&E. This study was published in the BMJ Heart Magazine in February 2015 and it was stated in the conclusion: The TRUST ADP, which incorporates a structured risk assessment and single presentation hs-cTnT blood draw, has the potential to allow early discharge in 40% of patients with suspected ACS.

Another research study undertaken looked to improve patient outcomes and experience across the NHS: the IDVIP trial: - a two-centre randomised double blind controlled trial comparing intramuscular diamorphine and intramuscular pethidine for labour analgesia accepted on the 5 October 2013 for publication by the Royal College of Obstetricians and Gynaecologists. This trial will now influence the way parenteral diamorphine and pethidine is being used not only in the UK but internationally. Women will have a choice of slightly better analgesia with diamorphine but with the potential of prolonging labour by approximately 60 to 90mins depending on parity.

9.2 Goals agreed with commissioners

A proportion of the trust's income in 2014-2015 was conditional on achieving quality improvement and innovation goals agreed between the trust and its lead commissioner, NHS Dorset Clinical Commissioning Group (CCG). The CCG and Poole Hospital had a contract for the provision of NHS services that included a commissioning for quality and innovation payment framework (CQUIN). In 2014-2015 this was equivalent to £3.467 million, which was paid to the trust in full as part of the contractual arrangements. The value of CQUIN in the contract with the CCG for 15/16 is £3.417 million. There is also a CQUIN value for the contract with Wessex Area Team for specialised services, secondary care dental, and public health.

Further details of the agreed CQUIN goals and outcomes for 2014-2015 and for the following twelve month period (2015-2016- contract value £3.417 million) are available on request from:

Director of Nursing,
Poole Hospital NHS Foundation Trust,
Longfleet Road,
Poole,
Dorset, BH15 2JB

9.3 Registration with the Care Quality Commission

- Poole Hospital NHS Foundation Trust is required to register with the Care Quality Commission (CQC)
- The trust is registered unconditionally with the CQC from 1 April 2010.
- The Care Quality Commission has not taken any enforcement action against Poole Hospital NHS Foundation Trust during 2014-2015.
- The trust has not participated in any special reviews or investigations by the CQC in the reporting period.
- The trust is yet to receive a new-style inspection by the CQC in 2014/15 but in the meantime, we continue to work hard to ensure that we meet (and indeed exceed) patient expectations. At the time of writing, we are rated as band 6 (for safety) by the CQC intelligence monitoring indicator – which means that we are deemed to be a “low-risk” organisation. The trust expects to be inspected by the CQC by the end of December 2015.

9.4 Data quality text

- Poole Hospital NHS Foundation Trust submitted records during 2014-15 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics. The following data quality comparisons are from the latest published data from SUS for the eleven months to February 2015.
- The percentage of records submitted which included the patient's valid NHS number was (national averages are shown in brackets):

99.7% (99.2%) for admitted care
99.8% (99.3%) for outpatient care
99.9% (99.2%) for accident and emergency care

- The percentage of records submitted data which included the patient's General Practitioner practice code was:
 - 100% (99.9%) for admitted care
 - 100% (99.9%) for outpatient care
 - 99.9% (99.1%) for accident and emergency care
- Poole Hospital NHS Foundation Trust's Information Governance Assessment Report for 2014-15 showed the trust compliance at 73% with a satisfactory rating this is a substantial improvement on the previous year's performance of 37%.
- Poole Hospital NHS Foundation Trust has not been subject to a full Payment by Results data assurance framework (clinical coding) audit this year as quality is regarded as high given the results of previous audits. The SUS data quality dashboard confirms however that the accuracy and completeness of clinical coding within admitted patient care records submitted over the eleven months continues to compare favourably with national averages (shown in brackets) as follows:
 - 99.6% (98.6%) for primary diagnosis
 - 100% (99.7%) for primary procedure

Notes regarding section 5.6; Note 5 - These results should not be extrapolated further than the actual sample audited. Note 6 - All services have been reviewed within the sample. Note 7 - Data quality is subject to regular audits and any identified actions to improve data quality will be taken by the Trust.

PART 3 – REVIEW OF QUALITY PERFORMANCE

10. WHAT OUR PATIENTS, THE PUBLIC AND STAFF SAID

- The trust participated in three national surveys during the course of the year – the National Inpatient Survey, Emergency department patient survey and the National Cancer Survey.
- The national inpatient survey was undertaken in the autumn of 2014 and the results published in May 2015.

The 2014 emergency department national patient survey results showed seven areas of noticeable progress in the areas of care and treatment, pain relief and explanation of required tests. 12 areas were highlighted for improvement to bring Poole Hospital in line with the highest performing trusts nationally including; information giving, waiting times, reassurance and waiting time for pain relief. An action plan is in place to address the key findings.

- **The national cancer survey 2014:**

Patients continue to rate Poole Hospital's cancer care highly with 92% of patients rating their care as 'excellent'/'very good', in 2013 we scored 93%. This places PHT in the top 20% of trusts in the country for the third year in succession.

Patients ranked the hospital particularly highly in a range of key areas including:

- Getting understandable answers to important questions
- Patients taking part in cancer research
- Confidence and trust in all ward nurses
- Control of pain

The results of the survey also identified areas where improvements may be made, including explanations of treatment side effects, availability of written information and privacy when receiving treatment. These findings will be carefully reviewed to ensure all necessary steps are taken to address any concerns.

NHS STAFF SURVEY

Summary of performance

Overall the trust performed well, featuring in the top 20 per cent in seven key areas including staff being able to contribute towards improvements at work, staff believing the trust provides equal opportunities for career progression or promotion as well as our response rate.

Details of the key findings from the 2014 national NHS staff survey are outlined in the tables below. These include comparisons between the trust's results for the previous year, and the national average for acute trusts.

Comparison against the top and bottom five ranking scores is included along with key areas where we have seen real improvement. The lowest scoring areas form a part of the trust's programme of action to achieve and sustain improvements in these areas.

NHS staff survey 2014 findings

	2013	2013	2014	2014	
Response rate (compared to national average for acute trusts)	Trust	National average	Trust	National average	Trust improvement or deterioration
Response rate	63%	49%	56%	43%	Deterioration by 7%

Top five ranking scores in 2014 survey (Key Findings in brackets)	Trust	National average	Trust	National Average	Trust improvement or deterioration
Percentage of staff able to contribute towards improvements at work	73%	68%	76%	68%	improvement by 3%

(Key Finding 22)					
Percentage of staff believing the trust provides equal opportunities for career progression or promotion (Key Finding 27)	95%	88%	91%	87%	deterioration by 4%
Score for staff job satisfaction (Key Finding 23)	3.67	3.60	3.66	3.60	no change
Percentage of staff agreeing that they would feel secure raising concerns about unsafe clinical practice (New question) (Key Finding 15)	n/a	n/a	73%	67%	new question higher score the better
Percentage of staff having well structure appraisals in the last 12 months experiencing physical violence from staff in the last 12 months (Key Finding 8)	39%	38%	41%	38%	improvement by 2%

Bottom five ranking scores in 2014 survey (Key Findings in brackets)	Trust	National average	Trust	National Average	Trust improvement or deterioration
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months (Key Finding 16)	20%	15%	21%	14%	deterioration by 1%
Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month (Key Finding 12)	35%	33%	41%	34%	deterioration by 6%
Percentage of staff agreeing that feedback from patients/service users is used to make informed decisions in their directorate/department. (Key Finding 29)			48%	56%	new question (higher score the better)
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months (Key Finding 18)	33%	29%	32%	29%	improvement by 1%
Percentage of staff experiencing physical violence from staff in last 12 months (Key Finding 17)	1%	2%	4%	3%	deterioration by 3%

Future priorities and targets:

Measuring progress

The trust is agreeing organisation wide 'high level' priority areas, based on key areas of concern, which will ensure appropriate targets can be set and actions taken. In addition, groups and corporate directorate are each responding to the views of their staff by identifying areas of action, so enabling staff views across the organisation to be taken into account.

Actions arising from views given in the staff survey will form part of the ongoing reviews and feature within the quarterly performance reviews carried out by the executive team. In addition, managers work alongside their own teams to address areas where staff views are resulting in clear actions. This work is supported by the human resources team.

The results and the outcome of these in terms of changes are communicated to staff throughout the year. In this way staff are assured that their views matter and are listened to and results in actions being taken to support patient care by through improving staff experience.

Reports on survey results, action planning and activity against targets are provided to the board of directors through the workforce committee.

Friends and family staff test

The friends and family test (FFT) was extended to staff in April 2014. The staff FFT encourages staff to give their views, enabling recognition of what is working well in services, and also to quickly address areas in need of attention.

During the year all trust staff and volunteers were asked the questions: 'how likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they needed treatment?' and 'how likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?' A third of our staff and volunteers were asked the questions in quarter 1 with a further third in quarter 2 and in quarter 4. Available results have been reported to staff and published by NHS England and show:

Question 1 How likely are you to recommend the Trust to friends and family if they needed care or treatment?	Trust Quarter 1	National Quarter 2	Trust Quarter 2	National Quarter 2	Quarter 3 – staff survey	Trust Quarter 4
Positive Score	89%	76%	84%	77%		88%
Negative Score	3%	8%	5%	8%		2%
Question 2 How likely are you to recommend the Trust to friends and family as a place to work?	Trust Quarter 1	National Quarter 2	Trust Quarter 2	National Quarter 2		Trust Quarter 4
Positive Score	70%	62%	64%	61%		72%
Negative Score	12%	19%	18%	19%	10%	

Staff comments made in the FFT includes:

Question 1 - How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they needed treatment?

- “Standards of care delivery and friendliness are high”
- “Staff care about their patients and ‘go the extra mile”
- “Management care about safety and wellbeing of staff and patients”
- “I see care that I’m proud of everyday”
- “Nurses are committed and enthusiastic”

Question 2 - How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?

- “I work in a gold standard unit and love my job!”
- “Excellent staff. All work together for one common aim – the patient!”
- “Enjoy working in such a busy, friendly environment. Everyone is treated with respect”
- “Good work ethics. Poole Hospital cares for its staff”
- “I wouldn’t want to work anywhere else. Always felt supported by colleagues”

11. PERFORMANCE AGAINST SELECTED MEASURES

- The trust has selected a number of measures to indicate the progress made during 2014-2015 in three key areas: patient safety, clinical effectiveness and patient experience. The reported areas have remained the same as in the last three years’ quality reports, to provide the reader with a view of performance over several years. They remain unchanged as the board of directors consider them to be appropriate measures and wished to ensure continuity of measurement year on year.
- The data presented here is derived from nationally collected data (MRSA; mortality; cancelled operations; patient experience; PLACE and privacy & dignity) or locally collected data presented to the board of directors. In the final column of each table the data source is identified.

11.1 Patient safety

MEASURE	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	Data Source
Hospital acquired MRSA bacteraemia	0	2	4	1	4	National
Hospital acquired pressure ulcer Grade 3 or Grade 4	16	4	12	4	7	Local
Patient falls from bed or trolley (Note 8)	4	7	15	28	18	Local

- The absence of MRSA bacteraemia in 2014/15 is a laudable improvement on previous years.

- Of concern to the trust is the increase in patients acquiring a pressure ulcer whilst in hospital towards the latter part of the year. (It should be noted that for the period 2013/14 only avoidable pressure ulcers were reported, this has been changed to include all pressure ulcers for 2014/15. In total (all ulcers graded 2-4) range from 12 to 26 each month between October 2014 and March 2015. This coincides with an unprecedented bed occupancy and number of emergency admissions; however hospital matrons have been set revised objectives which include a zero target for grade 3 and 4 pressure ulcers and a 25% reduction in grade 2 ulcers during 2015/16. Progress against this will closely monitored on a monthly basis.

11.2 Clinical effectiveness

MEASURE	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	Data Source
Hospital mortality rate (figure in brackets is expected levels) (Note 9)	104.5% (98.8-110.5)	90.8% (100%)	92.1% (100%)	75.6% (100%)	108.2% (100%)	National
Cancelled operations not readmitted within 28 days	0%	0%	0%	0%	0%	National
Stroke high risk patients treated in 24 hours (60%% target)	65%	63% (average) Target 45%	43%	80%	80%	National

Note 9: Expected figure derived from Dr Foster data and is standardised for a number of factors. Reporting from 2014-15 is by relative risk compared to national figures rather than the actual rate. The rate is the latest available for 2014/15 which is April 2014 - February 2015

Mortality rates continue below national averages which is positive. There is work to be done in rapid treatment of patients with the diagnosis of stroke.

11.3 Patient experience

MEASURE	2014-2015	2013-2014	2011-2012	2010-2011	Data Source
Overall patient satisfaction rated excellent or very good	Not provided with national survey results	82%	83%	81%	National

Patient led assessment of the care environment (PLACE) Inspection Report 2013	Cleanliness 99% Food 92% Condition, appearance, maintenance 94%	Cleanliness; 96% Food; 87% Condition, appearance and maintenance 93%	Excellent (environment) Good (food) Excellent (privacy & dignity)	Excellent (environment) Good (food) Excellent (privacy & dignity)	National
Patient rating of privacy and dignity (inpatient) (Note 9)	94%	91%	92%	84%	National

Patients' rating of privacy and dignity has significantly improved.

12. 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. The figures are taken from the March 2015 integrated performance report or, where the latest data is available. The trust has tried to replicate its reporting year on year to provide readers with a consistent view. Other key indicators are described in section 8.2. All these data items are nationally collected and to prescribed national definitions.

TABLE 14 National target performances

	Target Description	2014-2015	2013-2014	2012-2013	2011-2012	Target Figure (2013-2014)
12.1.1	Care Quality Commission standards/regulated activities – intelligence monitoring reports	Band 6 (Lowest risk)	16/16	16/16	16/16	16
12.1.2	Clostridium difficile Infections	9	10	27 (5 samples on 2 patients)	24	25
12.1.3	MRSA bacteraemias (bloodstream infections)	0	2	4	1	1
12.1.4	Maximum 31 day cancer first treatments	99.3%	99.4%	100%	100%	96%

12.1.5	Maximum 62 day cancer treatments (note 12 month average)	88.0%	88.4%	88%	90%	85%
12.1.6	18 week maximum wait (admitted patients)	94.0%	95%	98%	93%	90%
12.1.7	18 week maximum wait (non-admitted patients)	96.0%	96%	97%	97%	95%
12.1.8	Less than 4 hour wait in A&E	93.38%	95.2%	95%	96%	95%
12.1.9	31 days to subsequent treatment for all cancers	Surgery 99% Anti-cancer 100% Radiotherapy 98.3%	Surgery 97.9% Anti-cancer 99.9% Radiotherapy 98.5%	100%	99%	94%
12.1.10	62 days urgent referral to treatment for all cancers	95.0%	95.2%	100%	90%	90%
12.1.11	Thrombolysis within 60 minutes	55.0%	44 %*	65%	36%	68%
12.1.12	Cancer two week wait all cancers	97.3%	95.7%	97%	96%	93%
12.1.13	Cancer two week wait breast cancer	98.0%	93.9%	94%	100%	93%

*this is due to unforeseen reduction in consultant resource resulting in a reduction in the hours available to support this service.

Note 12: A bacteraemia is defined as a positive blood sample test for MRSA on a patient (during the period under review). Reports of MRSA cases include all MRSA positive blood cultures detected in the laboratories, whether clinically significant or not, whether treated or not.

The indicator excludes specimens taken on the day of admission or on the following day. Specimens from admitted patients where an admission date has not been recorded, or where it cannot be determined if the patient was admitted, are also attributed to the trust. Positive results on the same patient more than 14 days apart are reported as separate episodes, irrespective of the number of specimens taken in the intervening period, or where they were taken.

62 Day Cancer Wait. The indicator is expressed as a percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer. An urgent GP referral is one which has a two week wait from date that the referral is received to first being seen by a consultant (see

http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_103431.pdf)

The indicator only includes GP referrals for suspected cancer (i.e. excludes consultant upgrades and screening referrals and where the priority type of the referral is National Code 3

– two week wait) The clock start date is defined as the date that the referral is *received* by the trust. The clock stop date is the date of first definitive cancer treatment as defined in the NHS Dataset Set Change Notice (A copy of this DSCN can be accessed at: <http://www.isb.nhs.uk/documents/dscn/dscn2008/dataset/202008.pdf>). In summary, this is the date of the first definitive cancer treatment given to a patient who is receiving care for a cancer condition or it is the date that cancer was discounted when the patient was first seen or it is the date that the patient made the decision to decline all treatment.

13 Performance against nationally prescribed indicators

PRESCRIBED INDICATOR	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 204/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14	NATIONAL AVERAGE 2012/2013	PHT POSITION 2012/2013	COMPARISON WITH OTHER TRUSTS
1. Summary hospital level mortality indicator (SHM1)	100.76 (relative risk ratio for 12 months to Sept 2014)	Comparable with other trusts and within expected range best 75.47 worst 118.75	100 Reset each year by Dr Foster	96.15 (relative risk ratio for 12 months to March 2014)	Comparable with other trusts and within expected range best 74.74 worst 119.73	100 Reset each year by Dr Foster	92.27 (relative risk ratio for 12 months to March 2013)	Comparable with other trusts and within expected range best 77.78 worst 116.97
Poole Hospital NHS Foundation Trust considers that this data is as described because of the excellent work of clinical staff								
Poole Hospital NHS Foundation Trust will continue the work on improving mortality that it already undertakes								
2. Percentage of patient deaths with palliative care coded at either diagnosis or specialty level	31.2%	Data not yet available	Data not available	38.4%	Highest 44.2% Lowest 4.9%	N/A	24.4%	Highest 41.9% Lowest 7.9%

PRESCRIBED INDICATOR	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 204/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14	NATIONAL AVERAGE 2012/2013	PHT POSITION 2012/2013	COMPARISON WITH OTHER TRUSTS
Poole Hospital NHS Foundation Trust considers that this data is as described because of the excellent work of clinical staff. The data is presented as available from the national database.								
Poole Hospital NHS Foundation Trust will continue the work on improving mortality that it already undertakes								
3. Patient reported outcome score for groin hernia surgery	85.25%	N/A	N/A	76.39%	N/A	N/A	81.5%	N/A
Poole Hospital NHS Foundation Trust considers that this data is as described because of the very small numbers of patients having this procedure at								

PRESCRIBED INDICATOR	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 204/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14	NATIONAL AVERAGE 2012/2013	PHT POSITION 2012/2013	COMPARISON WITH OTHER TRUSTS
readmissions								
5. Percentage of staff who would recommend the trust as a provider of care to their family or friends * Q3 covered by staff survey.	Q1 89% Q2 84% Q3 * Q4 N/A	N/A	76% 77%	74%	National average for acute trusts 64%	71%	66%	About the same as average Highest N/A Lowest N/A
Poole Hospital NHS Foundation Trust considers that this data is as described.								
Poole Hospital NHS Foundation Trust will be asking both staff and already selected patients about whether they recommend the trust as part of the Friends and Family test.								
6. Percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism	98%	N/A	N/A	97.3%	N/A	N/A	94%	N/A

PRESCRIBED INDICATOR	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 204/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14	NATIONAL AVERAGE 2012/2013	PHT POSITION 2012/2013	COMPARISON WITH OTHER TRUSTS
cases of C.Diff cross contamination in either year.								
Poole Hospital NHS Foundation Trust will continue the work on improving infection prevention that it already undertakes.								
9. Number of patient safety incidents (NRLS Apr - Sep)	4236	N/A	N/A	3,722	N/A	N/A	4,062	N/A
Percentage rate of patient safety incidents per 100 admissions	49.34 Per 1000 bed days	N/A	N/A	10.8%	Highest 10.47% Lowest	N/A	11.05%	Highest 14.44% Lowest 3.11%
Percentage rate of severe harm or death	0.0472%	N/A	N/A	0.4%	Highest 1.9% Lowest 0.0%	0.9%	0.2%	Highest 3.6% Lowest 0.1%
Poole Hospital NHS Foundation Trust considers that this data is as described because of the open reporting culture and encouragement to staff in the trust. The degree of harm								

PRESCRIBED INDICATOR	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 204/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14	NATIONAL AVERAGE 2012/2013	PHT POSITION 2012/2013	COMPARISON WITH OTHER TRUSTS
caused to patients is very low. It should be noted that this data is for the six month period April to September each year.								
Poole Hospital NHS Foundation Trust will continue to promote and support an open reporting culture in the trust								

Note 13: Patient safety incidents resulting in severe harm or death

The National Reporting and Learning Service (NRLS) was established in 2003. The system enables patient safety incident reports to be submitted to a national database on a voluntary basis designed to promote learning. It is mandatory for NHS trusts in England to report all serious patient safety incidents to the Care Quality Commission as part of the Care Quality Commission registration process. To avoid duplication of reporting, all incidents resulting in death or severe harm should be reported to the NRLS who then report them to the Care Quality Commission. Although it is not mandatory, it is common practice for NHS trusts to reports patient safety incidents under the NRLS's voluntary arrangements. The figure for incident reports to the NRLS for 2014-2015 reporting period (March – Sept 2014) is 4,236. Of these two were rated severe - this is a significant reduction on the previous period which reported 10.

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

14. OTHER QUALITY IMPROVEMENTS

During 2014-2015 Poole Hospital NHS Foundation Trust made progress on improving the quality of patients care in a number of ways, including:

14.1 New quality strategy

High quality care is at the centre of everything we do, and maintaining and improving the quality of patient care remains the top priority for the trust. The trust introduced a new quality strategy in 2014 which aims to;

- Assure patients, families, carers and the wider community that they will receive high quality care.
- Continuously strive for improvements in quality and patient experience.
- Promote a positive culture that ensures all staff are motivated and enabled to deliver safe, effective, patient centred care. This includes good leadership, knowledge, skills, competence and the right values to deliver the quality agenda.
- Deliver a framework which ensures there are effective structures and processes in place with clearly defined roles, responsibilities and accountabilities in relation to the delivery of high quality care.
- Ensure that quality information is measured, analysed, challenged and used effectively to improve care.
- Ensure throughout the organisation there is an awareness of potential risks to quality and action is taken to mitigate those risks.
- High quality care will be supported by an organisation that is safe, effective, caring, well lead and responsive to people's needs.

The overall aim of the strategy is to ensure there is a robust quality governance framework in place which will assure the board of directors that the organisation is providing high quality care, remains compliant with the CQC regulations and continue to strive for quality improvements year on year.

14.2 Ward refurbishment

The trust's ward refurbishment programme has continued through the year with the completion of the refurbishment of Kimmeridge and TAU Green ward.

14.3 Membership of the national Sign Up To Safety campaign

In 2014 NHS England launched what is expected to be the largest patient safety campaign in the world. It aims to reduce avoidable harm by 50 per cent over the next three years and save 6,000 lives. Poole Hospital has signed up the national campaign and the following five pledges:

- Putting safety first. Commit to reduce avoidable harm in the NHS by half and make public our locally developed goals and plans
- Continually learn. Make our organization more resilient to risks, by acting on the feedback from patients and staff and by constantly measuring and monitoring how safe our services are.
- Being honest. Be transparent with people about our progress to tackle patient safety issues and support staff to be candid with patients and their families if something goes wrong
- Collaborating. Take a lead role in supporting local collaborative learning, so that improvements are made across all of the local services that patients use
- Being supportive. Help people understand why things go wrong and how to put them right. Give staff the time and support to improve and celebrate progress.



The Trust is developing a patient safety plan, to guide this work over the next three years and beyond, including a commitment to further develop The Poole Approach, our unique philosophy of care and make explicit our commitment to safety as the backbone of quality and the Poole Approach.

Initial priorities include; intra-hospital handover and the recognition and management of sepsis. Implementation of the falls and pressure ulcer 'care bundles' will be aligned to the sign up to safety work where appropriate.

14.4 Practice development unit trust wide re accreditation achieved

The emerging themes which set the foundations for the standards for assessing practice development units included:

- Practice development is intended to improve person-focussed care
- Practice development should be practitioner owned and should empower practitioners to instigate change.
- To be effective, practice development should bring about cultural change
- Practice development improves practice through the systemic introduction of evidenced-based care.

The challenge for clinical services and Poole Hospital is to demonstrate the drive to continually improve services to patients, through questioning, investigation and innovation by dynamic and knowledgeable teams despite the many challenges faced.

This continuing momentum recognises and celebrates the intensive work and well-deserved achievements of each individual team which when brought together as one combined unit across the trust culminates in the ultimate pursuit of excellence in patient care at Poole Hospital to become a Practice Development Unit.

14.5 Neonatal unit upgrade

The neonatal unit reopened in May 2014 after a major refurbishment and development project.

14.6 Patient discharge

The discharge support team have developed the daily delay dashboard which is now used by the whole trust to monitor and track patients through their complex discharge pathway. We have linked this in with our partners providing postcodes of patients so they can try to line up runs of discharges with providers by area.

The discharge planning tool was revised and agreed in November 2014. The updated version is available on the trust's intranet under the discharge planning section.

The Pan-Dorset choice policy was also revised in November 2014. Training has been provided to wards on how to follow and implement this policy. This is now also supported by our two discharge liaison nurse specialists, who provide assistance where needed and follow patients through the process.

14.7 Trust and individual staff recognition

During 2014-2015 across the trust a number of members of have been recognised as leaders in their fields through national awards and award nominations. The awards have ranged from national nursing awards, to research awards and innovation awards. This continues a proud tradition of the trust being recognised nationally for its high quality care and staff.

14.8 Ward to board reporting

A ward to board reporting process was introduced during the year 2014-15. This report provides an overview of quality audits, patient feedback and incidents relating to inpatient wards for our three clinical care groups: surgery and oncology, medicine, and women and children's services.

Its aim is to provide a cohesive perspective on ward activities for the board of directors during each quarter, highlighting areas of good practice and areas for improvement.

The ward to board report has been presented to the board from quarter 3 onwards in 2014/15.

The quarterly reports also cover the following topics;

- Wednesday ward watch (a monthly snapshot audit of quality standards at ward level)
- Patient safety thermometer (Monthly snapshot of key data submitted nationally on harm free care)
- Bare below the elbows
- Hand hygiene
- Ward cleanliness audits
- Summaries of AIRS reports
- Friends and family test responses
- PALS interventions
- Complaints.

This enables board members to take a cohesive overview of ward activity.

14.9 Executive Director's Quality and Safety Walk rounds

The quality and safety walk rounds were introduced in the summer of 2014. The purpose of the quality and safety visit is to provide a structured process to bring executive directors, non-executive directors, general managers, matrons and clinical- and non-clinical staff together to have conversations about quality and safety. The intention of the visit is to improve the quality and safety culture across the Trust.

At each of these visits quality improvement opportunities are identified, actions agreed and progress reported through the quarterly quality reports for each of the clinical care group specialties. Examples of the quality improvements identified include:

- Reviewing pharmacy dispensing process on paediatric wards
- Business case developed for the refurbishment of treatment rooms in paediatrics
- Completion of the parents' lounge in the neonatal unit
- Plans to introduce the role of discharge coordinator on trauma wards
- Redesign of store rooms in the critical care unit
- Plans approved to remove unused bathrooms and create storage on medical wards and the RACE unit
- Review of capacity and use of patient trolleys in the emergency admission ward
- Planned refurbishment of shower rooms in Sandbanks ward
- Provision of tea/coffee trolley for patient use on B2 ward
- Support for the recruitment to fill vacant nursing posts
- Clarification of the type of patients to be transferred to the winter pressure ward in January after ward refurbishment completed

- Support for business case for new monitoring equipment in maternity

14.10 Visits by external bodies and patient groups

External bodies, commissioners, members of overview and scrutiny committees including Health Watch 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.

Progress following these discussions is monitored through the quality improvements noted at the beginning of this report.

15. STATEMENTS FROM EXTERNAL BODIES

This quality report was sent to:

- Dorset Clinical Commissioning Group (Lead Commissioner)
- Borough of Poole, Overview and Scrutiny Committee
- Borough of Bournemouth, Overview and Scrutiny Committee
- Healthwatch Dorset

The following comments have been made:

15.1 NHS Dorset Clinical Commissioning Group

NHS Dorset Clinical Commissioning Group is pleased to comment on the quality accounts for Poole Hospital NHS Foundation Trust. From reviewing the quality accounts and monitoring the quality and performance of the trust throughout the year, the CCG recognises that this is an accurate representation of the performance of the organisation during 2014/15. Over the year the trust has successfully embedded the 'Poole Approach' and the CCG acknowledges that the development of the executive director's quality and safety walk rounds demonstrates the priority which the trust places on ensuring patients receive high quality, safe care.

The CCG was asked to comment on the quality priorities for 2015/16 at an early stage and is supportive of the areas identified particularly in relation to the improvement of handover of care at the time of discharge. The CCG looks forward to working with Poole Hospital NHS Foundation Trust over the coming year.

15.2 Health and Social Care Overview and Scrutiny Committee (HSCOSC) response to Poole Hospital NHS Foundation Trust's Quality Account 2014/15

Members of Borough of Poole's Health and Social Care Overview and Scrutiny Committee would like to thank Poole Hospital NHS Foundation Trust firstly for their professionalism and commitment to meeting with members throughout the year to take part in full and frank discussions around the progress made in key quality improvement areas and also allowing members the opportunity to comment on this account of the achievements and areas for improvement detailed in the quality report for 2014/15. The report gives a good account of how Poole Hospital is meeting expectations for high quality healthcare, now and in the future.

The HSCOSC is encouraged to learn that the trust has agreed a two year plan with Monitor to enable the trust to move forward, it will also be interesting to be informed of what Dorset's Clinical Services Review will mean for the trust once completed. The HSCOSC was delighted to read that the CQC had rated the Trust as a very "low risk" organisation and that the 2014 emergency department national patient survey had shown significant progress in key areas, such as explaining tests required and pain relief. It is also heartening to note that the trust has signed up to the national "Sign up to Safety" campaign which seems have a key thread through a number of the quality improvement priorities for 2015/16.

Members are very encouraged that once again patients have rated Poole Hospital's cancer care within the top 20% of trusts in the country for a third year in a row, with 92% of patients rating their care as 'excellent'/'very good.'

We commend the trust in achieving the majority of the planned quality improvement measures regarding improving performance around five of its key quality improvement measures:

a) That the trust's pledge to provide "friendly professional, patient-centered care with dignity and respect for all" continues to be the golden thread and is the focus for the new executive team. It is reassuring to note that this is monitored through a variety of methods including the friends and family test, developing the patient experience group to analyse feedback, having 'golden rules' champion awards in recognition of good staff practice and supporting staff by introducing Schwartz rounds.

b) Whilst the aim of increasing the number of patients being in the appropriate ward at the right time was not met this year, through meeting with the trust the HSCOSC has gained a better insight into the reasons for this and the challenges faced and commend the trust's tenacity in trying to address this issue.

c) That very good progress has been made in reviewing clinical staffing in response to the Francis Report and Hard Truths 2013. The trust has provided regular updates to members over the past year about this area of work and members have understood that using initiatives such as overseas recruiting, targeting universities and using values based recruiting have been effective methods in attracting new staff.

d) That the trust has continued to actively seek patients views by participating in national patient surveys and implementing the friends and family test using a number of different accessible methods to do this. It is also encouraging to note that a patient experience steering group has been set up and meets regularly. Members have discussed with the trust the possibility of a council officer presence within this group and that this has been considered as part of the terms of reference and membership of the group. It is also encouraging to note that following a recommendation from members that drafting a user friendly version of the quality account is being considered.

e) It is disappointing for the trust that mandatory training has not improved to the target levels set but it is encouraging to note that significant improvement has been made from last year and that on-going compliance monitoring is in place.

Moving forward for the coming year we are pleased to note the quality improvement areas for the coming year in particular around handover at discharge. Members are fully aware of the complex and multifactorial issues that lead to a good discharge and that discharge is interdependent on all parts of the system including working with partners operating in a well-co-ordinated way. Members would welcome updates on this area of work and the measures put in place to drive improvements in this key area.

We are also heartened to see that processes are being put in place to improve responses to the deterioration of patients, that medication errors are being closely monitored and that early identification and treatment of sepsis has been identified as a quality area for improvement, all these key areas seem to align with the sign up to safety work the trust has pledged a commitment.

Finally members also welcome the trust's continued commitment in pursuing patient involvement and feedback. Such commitment assures members that the trust is doing all it can to route the patient to the heart of its work. Again members would welcome regular updates on this work including the real-time

research study due to commence shortly, work of the patient experience group and work of the carers support lead.

Thank you for the opportunity to comment on an interesting quality review and account - we look forward to reading the published version but please take this letter as Borough of Poole's response to that document based on the draft version sent to the council on 22 April 2015.

15.3 Borough of Bournemouth, Overview and Scrutiny Committee

No comments received

15.4 Healthwatch Dorset

Over the past year Healthwatch Dorset has received feedback about the trust's services from patients, relatives, carers, community support groups and health and social care staff. We have worked with the trust throughout the year, holding Healthwatch information stands in Poole Hospital and making information about Healthwatch available to patients, visitors and staff.

Our 2014 report "[Every One Matters](#)" highlighted the wide variation in the standard of care received at hospitals in Dorset, with the most common feedback (good and bad) relating to the quality of service and attitude of hospital staff. Poole Hospital has used this feedback to improve their communication with patients in terms of "what is happening now and next" and with discharge planning with patients, carers and care agencies. We will be further monitoring the outcomes from the [Trust's response](#) to our report in 2015/16.

We have received many comments from patients, carers and relatives relating to discharge issues, including discharges late at night and patients discharged with no appropriate care packages in place. So we are pleased to note that addressing issues around discharge remains a priority for 2015/16.

The feedback we have received for the past year has also included issues about communication between staff and patients, poor and complicated signage within the hospital, patients receiving cancer treatment not being advised about free car parking and some concerns about basic patient care. We note that the 2014 emergency department national patient survey highlighted a number of areas for improvement including "information giving", "waiting times" and "reassuring and waiting for pain relief". We have received feedback on all of these areas but not specifically relating to the emergency department. The positive feedback we hold about the emergency department at Poole Hospital praises the staff and the quality of treatment.

We are pleased to note that work is being done around maternity and staffing. Some of the comments we have received has raised concerns about staff attitudes in this area.

It is good to see that patient involvement and feedback is a trust priority for 2015/16. The quality account mentions the friends and family test, national patient surveys and the patient experience group. We would like to see more information made available about that group's terms of reference, objectives and membership – in particular an assurance that its membership includes representatives of patients and the public.

The quality account talks about being "responsive to feedback received via a variety of sources". We would like to see it giving more information about what those "sources" are and also information about the ways in which the hospitals has been "responsive". In other words, about how the hospital has used the feedback from a variety of sources to learn and develop and to improve patients' experiences.

There is one indicator that could warrant some further explanation. This is the target for thrombolysis within 60 minutes (55% compared to 68% target). There is an explanation for the previous year's low score but not for this last year.

Healthwatch Dorset volunteers have taken part in PLACE (patient-led assessments of the care environment) visits to Poole Hospital and we also took part in a joint visit with NHS Dorset Clinical Commissioning Group in 2014. The findings from these visits were mainly positive and we have shared these insights with the trust.

We look forward to continuing to work with the trust to ensure that people's experiences of, and feedback on, the trust's services - positive, negative and mixed - are welcomed, responded to and used as a driver for continual learning and improvement.

16. Involvement of council of governors

The council of governors plays an active role in the development of this report and in identifying a nominated quality improvement topic each year. The quality report was also provided to the council of governors of Poole Hospital NHS Foundation Trust for their feedback.

16.1 Council of governors comments

"The Council of Governors is grateful for the opportunity to comment on the trust's quality report setting out what the Trust seeks to achieve and reflecting on what has actually been achieved. The quality report reflects that the trust has had to cope in very difficult and unusual circumstances in the year under report, not least:

The aftermath of the failed merger with The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust and to which our very considerable resources have been devoted;
The consequences arising from the appointment during the period of the report of no less than four board executives (including the chief executive);
The necessary actions following the involvement of the regulator Monitor

The governors acknowledge the assistance of the board, executives and staff in facilitating the proper involvement of the governors in the work of the trust, including ward visits and meeting patients and staff. In the course of this, the governors are aware of the quality issues addressed in this report and the strenuous efforts being made by all staff to effect improvements. In addition, the trust has had to deal with and remedy many problems involving the delivery of quality including:

Infection control and the need for constant vigilance;
Recruitment difficulties involving a national shortage of doctors and nurses and allied health professionals;
Significant increases in accident and emergency attendances.

The governors have been involved in discussions during the drafting of this report and as governors we have been able to put forward our views on what we see as our priorities. These have been included in the report.

In conclusion, the council of governors has read this very comprehensive report and are pleased to note the substantial progress made across the trust in quality issues and fully endorse the terms of this report.

ANNEX 1 to QUALITY REPORT 2014-2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE QUALITY REPORT

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare quality accounts for each financial year.

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- 1) the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2014-2015;
- 2) the content of the quality report is not inconsistent with internal and external sources of information including:
 - Board minutes and papers for the period April 2014 to March 2015
 - Papers relating to quality reported to the Board/Board sub-committee over the period April 2014 to March 2015
 - Feedback from the commissioners dated; 13 May 2015
 - Feedback from governors dated; 6 May 2015
 - Feedback from Health Watch dated; 12 May 2015
 - The trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, 30 July 2014
 - The national patient survey autumn 2014
 - The national staff survey autumn 2014
 - The head of internal audit's annual opinion over the trust's control environment dated May 2015
 - CQC Intelligence monitoring dated; December 2014
- 3) the quality report presents a balanced picture of the NHS foundation trust's performance over the period covered;
- 4) the performance information reported in the quality report is reliable and accurate;
- 5) there are proper internal controls over the collection and reporting of the measures of performance included in the quality report, and these controls are subject to review to confirm that they are working effectively in practice;
- 6) the data underpinning the measures of performance reported in the quality report is robust and reliable, conforms to specified data quality standards and prescribed 106 definitions, is subject to appropriate scrutiny and review; and the quality report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the quality accounts regulations) (published at www.monitornhsft.gov.uk/annualreportingmanual) as well as the standards to support data quality for the preparation of the quality report (available at www.monitornhsft.gov.uk/annualreportingmanual)).

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

By order of the board

Angela Scudiero

Date: 27 May 2015

Chairman

D. M. Kemp

Date: 27 May 2015

Chief executive

ANNEX 2 TO QUALITY REPORT: Independent auditor's report to the council of governors of Poole Hospital NHS Foundation Trust on the quality report

We have been engaged by the council of governors of Poole Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Poole Hospital NHS Foundation Trust's quality report for the year ended 31 March 2015 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Poole Hospital NHS Foundation Trust as a body, to assist the council of governors in reporting Poole Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2015, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Poole Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2015 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- 18 week referral to treatment waiting times – patients on an incomplete pathway
- Maximum waiting time of 62 days from urgent referral to treatment for all cancers

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

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by Monitor.

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the detailed guidance provided by Monitor; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in

accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the '*NHS foundation trust annual reporting manual*', and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with:

- board minutes for the period April 2014 to the date of signing the limited assurance opinion;
- papers relating to quality reported to the board over the period April 2014 to the date of signing of the limited assurance opinion;
- feedback from Commissioners;
- feedback from governors;
- feedback from local Healthwatch organisations;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2015;
- the 2014 national patient survey;
- the 2014 national staff survey;
- Care Quality Commission Intelligent Monitoring Report dated December 2014;
- the Head of Internal Audit's annual opinion over the Trust's control environment dated April 2015; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

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

Assurance work performed

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

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation trust annual reporting manual' to the categories reported in the quality report; and

- reading the documents.

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

Limitations

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

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation trust annual reporting manual'.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2015:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in the detailed guidance for external assurance on quality reports 2014/15; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual'.

Deloitte LLP

Deloitte LLP

Chartered Accountants

Reading, UK

27 May 2015

Statement of accounting officer's responsibilities

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the 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
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; 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 the NHS Foundation Trust Accounting Officer Memorandum issued by the Independent Regulator of NHS Foundation Trusts (Monitor).



Debbie Fleming, Chief Executive

27 May 2015

Annual governance statement

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 [insert name of provider] NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Poole Hospital NHS Foundation Trust for the year ended 31 March 2015 and up to the date of approval of the annual report and accounts.

3. Capacity to handle risk

The Board of Directors recognises that complete risk control and/or avoidance is impossible, but the risks can be minimised by making sound judgments from a range of fully identified options. The Trust's aim, therefore, is to promote a risk awareness culture in which all risks are identified, assessed, understood and proactively managed. This will promote a way of working that ensures risk management is embedded in the culture of the organisation and becomes an integral part of the Trust's objectives, plans, practices and management systems.

The Board recognises that there is a need for robust systems and processes to support continuous improvement, enabling staff to integrate risk management into their daily activities wherever possible and support better decision making through a good understanding of risks and their likely impact.

The success of any risk management plan is dependent on the defined and demonstrated support and leadership provided by the Board of Directors as a whole.

The Board of Directors supports the delivery of the Trust's Strategic objectives through ensuring a robust risk management infrastructure is in place. This includes; continued development of the Board Assurance Framework (BAF) and Trust Risk Register as the vehicles for informing this Annual Governance Statement.

The Risk Management structure is based on committees and groups which have key roles in the management of risk. This provides the assurance required by the Board that all areas of risk are being adequately managed. In order to assure the board the Board of Directors is supported by 3 key

assurance committees including the Quality, Safety and Performance Committee which receives the minutes of the Risk Management and Safety Group and Clinical Governance Group.

Risks are assessed using a standard risk assessment tool/rating matrix which maps the likelihood of the risk occurring against the impact/consequence of its occurrence and recorded on a standard risk assessment form. The process of risk assessment is clearly outlined in the Risk Assessment Guidelines available to staff on the Trust intranet.

The Board of Directors recognise that training is central to the successful implementation of the risk management strategy and to staff understanding their roles and responsibilities for risk management across the organisation.

Risk Management training for all staff forms part of the Trust's mandatory training requirements in relation to incident reporting and health and safety. Additional risk related training is available for staff as appropriate to their role. This includes basic awareness for all staff at induction through to regular Trust board seminars and separate board development sessions covering key risk and safety topics. The Board of Directors and senior managers have attended the Institute of Safety and Health (IOSH) Directing Safely one day accredited programme for the last three years.

The risk management process is led by a nominated Director for risk -the Director of Nursing, supported by Executive Directors, Clinical Directors, General Managers, Matrons, Department Leads and an Assistant Director of Nursing who heads a small team of risk managers.

Learning following a serious untoward incident or complaint is extremely important to the Trust in ensuring that we constantly strive to improve the quality and safety of the care and treatment to our patients. Sharing learning and actions taken is done through a variety of ways including; Dissemination at key meetings, team briefings, directorate and team performance review meetings, action plans, patient stories at Board meetings, review of significant complaints at senior trust meetings and review of Complaints, Claims, incidents and PALS enquiries at a joint quarterly meeting. The trust also works closely with external scrutiny committees and our local Health watch to review throughout the year progress against our quality account improvement topics and actions taken following any concerns that they have raised with us.

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 risk management 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 Trust defines its risk appetite as the amount of risk it is prepared to accept at any point in time and is intended to guide staff in their actions and ability to accept and manage risks as either; acceptable risks, unacceptable risks, significant unacceptable risks or serious incidents.

The management of risk, locally and centrally, is underpinned by the following key components of the risk management cycle:

- Risk Identification
- Risk Assessment
- Risk Mitigation
- Risk Review

- Risk Registers
- Board Assurance Framework – (BAF)
- Risk Management Education and Training
- Review of Effectiveness
- Risk management annual plan

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 NRLS 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 monthly Clinical Care Group and Clinical Directorate performance meetings. Quarterly performance reviews (involving clinical and corporate directorates) are led by the Executive Directors and focus on performance highlights and challenges.

Monthly Risk Management and Safety Group meetings, chaired by the Director of Nursing, with representation from all Clinical Care Groups and Corporate Directorates where a wide range of risk issues are discussed and monthly incidents reviewed and Trust-wide trends and analysis identified. The Risk Management and Safety Group reports into the Quality, Safety and Performance Committee with escalation up to the Board as required.

Specialist risk management groups are in place within each Care Group meeting regularly to discuss incidents that have occurred and agree actions to be taken. Clinical Directorate trends and analysis are reviewed. Care Groups/Directorates are also required to maintain a register of risks. It is the responsibility of the Care Groups/Directorate to monitor their registers on a monthly basis. Any risks that cannot be managed at a local level and have the potential to affect the whole of the trust, and/or score 8 and above will be considered for inclusion in the Trust strategic/corporate level Risk Register.

A Risk Review Group validates risks and all new risks are reported to the Risk Management and Safety Group on a monthly basis. The Board of Directors' Audit and Governance Committee receive a report on new red risks at each meeting. The Quality, Safety and Performance Committee discuss relevant clinical risks.

A number of other committees and groups support the risk management process;

- Bi-monthly Health and Safety Committee meetings.
- Recommendations from Serious Untoward Incidents are monitored by the Board of Directors and the Quality, Safety and Performance Committee.
- Key personnel sit on the Risk Management and Safety Group and the Quality, Safety and Performance Committee including executive and non-executive directors and senior clinicians.
- Quarterly internal performance reviews of Clinical and Corporate Directorates where there is a requirement to report on risks, risk assessment and action to mitigate risks.
- The Trust has an active Council of Governors which includes representatives of all the key public stakeholders. The Council and individual governors are involved in taking action to manage risks which impact on both the Council and stakeholder organisations.

The trust has an Information Risk and Security policy that relates to all IT trust activities. It addresses data security and processes for protecting all trust data, by providing a consistent risk management framework in which information risks will be identified, considered and addressed. Any incident involving the actual or potential loss of personal or sensitive corporate information that could lead to identity fraud or has other significant impact on individuals is considered to be serious. During the period 2014-2015 there was one case of serious data losses recorded, this was reported to the Information

Commissioner's Office (ICO) and treated as a serious untoward incident. There was no action taken by the ICO. Further details can be found on page 8.

The Board Assurance Framework (BAF) is an integral part of the trusts Risk Management Strategy. The Trust Board Assurance Framework provides the Trust Board with significant assurance throughout the year that the key strategic risks are being managed effectively.

The Board of Directors has overall responsibility for ensuring systems and controls are in place, that are sufficient to mitigate any significant risks which may threaten the achievement of the Trusts strategic objectives.

Monitor has issued its Risk Assessment Framework (RAF) which ensures that all NHS Foundation Trusts are able to demonstrate that they are remaining within their provider licence. It is therefore imperative that the Trust is aware of any risks (e.g. associated with new business or service changes) which may impact on its ability to adhere to the RAF.

The BAF provides the Board of Directors with the vehicle for satisfying itself that its responsibilities are being discharged effectively. It identifies through assurance where aspects of service delivery are being met to satisfy internal and external requirements. It informs the Board where the delivery of principal objectives are at risk due to a gap in control and/or assurance. This allows the organisation to respond rapidly.

The BAF and related strategic risks are managed and monitored by the trust board key assurance committees on a quarterly basis. The Assurance Committees are: the Finance and Investment Committee (financial risks); the Quality, Safety and Performance Committee (quality, safety and performance risks), and the Workforce Committee (workforce risks).

The trust identified 7 strategic objectives and associated risks at the start of the year which formed the basis of the BAF. The key risks for 2014-2015 were around, financial sustainability, provision of safe high quality services to patients, workforce and staffing, address backlog maintenance, resilience of emergency care services, deliver the IT strategy, and developing a sustainable clinical and financial strategy. A number of gaps in risk control and assurance were identified at the beginning of the year within the BAF these totalled 23 gaps in control and 21 gaps in assurance. 15 gaps in control and 10 gaps in assurance have subsequently been closed within the year with evidence of assurance reported to the relevant key board assurance committee on a quarterly basis. For example; the successful loan agreement for £20 million from the Department of Health to support the trusts 2 year capital programme, and the refurbishment and reopening of the winter escalation ward in early January 2015.

The Trust has met the majority of the national targets in 2014-15 including Cancer standards, RTT at aggregate level and a substantial reduction in C-Diff and MRSA. The stroke target was met in February and March but the Trust hasn't achieved the Monitor A&E targets since October 2014 and fell short of the 95% of patients seen and discharged/admitted within 4 hours target reaching 94% in period 1 of 2015. There continues to be challenges meeting the 15 'key diagnostic tests' which are currently above 1% and delayed transfers of care are running above the expected target in March 2015.

Information Governance Toolkit Progress Report

The Trust is currently working towards meeting the 45 requirements of the IG Toolkit for Acute Trusts, Version 12 (2014/15). Our baseline position on 31 July 2014 was 12%, our performance update assessment submitted on 31 October 2014 was at 25%. The final submission at the 31 March 2015 achieved 73% with 35 of the requirements reaching level 2, 9 reaching level 3 and 1 not applicable. By achieving the minimum of Level 2 across all requirements we achieved an overall 'Satisfactory' rating. This is a significantly healthier position than we were in this time last year, with our final submission being 41%.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

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.

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

5. Review of economy, efficiency and effectiveness of 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 Clinical and Corporate Directorates. Skill mix and staffing reviews are undertaken regularly and the trust submits monthly data to the safer staffing national programme.

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 also has a significant transformation programme to ensure the trust maximises the use of all available resources and identifies and manages a number of cost improvement programmes to enable the trust to remain in financial balance.

6. Information governance

During the period 2014-2015 there was one case of serious data losses recorded, this was reported to the Information Commissioner's Office (ICO) and treated as a serious untoward incident. There was no action taken by the ICO. The incident is summarised below;

An issue had become apparent in the G2 MediSpeech System whereby when a patient has changed GP and this information has been updated on the PAS System (Camis) the information has been passed to the G2 System but has not been picked up and registered against the patient. This has resulted in letters being sent to the patients' previous GP in some instances. The list of GP letters that may have been affected by this problem, were reviewed and validated on 14th November 2014 by the IT Project Support Officer and Medical Secretary Coordinator. This reduced the number of affected letters down from 1,167 to 756; a percentage of these letters will involve the same patient.

These letters were regenerated and sent to the correct GP's. Following this incident further system testing has been undertaken which also identified other issues. Use of the system was suspended until such time that we had the confidence of all the issues have been resolved.

No care management problems identified, all consultants involved were asked to review letters and identify if in their professional opinion if the delay of the letter reaching the right GP could have caused any harm to the patient.

The Trusts IT project continues to work closely with the system providers, conducting significant further testing, until we are in a position where the Trust executive board is wholly satisfied that all interfaces are operating as required. To date the system remains in a suspended state.

7. Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. Monitor has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The production of the quality report is led by the Director of Nursing and reflects the discussions and decisions of the Board of Directors and the Quality, Safety and Performance Committee during the preceding year.

The Trust has engaged clinical staff, the board, governors, Health watch and local health scrutiny panels in the process of building the quality report.

The data used in the quality report has been reviewed and a number of data items are the subject of external audit scrutiny to check their validity.

Clinical quality and patient safety have been at the forefront of meetings of the Board of Directors and the Trust has continued to hold a regular Quality, Safety and Performance Committee to provide further assurance on the arrangements for maintaining clinical quality and patient safety.

8. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit and governance committee and quality, safety and performance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

9. Conclusion

Based upon available Department of Health guidance, and the Trust's internal and external auditors' views, the Board of Directors has not identified any significant internal control issues at this time.

Signed:

A handwritten signature in blue ink, appearing to read 'D Fleming', is centered on the page.

Date 27 May 2015

Debbie Fleming, chief executive

Independent auditor's report to the board of governors and board of directors of Poole Hospital NHS Foundation Trust

Opinion on financial statements of Poole Hospital NHS Foundation Trust

In our opinion the financial statements:

- give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2015 and of the Group's and Trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

The financial statements comprise the Group and Trust Statements of Comprehensive Income, the Group and Trust Statement of Financial Position, the Group and Trust Statements of Cash Flow, the Group and Trust Statements of Changes in Taxpayers' Equity and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by Monitor – Independent Regulator of NHS Foundation Trusts.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts.

Going concern

We have reviewed the Accounting Officer's statement contained on page 173 that the Group is a going concern. We confirm that

- we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
<p>NHS revenue and provisions</p> <p>There are significant judgments in recognition of revenue from care of NHS patients and in provisioning for disputes with commissioners due to:</p> <ul style="list-style-type: none"> the judgemental nature of provisions for disputes, including in respect of outstanding overperformance income for quarters 3 and 4; and the risk of revenue not being recognised at fair value due to adjustments agreed in settling current year disputes and agreement of future year contracts. <p>The majority of the Trust's income comes from key commissioners, namely Dorset CCG, being made through block contract agreements. The total contract revenue including variations was £191.8m (2014: £185.6m), of this £144.4m (2014: £140.0m) was due from Dorset CCG.</p> <p>The change in commissioning structures means that the majority of the Trust's income is now commissioned by NHS England.</p> <p>See accounting policy note 1.2 of the annual accounts for management's revenue recognition policy.</p>	<p>We evaluated the design and implementation of controls over recognition of revenue and provisions.</p> <p>We performed detailed substantive testing of the recoverability of overperformance income and adequacy of provision for underperformance through the year, and evaluated the results of the agreement of balances exercise.</p> <p>We challenged key judgements around specific areas of dispute and actual or potential challenge from commissioners and the rationale for the accounting treatments adopted. In doing so, we tested the historical accuracy of provisions made for disputes with commissioners, and used this to evaluate the year-end position and reviewed correspondence with commissioners,</p> <p>We reviewed the key changes and any open areas in setting 2015-16 tariffs, and considered whether, taken together with the settlement of current year disputes, there were any indicators of inappropriate adjustments in revenue recognised between periods.</p> <p>We have agreed baseline contract income to underlying contracts and a sample of significant year end accrued income balances to activity data.</p>
<p>Going concern</p> <p>Going concern has been an area of significant focus for a number of years. With growing pressure from NHS budgetary cuts and a tight budget forecasting future deficits there is an increased risk associated with the ability of the Trust to continue as a going concern for the foreseeable future.</p> <p>Management have prepared their financial projections up to March 2017 and have used these forecasts to support their assessment of going concern.</p> <p>The Trust has made a deficit before revaluation of £3.4m in 2014/15 and has forecast a deficit of £6.7m in the next financial year. The Trust believes it has sufficient cash flow to maintain the Trusts</p>	<p>We evaluated the design and implementation of controls over management's preparation of the annual forecasts.</p> <p>We scrutinised the forecast for risks and pressures and identified the same risks as management to delivery. We have discussed the formulation of the projections with the Trust and challenged the robustness of each key judgement by comparing it to substantive evidence and considering benchmark data from the other Trusts that we audit.</p> <p>We have interviewed the Director of Finance and Former Director of Finance and reviewed the correspondence with Monitor to both understand and challenge how the transformation programme has aided the</p>

Risk	How the scope of our audit responded to the risk
<p>operations for 12 months from the date of signing the financial statements as outlined on page 27 in the annual report.</p>	<p>ability of the Trust to continue as a going concern for 12 months from signing the financial statements and to see how this has been reflected in the future forecasts prepared by the Trust.</p> <p>We have performed sensitivity analysis across the forecast assumptions, remodelling the forecasts for the key assumptions and judgements.</p>
<p>Property valuations</p> <p>The Group holds property assets within Property, Plant and Equipment at a modern equivalent use valuation. The valuations are by nature significant estimates which are based on specialist and management assumptions and which can be subject to material changes in value.</p> <p>We assessed whether the valuation and the accounting treatment of the revaluation (£4.8m) and impairment (£3.3m), as detailed in note 8.1 of the financial statements, were compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.</p>	<p>We evaluated the design and implementation of controls over property valuations, and tested the accuracy and completeness of data provided by the Trust to the valuer.</p> <p>We used internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Trust's properties, including benchmarking against revaluations performed by other Trusts at 31 March 2015.</p>

The description of risks above should be read in conjunction with the significant issues considered by the Audit and Governance Committee discussed on pages 27 and 50.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £2.10m, which is circa 1% of revenue and below 2% of equity.

We agreed with the Audit and Governance Committee that we would report to the Committee all audit differences in excess of £105k, as well as differences below that threshold that, in our view, warranted

reporting on qualitative grounds. We also report to the Audit and Governance Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including internal controls, and assessing the risks of material misstatement at the Group level. The Group is defined as Poole Hospital NHS Foundation Trust and Poole Hospital NHS Trust Charitable Fund.

The focus of our audit work was on the Trust, with work performed at the Trust's head offices in Poole directly by the audit engagement team, led by the audit partner.

We performed specified audit procedures on the Trust's subsidiary, Poole Hospital NHS Foundation Trust Charitable Fund, where the extent of our testing was based on our assessment of the risks of material misstatement and the materiality of the charity to the Group.

Our audit covered all of the entities within the Group, and account for 100% of the Group's net assets, revenue and surplus.

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

The audit team included integrated Deloitte specialists bringing specific skills and experience in property valuations and Information Technology systems.

Data analytic techniques were used as part of audit testing, in particular to support profiling of populations to identify items of audit interest. The key area where analytics were used was journal testing.

All testing was performed by the main audit engagement team, led by the audit partner.

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Strategic Report and 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***Annual Governance Statement, use of resources, and compilation of financial statements***

Under the Audit Code for NHS Foundation Trusts, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We have nothing to report in respect of these matters.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we have considered whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit and governance committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of the accounting officer and auditor

As explained more fully in the Accounting Officer's Responsibilities Statement, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, the Audit Code for NHS Foundation Trusts and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to

ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and strategically focused second partner reviews.

This report is made solely to the Board of Governors and Board of Directors (“the Boards”) of Poole Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

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 Group’s and the Trust’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Susan Barratt, BA ACA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Reading, United Kingdom

27 May 2015

Annual Accounts 2014-15

Foreword to the accounts

Poole Hospital NHS Foundation Trust

These accounts for the year ended 31 March 2015 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



Debbie Fleming
Chief Executive and Accounting Officer

Date: 27 May 2015

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

Under the National Health Service 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
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; 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 the NHS Foundation Trust Accounting Officer Memorandum issued by the Independent Regulator of NHS Foundation Trusts (Monitor).



.....Signature

Debbie Fleming, Chief Executive

Date: 27 May 2015

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 March 2015

		Group (see Note b)	Foundation Trust (see Note a)	Group	Foundation Trust
	NOTE	2014/15 £000	2014/15 £000	2013/14 £000	2013/14 £000
Operating income	2	215,781	215,321	210,640	210,435
Operating expenses	3	<u>(218,011)</u>	<u>(217,452)</u>	<u>(208,373)</u>	<u>(207,514)</u>
OPERATING (DEFICIT)/SURPLUS		(2,230)	(2,131)	2,267	2,921
Finance Costs					
Finance income	5	68	61	87	68
Finance costs - financial liabilities	6	(46)	(46)	(10)	(10)
Finance costs - interest expense - unwinding of discount	15	(10)	(10)	(13)	(13)
Public Dividend Capital dividends payable		<u>(2,814)</u>	<u>(2,814)</u>	<u>(2,818)</u>	<u>(2,818)</u>
Net Finance Costs		<u>(2,802)</u>	<u>(2,809)</u>	<u>(2,754)</u>	<u>(2,773)</u>
(DEFICIT)/SURPLUS FOR THE YEAR (See Note a below)		(5,032)	(4,940)	(487)	148
Other comprehensive (expense)/income					
Impairments/Revaluations to Revaluation Reserve		3,440	3,435	3,076	3,057
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		<u>(1,592)</u>	<u>(1,505)</u>	<u>2,589</u>	<u>3,205</u>

Note a : The Foundation Trust deficit for the year amounting to £4,940k (2013/14 surplus £148k) is shown after impairments of £1,504k (2013/14 impairments £742k) in respect of property, plant and equipment following the revaluation of the estate by the District Valuer as at 31 March 2015. The actual deficit for the year before impairments was therefore £3,436k (2013/14 Surplus £890k).

Note b. Group figures include Poole Hospital NHSFT Charitable Fund (registered charity number 1058808).


The notes on pages 5 to 36 form part of these accounts.

All income and expenditure is derived from continuing operations.

**STATEMENT OF FINANCIAL POSITION AS AT
31 March 2015**

	NOTE	Group 31 March 2015 £000	Foundation Trust 31 March 2015 £000	Group 31 March 2014 £000	Foundation Trust 31 March 2014 £000
NON CURRENT ASSETS					
Intangible assets	7	3,179	3,179	1,784	1,784
Property, plant and equipment	8	109,603	109,431	109,262	109,090
Trade and other receivables	11	1,029	1,029	1,049	1,049
		<u>113,811</u>	<u>113,639</u>	<u>112,095</u>	<u>111,923</u>
CURRENT ASSETS					
Inventories	10	2,205	2,205	1,683	1,683
Trade and other receivables	11	8,011	8,044	8,619	8,727
Cash and cash equivalents	16	12,541	10,664	12,185	10,100
TOTAL CURRENT ASSETS		<u>22,757</u>	<u>20,913</u>	<u>22,487</u>	<u>20,510</u>
CURRENT LIABILITIES					
Trade and other payables	12	(20,420)	(20,396)	(22,484)	(22,414)
Other liabilities	12	(566)	(566)	(679)	(679)
Borrowings	13	(335)	(335)	(91)	(91)
Provisions	15	(406)	(406)	(368)	(368)
TOTAL CURRENT LIABILITIES		<u>(21,727)</u>	<u>(21,703)</u>	<u>(23,622)</u>	<u>(23,552)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>114,841</u>	<u>112,849</u>	<u>110,960</u>	<u>108,881</u>
NON CURRENT LIABILITIES					
Borrowings	13	(4,732)	(4,732)	0	0
Provisions	15	(612)	(612)	(580)	(580)
TOTAL NON CURRENT LIABILITIES		<u>(5,344)</u>	<u>(5,344)</u>	<u>(580)</u>	<u>(580)</u>
TOTAL ASSETS EMPLOYED		<u>109,497</u>	<u>107,505</u>	<u>110,380</u>	<u>108,301</u>
FINANCED BY:					
TAXPAYERS' EQUITY					
Public dividend capital		88,661	88,661	87,953	87,953
Revaluation reserve		22,716	22,716	19,688	19,688
Income and expenditure reserve		(3,871)	(3,872)	660	660
Charitable Funds reserves		1,991	0	2,079	0
TOTAL TAXPAYERS' EQUITY		<u>109,497</u>	<u>107,505</u>	<u>110,380</u>	<u>108,301</u>

The financial statements on pages 1 to 36 were approved and authorised for issue by the Board on

Signed:  Chief Executive

Date: 27 May 2015

Name: Debbie Fleming

Signed:  Director of Finance

Date: 27 May 2015

Name: Mark Orchard

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (GROUP)

	Public dividend capital (PDC) £000	Revaluation reserve £000	Income and Expenditure Reserve £000	Charitable Fund Reserves £000	Total £000
Balance at 31 March 2014	87,953	19,688	660	2,079	110,380
Changes in taxpayers' equity for 2014/15					
Retained surplus/(deficit) for the year	0	0	(5,412)	380	(5,032)
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.1 and 8.2)	0	3,435	0	0	3,435
Revaluations and impairments- charitable funds	0	0	0	5	5
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(408)	408	0	0
Other reserve movements - charitable funds consolidation adjustment	0	0	473	(473)	0
Other reserve movements	0	1	0	0	1
Public Dividend Capital received	708	0	0	0	708
Balance at 31 March 2015	88,661	22,716	(3,871)	1,991	109,497
Balance at 1 April 2013	87,651	17,645	(500)	2,693	107,489
Changes in taxpayers' equity for 2013/14					
Retained surplus/(deficit) for the year	0	0	(786)	299	(487)
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.3 and 8.4)	0	3,057	0	0	3,057
Revaluations and impairments- charitable funds				19	19
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(1,014)	1,014	0	0
Other reserve movements - charitable funds consolidation adjustment			932	(932)	0
Public Dividend Capital received	302	0	0	0	302
Balance at 31 March 2014	87,953	19,688	660	2,079	110,380

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (FOUNDATION TRUST)

	Public dividend capital (PDC) £000	Revaluation reserve £000	Income and Expenditure Reserve £000	Total £000
Balance at 31 March 2014	87,953	19,688	660	108,301
Changes in taxpayers' equity for 2014/15				
Retained surplus/(deficit) for the year	0	0	(4,940)	(4,940)
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.5 and 8.6)	0	3,435	0	3,435
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(408)	408	0
Other Reserve movements	0	1	0	1
Public Dividend Capital received	708	0	0	708
Balance at 31 March 2015	88,661	22,716	(3,872)	107,505
Balance at 1 April 2013	87,651	17,645	(502)	104,794
Changes in taxpayers' equity for 2013/14				
Retained surplus for the year	0	0	148	148
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.7 and 8.8)	0	3,057	0	3,057
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(1,014)	1,014	0
Public Dividend Capital received	302	0	0	302
Balance at 31 March 2014	87,953	19,688	660	108,301

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31 March 2015

	Group	Foundation		Foundation
	2014/15	Trust	Group	Trust
	£000	2014/15	2013/14	2013/14
		£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating (deficit)/surplus from continuing operations	(2,230)	(2,131)	2,267	2,921
Non-cash income and expense:				
Depreciation and amortisation	9,114	9,114	8,744	8,744
Impairments	1,504	1,504	742	742
Loss on Disposal	32	32	1	1
Decrease/(increase) in trade and other receivables	620	701	(2,235)	(2,398)
(Increase)/decrease in inventories	(522)	(522)	123	123
Increase/(decrease) in trade and other payables	189	191	(264)	(202)
(Decrease)/increase other liabilities	(113)	(113)	679	679
Increase/(decrease) in provisions	60	60	(296)	(296)
NHS Charitable Funds - net adjustment for working capital movements, non-cash transactions and non-operating cash flows	(115)	0	(74)	0
Other movements in operating cash flows	83	1	(1)	(1)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated from operations	8,622	8,837	9,686	10,313
Cash flows from investing activities				
Interest received	61	61	68	68
Purchase of property, plant and equipment	(8,962)	(8,962)	(12,001)	(12,001)
Purchase of intangible assets	(1,916)	(1,916)	(631)	(631)
Sales of property, plant and equipment	7	7	19	19
NHS Charitable Funds - net cash flows from investing activities	7	0	19	0
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash generated generated used in investing activities	(10,803)	(10,810)	(12,526)	(12,545)
Cash Flows from financing activities				
Public dividend capital received	708	708	302	302
Loans received from the Department of Health	4,800	4,800	0	0
Capital element of finance lease rental payments	(127)	(127)	(200)	(200)
Interest paid to Department of Health on loans	(36)	(36)	0	0
Interest element of finance lease	(10)	(10)	(10)	(10)
PDC Dividend paid	(2,798)	(2,798)	(2,760)	(2,760)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash used in financing activities	2,537	2,537	(2,668)	(2,668)
Increase/(decrease) in cash and cash equivalents	356	564	(5,508)	(4,900)
Cash and Cash equivalents at 1 April	12,185	10,100	17,693	15,000
Cash and Cash equivalents at 31 March	12,541	10,664	12,185	10,100

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 FT ARM which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2014/15 issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's FReM 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.

Accounting convention

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.

Going Concern

The accounts have been prepared on a going concern basis. The board is required to formally consider whether it regards the Trust as a 'going concern' as part of the annual accounts process. For the basis of this Annual Report and Accounts going concern is defined as "having enough cash to remain in operation for the 12 months, following obtaining the auditor's signature on the annual accounts i.e. June 2015 to June 2016". The board of directors has concluded that it is appropriate to prepare the accounts on this basis. Further detail is contained in the Annual Report.

1.1 Consolidation

Poole Hospital NHS Foundation Trust Charitable Fund

The NHS Foundation Trust is the corporate trustee to Poole Hospital NHS Foundation Trust Charitable Fund. The Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The Charitable Fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Generally Accepted Accounting Principles (UK GAAP). On consolidation, necessary adjustments are made to the Charity's assets, liabilities and transactions to:

- * recognise and measure them in accordance with the foundation trust's accounting policies; and
- * eliminate intra-group transactions, balances, gains and losses.

The reserves of the Charity at 31 March 2015 amounted to £1,991k. These funds are comprised of restricted funds of £1,825k and unrestricted funds of £166k. Restricted funds were donated for specified purposes for a ward or department and the Trustee may only use these funds for the specified purpose. Unrestricted funds may be used at the discretion of the Trustee for any purpose throughout the Hospital.

The reported reserves of the Charity at 31 March 2015 amounted to £1,885k. For consolidation purposes grants amounting to £107k awarded by the Charity to the Foundation Trust but unspent at 31 March 2015 have been added back to the Charity reserves in the Group Accounts. The Charity reserves shown in the Group Accounts therefore amount to £1,991k.

The reported reserves of the Charity at 31 March 2014 amounted to £1,897k. For consolidation purposes grants amounting to £182k awarded by the Charity to the Foundation Trust but unspent at 31 March 2014 have been added back to the Charity reserves in the Group Accounts. The Charity reserves shown as at 31 March 2014 in the Group Accounts therefore amount to £2,079k.

1.2 Income

Income in respect of services provided is recognised when, and to the extent that performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services. Other income includes funding from the NHS South of England in respect of training and education for training posts (primarily junior doctors) and also recharges of clinical staff to local foundation trusts..

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.

1.3 Expenditure on Employee Benefits

Short-term Employee Benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Pension costs continued

NHS Pension Scheme

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the

scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received and is measured at the fair value of those goods and services. Expenditure is recognised in

operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the 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 although valuations have been carried out more regularly. 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). Further desktop valuations were undertaken with effective dates of 31 March 2010, 31 March 2011, 31 January 2012 and 31 March 2013, 31 March 2014 and 31 March 2015. See also Note 1.20 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. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of Buildings and Dwellings 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 indefinite 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

1.5 Property, Plant and Equipment Cont'd

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

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

Impairments

In accordance with the FT ARM, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable 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, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.6 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the 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. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment. Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation

Intangible assets are amortised over their expected useful economic lives (between five and ten years) in a manner consistent with the consumption of economic or service delivery benefits.

1.7 Government grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The material management stock system values the stock at latest invoice price. Pharmacy stock is valued at average price.

1.9 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the 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 which 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.

1.10 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 asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

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

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.11 Provisions

The NHS foundation trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised

in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

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 15 but is not recognised in the NHS Foundation Trust's accounts.

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.

1.12 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 19, 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.

1.13 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. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loan Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.14 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.

1.15 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.

1.16 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 FReM.

1.17 Description of Reserves

Revaluation Reserve relates to revaluation gains on the estate following valuations by the District Valuer.

Income and Expenditure Reserve relates to accumulated surpluses by the Foundation Trust.

1.18 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the NHS Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

Losses and Special Payments are disclosed in Note 25 and relate mainly to the NHSLA policy excesses on third party and employer's liability claims against the Trust.

1.19 Accounting Standards issued but not adopted

The following standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) but have not yet been adopted in the Annual Reporting Manual. Monitor does not permit the early adoption of accounting standards, amendments and interpretations that are in issue at the reporting date but effective at a subsequent reporting period:

IAS 1 (amendments) Presentation of Financial Statements
Annual Improvements to IFRS's: 2012-2014 Cycle
IFRS 9 Financial Instruments
IFRS 15 Revenue from Contracts with Customers
IAS 16 (amendments) Property, Plant and Equipment
IAS 38 (amendments) Intangible Assets
Annual Improvements to IFRSs: 2011-2013 Cycle
Annual Improvements to IFRSs: 2010-2012 Cycle
IAS 19 (amendments) Employee Benefits
IAS 36 (amendments) Impairment of Assets

The directors do not expect that the adoption of these standards and interpretations will have a material impact on the financial statements in future periods. All other revised and new standards have not been listed here as they are not considered to have an impact on the Foundation Trust.

1.20 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 2015 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 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 15) and contingent liabilities (see Note 19) where there is some uncertainty at the Statement of Financial Position 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 Statement of Financial Position date, which is supported by patient activity data and historical experience.

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 the discount rates published and mandated by HM Treasury. Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.80% (2013/14 1.80%) in real terms.

In the view of the Trust there are no further estimates or judgements which if wrong could materially affect financial performance. Final contract sums have been agreed with all Commissioners in respect of activity undertaken during 2014/15. This income is included in the Accounts.

2 Operating Income

2.1 Operating Income	Group	Foundation Trust	Group	Foundation Trust
Income from Activities	2014/15	2014/15	2013/14	2013/14
	£000	£000	£000	£000
Elective income	25,815	25,815	26,614	26,614
Non elective income	58,116	58,116	55,582	55,582
Outpatient income	26,137	26,137	26,432	26,432
A & E income	5,978	5,978	5,873	5,873
Other NHS Clinical Income	75,753	75,753	71,190	71,190
Private patient income	2,302	2,302	2,425	2,425
Other types of activity income	1,461	1,461	1,508	1,508
	<u>195,562</u>	<u>195,562</u>	<u>189,624</u>	<u>189,624</u>
 Other Operating Income	 2014/15	 2014/15	 2013/14	 2013/14
	 £000	 £000	 £000	 £000
Education and training	6,246	6,246	6,072	6,072
Charitable and other contributions to expenditure	856	1,329	1,513	2,446
Non-patient care services to other bodies	6,529	6,529	6,799	6,799
NHS income for staff costs accounted on a gross basis	2,375	2,375	2,151	2,151
Research income	261	261	552	552
Income generation (Note 1)	1,794	1,794	1,745	1,745
NHS Charitable Funds: Incoming Resources excluding Investment Income	933	0	1,138	0
Other income	1,225	1,225	1,046	1,046
	<u>20,219</u>	<u>19,759</u>	<u>21,016</u>	<u>20,811</u>
 Total Operating Income	 <u>215,781</u>	 <u>215,321</u>	 <u>210,640</u>	 <u>210,435</u>
 Note 1. Income generation relates mainly to restaurant income and car park income received by the Trust				
 2.2 Mandatory and Non-Mandatory Income from Activities	 2014/15	 2014/15	 2013/14	 2013/14
	 £000	 £000	 £000	 £000
Mandatory	191,799	191,799	185,691	185,691
Non-Mandatory	3,763	3,763	3,933	3,933
 Actual	 <u>195,562</u>	 <u>195,562</u>	 <u>189,624</u>	 <u>189,624</u>

2.3 Income from Activities by Source

	Group	Foundation	Group	Foundation
	2014/15	Trust	2013/14	Trust
	£000	£000	£000	£000
CCGs and NHS England	190,248	190,248	185,030	185,030
Local Authorities (see Note 1)	194	194	121	121
NHS Other	1,422	1,422	773	773
Non NHS: Private patients	2,302	2,302	2,425	2,425
Non-NHS: Overseas patients non-reciprocal (Note 2)	128	128	92	92
NHS injury scheme (see Note 3)	1,041	1,041	1,120	1,120
Non NHS: Other	227	227	63	63
	<u>195,562</u>	<u>195,562</u>	<u>189,624</u>	<u>189,624</u>

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

Note 2. Overseas patient income for the year amounted to £128k (2013/14 £92k). Cash received amounted to £128k (2013/14 £52k) in respect of current and previous years' income. The amount added to the provision for impairment of receivables in respect of current and prior years amounted to £38k (2013/14 £nil). The amounts written off in respect of current and prior years amounted to £28k (2013/14 £nil)

Note 3. NHS injury scheme income is subject to a provision for doubtful debts of 18.9% (2013/14 15.8%) to reflect expected rates of collection.

3 Operating Expenses and Operating Lease Costs

3.1 Operating Expenses (by type):

	Foundation		Foundation	
	Group	Trust	Group	Trust
	2014/15	2014/15	2013/14	2013/14
	£000	£000	£000	£000
Services from other Foundation Trusts	4,889	4,889	4,835	4,835
Services from NHS trusts	128	128	116	116
Services from other NHS bodies	186	186	103	103
Purchase of healthcare from non NHS bodies	406	406	31	31
Employee Expenses - Executive Directors' costs (Note 4 and also Note a below)	1,485	1,485	1,026	1,026
Employee Expenses - Non Executive Directors' costs (Note 4)	134	134	134	134
Employee Expenses - Staff (Note 4)	140,402	140,402	134,393	134,393
NHS Charitable funds - employee expenses	37	0	104	0
Redundancy (net charge after provisions)	255	255	0	0
Supplies and services - clinical drugs	18,953	18,953	18,765	18,765
Supplies and services - clinical other	14,872	14,872	15,023	15,023
Supplies and services - general	5,326	5,326	5,155	5,155
Establishment	1,931	1,931	2,368	2,368
Transport	239	239	665	665
Rentals under operating leases - minimum lease payments	176	176	123	123
Premises	7,522	7,522	6,327	6,327
Bad debts	168	168	166	166
Depreciation and amortisation	9,119	9,114	8,748	8,744
Impairment of property, plant and equipment	1,504	1,504	742	742
Audit fees - statutory audit (see Note b)	89	84	79	74
Consultancy Costs	1,449	1,449	1,513	1,513
Clinical negligence Insurance Costs	5,262	5,262	5,064	5,064
Other Services including External Payroll	1,303	1,303	980	980
Training and course fees etc.	662	662	556	556
Legal Fees	123	123	283	283
Loss on Disposal of Other Property, plant and Equipment	32	32	1	1
NHS Charitable Funds - Other resources expended	513	0	745	0
Other	846	847	328	327
	<u>218,011</u>	<u>217,452</u>	<u>208,373</u>	<u>207,514</u>

Note a. Executive Directors' costs includes £335k (2013/14 £180k) in respect of the Director of Transformation who was engaged by the Trust from 27 November 2013 to 16 January 2015.

Note b. The Council of Governors has appointed Deloitte LLP as external auditors of the Trust with effect from 1 October 2012.

The professional fees (excluding Vat) earned by Deloitte in the 2014/15 Audit of the Trust and Charity are as follows:

	2014/15
	£000
Financial Statement audit - Foundation Trust	43
Consolidation of Trust's Charitable Fund	3
Whole of Government Accounts	3
Quality Accounts work	13
Enhanced audit report	2
Going Concern work	6
Charity Accounts	4
Total Audit Fee	<u>74</u>

3.2 Arrangements containing an operating lease

	Foundation		Foundation	
	Group	Trust	Group	Trust
	2014/15	2014/15	2013/14	2013/14
	£000	£000	£000	£000
Minimum lease payments	176	176	123	123
	<u>176</u>	<u>176</u>	<u>123</u>	<u>123</u>
	2014/15	2014/15	2013/14	2013/14
	£000	£000	£000	£000
Future minimum lease payments due (see Note):				
Not later than one year	127	127	123	123
Later than one year and not later than five years	461	461	475	475
Later than five years	40	40	132	132
	<u>628</u>	<u>628</u>	<u>730</u>	<u>730</u>

Note a.: The operating lease payments due after five years relate to TOPS Day Nursery and the Staff Residences (see Note 21).

Note b.: All arrangements containing an operating lease relate to the Foundation Trust.

3.3 Segmental Reporting

IFRS 8 defines the term of Chief Operating Decision Maker (CODM) as a group or individual whose 'function is to allocate resources to and assess the performance of the operating elements of the entity'. For the Trust, the most appropriate interpretation is that the Board of Directors represents the CODM. Operational performance is monitored at the monthly board meetings and key resource allocation decisions are agreed there.

Information is presented to the Board as a single operating segment and is under full IFRS. This mirrors the information that is submitted to Monitor and enables the Board to make strategic decisions on the Annual Plan.

This information for the years ending 31st March 2015 and 31st March 2014 is shown in the table to this note.

The Trust generates the majority of its income from healthcare and related services. The information as displayed in the accounts reflects that which is submitted to the Board.

The Trust had two major customers during the year 2014/15 as follows: Dorset CCG and NHS England - Wessex Local Area Team, representing 67% and 19% of its total income respectively.

The comparative figures for 2013/14 were as follows: Dorset CCG and NHS England - Wessex Local Area Team, representing 67% and 18% of its total income respectively.

Summary of Key Financial Information (Foundation Trust)

	Year to 31 March 2015			Year to 31 March 2014		
	Actual	Original	Variance	Actual	Original	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Income	215,321	209,236	6,085	210,435	203,419	7,016
Operating Expenditure	206,799	200,874	(5,925)	198,027	191,194	(6,833)
EBITDA (Excl Charitable Income)	7,161	6,614	547	9,962	10,066	(104)
EBITDA % (Excl. Charitable Income)	3.30%	3.30%		4.80%	5.00%	0.20%
(Deficit)/Surplus before impairment	(3,436)	(3,791)	355	890	190	700
Impairment	(1,504)	0	(1,504)	(742)	0	(742)
(Deficit)/Surplus after impairment	(4,940)	(3,791)	(1,149)	148	190	(42)
Cost Improvement Savings	6,095	6,314	(219)	3,562	4,068	(506)
Cost Improvement Savings (Incl. income)	6,629	6,578	51	n/a	n/a	n/a
Cash Balance	10,664	9,506	1,158	10,100	11,711	(1,611)
Capital Expenditure	8,655	13,664	(5,009)	13,241	12,557	(684)
COSRR	3	3		3	4	

4 Employee costs and numbers

4.1 Employee Expenses

	Group	Foundation Trust	Group	Foundation Trust
	2014/15 Total	2014/15 Total	2013/14 Total	2013/14 Total
	£000	£000	£000	£000
Salaries and wages	114,408	114,408	111,432	111,432
Social Security Costs	8,592	8,592	8,684	8,684
Employer contributions to NHS Pension Scheme	13,292	13,292	13,021	13,021
Termination Payments	255	255	0	0
Agency/Contract Staff	5,595	5,595	2,282	2,282
NHS Charitable funds staff	37	0	104	0
	<u>142,179</u>	<u>142,142</u>	<u>135,523</u>	<u>135,419</u>

4.2 Average Number of Employees

	Group	Foundation Trust	Restated Group (See Note 1)	Restated Foundation Trust (See Note 1)
	2014/15 Total Number	2014/15 Total Number	2013/14 Total Number	2013/14 Total Number
Medical and dental	378	378	377	377
Administration and estates	545	545	542	542
Healthcare assistants and other support staff	157	157	162	162
Nursing, midwifery and health visiting staff	1,312	1,312	1,277	1,277
Scientific, therapeutic and technical staff	303	303	288	288
Bank and Agency Staff (see Note 2)	304	304	220	220
Other	320	320	321	321
Total	<u>3,319</u>	<u>3,319</u>	<u>3,187</u>	<u>3,187</u>

Note 1. For comparative purposes 2013/14 Average Number of Employees have been restated to represent a more accurate average.

Note 2. Bank and agency staff numbers are estimated based on the average equivalent cost of similar NHS staff positions. All staff numbers relate to the Foundation Trust. All staff working for the NHS Charity have contracts of employment with the Foundation Trust.

4.3 Employee Benefits

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

4.4 Retirements due to ill-health

During 2014/15 there was one (2013/14 five) early retirement on the grounds of ill-health. The estimated additional pension liabilities of this ill-health retirement will be £90k (2013/14 £192k). The cost of this ill-health retirement will be borne by the NHS Business Services Authority - Pensions Division. This information has been supplied by NHS Pensions.

4 Employee costs and numbers - continued

4.5 Staff Exit Packages (Group and Foundation Trust - see Note)

Exit package cost band	2014/15						2013/14		Total Number	Total Cost £000
	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed (Note a)	Cost of Other Departures Agreed (Note a) £000	Total Number of Exit Packages	Total Cost of Exit Packages £000	Number of departures where special payments have been made	Cost of special payment element included in Exit Packages £000		
Less than £10,000	0	0	16	43	16	43	16	43	14	41
Between £10,000 and £25,000	0	0	8	123	8	123	8	123	0	0
Between £25,001 and £50,000	0	0	1	27	1	27	1	27	0	0
Between £50,001 and £100,000	0	0	3	252	3	252	3	252	0	0
Between £150,001 and £200,000	0	0	0	0	0	0	0	0	0	0
Total	0	0	28	445	28	445	28	445	14	41

Note a. The cost of departures shown above includes staff who have left the Trust under the MARS scheme, which has been approved by the Department of Health.

Note b. All Charity staff have contracts of employment with the Foundation Trust. There were no exit packages in the Charity Account and all the figures above relate to the Foundation Trust.

4.6 Remuneration of Directors - Foundation Trust (see Note)

	2014/15				
	Total £000	Benefits in Kind £000	Employer's Pension Contributions £000	Employer's National Insurance £000	Remuneration £000
Executive Directors	1,485	0	67	103	1,315
Non Executive Directors	134	0	0	10	124
Total	1,619	0	67	113	1,439

	2013/14				
	Total £000	Benefits in Kind £000	Employer's Pension Contributions £000	Employer's National Insurance £000	Remuneration £000
Executive Directors	1,026	0	93	92	841
Non Executive Directors	134	0	0	10	124
Total	1,160	0	93	102	965

Note: The detail of the Directors' remuneration has been disclosed in the 2014/15 remuneration report within the Annual Report of the Foundation Trust. The above sums reflect actual payments made in the year.

Note. All the costs in respect of the Remuneration of Directors above relate to the Foundation Trust. No additional sums were paid by the Charity to the Directors.

5 Finance Income	Group	Foundation	Group	Foundation
	2014/15	Trust	2013/14	Trust
	£000	2014/15	2013/14	2013/14
		£000		£000
Interest on Loans and Receivables	61	61	68	68
NHS Charitable Funds Investment Income	7	0	19	0
	<u>68</u>	<u>61</u>	<u>87</u>	<u>68</u>

6 Finance Costs - Interest Expense	Group	Foundation	Group	Foundation
	2014/15	Trust	2013/14	Trust
	£000	2014/15	2013/14	2013/14
		£000		£000
Capital loans from the Department of Health	36	36	0	0
Finance Leases	10	10	10	10
	<u>46</u>	<u>46</u>	<u>10</u>	<u>10</u>

7 Intangible Assets	Group		Foundation Trust	
	2014/15		2014/15	
	Software	Total	Software	Total
	licences	£000	licences	£000
Gross cost at 1 April 2014	2,658	2,658	2,658	2,658
Additions - Purchased	1,916	1,916	1,894	1,894
Additions - Donated	0	0	22	22
Reclassification	0	0	0	0
Gross cost at 31 March 2015	<u>4,574</u>	<u>4,574</u>	<u>4,574</u>	<u>4,574</u>
Amortisation at 1 April 2014	874	874	874	874
Charged during the year	521	521	521	521
Reclassification	0	0	0	0
Revaluation	0	0	0	0
Amortisation at 31 March 2015	<u>1,395</u>	<u>1,395</u>	<u>1,395</u>	<u>1,395</u>
Net book value				
- Purchased at 1 April 2014	1,353	1,353	1,353	1,353
- Donated at 1 April 2014	431	431	431	431
- Total at 1 April 2014	<u>1,784</u>	<u>1,784</u>	<u>1,784</u>	<u>1,784</u>
- Purchased at 31 March 2015	2,840	2,840	2,840	2,840
- Donated at 31 March 2015	339	339	339	339
- Total at 31 March 2015	<u>3,179</u>	<u>3,179</u>	<u>3,179</u>	<u>3,179</u>

Note: No intangible assets are held by the Charity and all the figures quoted relate to the Foundation Trust

Intangible Assets	Group		Foundation Trust	
	2013/14		2013/14	
	Software	Total	Software	Total
	licences	£000	licences	£000
Gross cost at 1 April 2013	1,921	1,921	1,921	1,921
Additions - Purchased	574	574	574	574
Additions - Donated	57	57	57	57
Reclassification	106	106	106	106
Gross cost at 31 March 2014	<u>2,658</u>	<u>2,658</u>	<u>2,658</u>	<u>2,658</u>
Amortisation at 1 April 2013	429	429	429	429
Charged during the year	438	438	438	438
Reclassification	6	6	6	6
Revaluation	1	1	1	1
Amortisation at 31 March 2014	<u>874</u>	<u>874</u>	<u>874</u>	<u>874</u>
Net book value				
- Purchased at 1 April 2013	1,011	1,011	1,011	1,011
- Donated at 1 April 2013	481	481	481	481
- Total at 1 April 2013	<u>1,492</u>	<u>1,492</u>	<u>1,492</u>	<u>1,492</u>
- Purchased at 31 March 2014	1,353	1,353	1,353	1,353
- Donated at 31 March 2014	431	431	431	431
- Total at 31 March 2014	<u>1,784</u>	<u>1,784</u>	<u>1,784</u>	<u>1,784</u>

Note: No intangible assets are held by the Charity and all the figures quoted relate to the Foundation Trust

8.1 Property, Plant and Equipment 2014/15 Group

Tangible fixed assets at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	NHS Charitable Fund Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000		£000
Cost or valuation at 1 April 2014	8,548	77,709	1,560	5,679	42,244	17	12,322	467	172	148,718
Additions purchased	0	3,484	0	52	1,822	0	1,381	0	0	6,739
Additions leased	0	0	0	0	303	0	0	0	0	303
Additions donated	0	0	0	0	0	0	0	0	0	0
Impairments	0	(3,340)	0	0	0	0	0	0	0	(3,340)
Reversal of Impairments	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	4,858	0	(5,679)	0	0	821	0	0	0
Revaluations	313	164	73	0	0	0	0	0	0	550
Disposals	0	0	0	0	(2,103)	0	0	0	0	(2,103)
Cost or Valuation at 31 March 2015	8,861	82,875	1,633	52	42,266	17	14,524	467	172	150,867
Depreciation at 1 April 2014	0	1,354	53	0	29,172	17	8,429	431	0	39,456
Charged during the year	0	3,808	52	0	3,440	0	1,273	20	5	8,598
Impairments	0	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0	0
Revaluations	0	(4,616)	(105)	0	0	0	0	0	(5)	(4,726)
Disposals	0	0	0	0	(2,064)	0	0	0	0	(2,064)
Depreciation at 31 March 2015	0	546	0	0	30,548	17	9,702	451	0	41,264
Net book value										
- Purchased at 31 March 2014	8,548	68,784	1,507	5,269	10,868	0	3,842	36	172	99,026
- Donated at 31 March 2014	0	7,571	0	410	2,122	0	51	0	0	10,154
- Finance Lease at 31 March 2014	0	0	0	0	82	0	0	0	0	82
- Total at 31 March 2014	8,548	76,355	1,507	5,679	13,072	0	3,893	36	172	109,262
- Purchased at 31 March 2015	8,861	75,766	1,633	52	9,537	0	4,786	16	172	100,823
- Donated at 31 March 2015	0	6,563	0	0	1,914	0	36	0	0	8,513
- Finance Lease at 31 March 2015	0	0	0	0	267	0	0	0	0	267
- Total at 31 March 2015	8,861	82,329	1,633	52	11,718	0	4,822	16	172	109,603
8.2 Analysis of Property, Plant and Equipment at 31 March 2015										
Net book value										
- NBV - Protected assets at 31 March 2015	8,861	82,329	1,633						172	92,995
- NBV - Unprotected assets at 31 March 2015				52	11,718	0	4,822	16		16,608
- Total at 31 March 2015	8,861	82,329	1,633	52	11,718	0	4,822	16	172	109,603

Of the totals at 31 March 2015, £763k related to land valued at open market value and £1,633k related to buildings valued at open market value.

8.3 Property, Plant and Equipment 2013/14 Group

Tangible fixed assets at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	NHS Charitable Fund assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2013 as previously stated	8,543	73,285	1,569	939	40,011	28	10,975	478	157	135,985
Additions purchased	0	2,418	0	4,968	1,962	0	1,453	0	0	10,801
Additions donated (Note 1)	0	1,245	0	410	154	0	0	0	0	1,809
Impairments	0	(1,966)	0	0	0	0	0	0	0	(1,966)
Reversal of Impairments	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	481	0	(638)	168	0	(106)	(11)	(4)	(110)
Revaluations	5	2,246	(9)	0	0	0	0	0	19	2,261
Disposals	0	0	0	0	(51)	(11)	0	0	0	(62)
Cost or Valuation at 31 March 2014	8,548	77,709	1,560	5,679	42,244	17	12,322	467	172	148,718
Depreciation at 1 April 2013	0	46	53	0	25,436	27	7,270	407	0	33,239
Charged during the year	0	3,297	51	0	3,768	1	1,165	24	4	8,310
Impairments	0	125	0	0	0	0	0	0	0	125
Reversal of Impairments	0	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	(6)	0	(4)	(10)
Revaluations	0	(2,114)	(51)	0	0	0	0	0	0	(2,165)
Disposals	0	0	0	0	(32)	(11)	0	0	0	(43)
Depreciation at 31 March 2014	0	1,354	53	0	29,172	17	8,429	431	0	39,456
Net book value										
- Purchased at 31 March 2013	8,543	68,086	1,516	939	11,823	1	3,638	71	0	94,617
- Donated at 31 March 2013	0	5,153	0	0	2,490	0	67	0	0	7,710
- Finance Lease at 31 March 2013	0	0	0	0	262	0	0	0	0	262
- NHS Charitable Funds assets at 31 March 2013	0	0	0	0	0	0	0	0	157	157
- Total at 31 March 2013	8,543	73,239	1,516	939	14,575	1	3,705	71	157	102,746
- Purchased at 31 March 2014	8,548	68,784	1,507	5,269	10,868	0	3,842	36	0	98,854
- Donated at 31 March 2014	0	7,571	0	410	2,122	0	51	0	0	10,154
- Finance Lease at 31 March 2014	0	0	0	0	82	0	0	0	0	82
- NHS Charitable Funds assets at 31 March 2014	0	0	0	0	0	0	0	0	172	172
- Total at 31 March 2014	8,548	76,355	1,507	5,679	13,072	0	3,893	36	172	109,262
8.4 Analysis of Property, Plant and Equipment at 31 March 2014										
Net book value (Note 2)										
- NBV - Protected assets at 31 March 2014	8,548	76,355	1,507	0	0	0	0	0	172	86,582
- NBV - Unprotected assets at 31 March 2014	0	0	0	5,679	13,072	0	3,893	36	0	22,680
- Total at 31 March 2014	8,548	76,355	1,507	5,679	13,072	0	3,893	36	172	109,262

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. Of the totals at 31 March 2014, £818k related to land valued at open market value and £1,516k related to buildings valued at open market value.

8.5 Property, Plant and Equipment 2014/15 Foundation Trust

Tangible fixed assets at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2014	8,548	77,709	1,560	5,679	42,244	17	12,322	467	148,546
Additions purchased	0	3,458	0	52	1,592	0	1,381	0	6,483
Additions leased	0	0	0	0	303	0	0	0	303
Additions donated (Note 1)	0	26	0	0	230	0	0	0	256
Impairments	0	(3,340)	0	0	0	0	0	0	(3,340)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	4,858	0	(5,679)	0	0	821	0	0
Revaluations	313	164	73	0	0	0	0	0	550
Disposals	0	0	0	0	(2,103)	0	0	0	(2,103)
Cost or Valuation at 31 March 2015	8,861	82,875	1,633	52	42,266	17	14,524	467	150,695
Depreciation at 1 April 2014	0	1,354	53	0	29,172	17	8,429	431	39,456
Charged during the year	0	3,808	52	0	3,440	0	1,273	20	8,593
Impairments	0	0	0	0	0	0	0	0	0
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(4,616)	(105)	0	0	0	0	0	(4,721)
Disposals	0	0	0	0	(2,064)	0	0	0	(2,064)
Depreciation at 31 March 2015	0	546	0	0	30,548	17	9,702	451	41,264
Net book value									
- Purchased at 31 March 2014	8,548	68,784	1,507	5,269	10,868	0	3,842	36	98,854
- Donated at 31 March 2014	0	7,571	0	410	2,122	0	51	0	10,154
- Finance Lease at 31 March 2014	0	0	0	0	82	0	0	0	82
- Total at 31 March 2014	8,548	76,355	1,507	5,679	13,072	0	3,893	36	109,090
- Purchased at 31 March 2015	8,861	75,766	1,633	52	9,537	0	4,786	16	100,651
- Donated at 31 March 2015	0	6,563	0	0	1,914	0	36	0	8,513
- Finance Lease at 31 March 2015	0	0	0	0	267	0	0	0	267
- Total at 31 March 2015	8,861	82,329	1,633	52	11,718	0	4,822	16	109,431

8.6 Analysis of Property, Plant and Equipment at 31 March 2015

Net book value									
- NBV - Protected assets at 31 March 2015	8,861	82,329	1,633						92,823
- NBV - Unprotected assets at 31 March 2015				52	11,718	0	4,822	16	16,608
- Total at 31 March 2015	8,861	82,329	1,633	52	11,718	0	4,822	16	109,431

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. Of the totals at 31 March 2015, £763k related to land valued at open market value and £1,633k related to buildings valued at open market value.

8.7 Property, Plant and Equipment 2013/14 Foundation Trust

Tangible fixed assets at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2013	8,543	73,285	1,569	939	40,011	28	10,975	478	135,828
Additions purchased	0	2,418	0	4,968	1,962	0	1,453	0	10,801
Additions donated	0	1,245	0	410	154	0	0	0	1,809
Impairments	0	(1,966)	0	0	0	0	0	0	(1,966)
Reversal of Impairments	0	0	0	0	0	0	0	0	0
Reclassifications	0	481	0	(638)	168	0	(106)	(11)	(106)
Revaluations	5	2,246	(9)	0	0	0	0	0	2,242
Disposals	0	0	0	0	(51)	(11)	0	0	(62)
Cost or Valuation at 31 March 2013	8,548	77,709	1,560	5,679	42,244	17	12,322	467	148,546
Depreciation at 1 April 2013	0	46	53	0	25,436	27	7,270	407	33,239
Charged during the year	0	3,297	51	0	3,768	1	1,165	24	8,306
Impairments	0	125	0	0	0	0	0	0	125
Reversal of Impairments	0	0	0	0	0	0	(6)	0	(6)
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	(2,114)	(51)	0	0	0	0	0	(2,165)
Disposals	0	0	0	0	(32)	(11)	0	0	(43)
Depreciation at 31 March 2014	0	1,354	53	0	29,172	17	8,429	431	39,456
Net book value									
- Purchased at 31 March 2013	8,543	68,086	1,516	939	11,823	1	3,638	71	94,617
- Donated at 31 March 2013	0	5,153	0	0	2,490	0	67	0	7,710
- Finance Lease at 31 March 2013	0	0	0	0	262	0	0	0	262
- Total at 31 March 2013	8,543	73,239	1,516	939	14,575	1	3,705	71	102,589
- Purchased at 31 March 2014	8,548	68,784	1,507	5,269	10,868	0	3,842	36	98,854
- Donated at 31 March 2014	0	7,571	0	410	2,122	0	51	0	10,154
- Finance Lease at 31 March 2014	0	0	0	0	82	0	0	0	82
- Total at 31 March 2014	8,548	76,355	1,507	5,679	13,072	0	3,893	36	109,090
8.8 Analysis of Property, Plant and Equipment at 31 March 2014									
Net book value									
- NBV - Protected assets at 31 March 2014	8,548	76,355	1,507	0	0	0	0	0	86,410
- NBV - Unprotected assets at 31 March 2014	0	0	0	5,679	13,072	0	3,893	36	22,680
- Total at 31 March 2014	8,548	76,355	1,507	5,679	13,072	0	3,893	36	109,090

Of the totals at 31 March 2014, £818k related to land valued at open market value and £1,507k related to buildings valued at open market value.

8.9 The net book value of Property, Plant and Equipment at 31 March 2015 comprises:

	Group 31 March 2015	Foundation Trust 31 March 2015	Group 31 March 2014	Foundation Trust 31 March 2014
	£000	£000	£000	£000
Freehold				
Protected	92,995	92,823	86,582	86,410
Unprotected	16,608	16,608	22,680	22,680
TOTAL	<u><u>109,603</u></u>	<u><u>109,431</u></u>	<u><u>109,262</u></u>	<u><u>109,090</u></u>

9 Net book value of assets held under finance leases - Group and Foundation Trust

Tangible fixed assets at the Statement of Financial Position date held under finance leases:

	Plant and machinery	Total
	£000	£000
Cost or valuation at 1 April 2014	1,892	1,892
Additions purchased	303	303
Disposals	(1,892)	(1,892)
Cost or Valuation at 31 March 2015	<u><u>303</u></u>	<u><u>303</u></u>
Depreciation at 1 April 2014	1,810	1,810
Charged during the year	118	118
Disposals	(1,892)	(1,892)
Depreciation at 31 March 2015	<u><u>36</u></u>	<u><u>36</u></u>
Net book value		
- Purchased at 1 April 2014	82	82
- Donated at 1 April 2014	0	0
- Total at 1 April 2014	<u><u>82</u></u>	<u><u>82</u></u>
- Purchased at 31 March 2015	267	267
- Donated at 31 March 2015	0	0
- Total at 31 March 2015	<u><u>267</u></u>	<u><u>267</u></u>

Finance leases relate to medical equipment assets. All finance leases relate to the Foundation Trust

10.1 Inventories	Group	Foundation	Group	Foundation
	31 March	Trust	31 March	Trust
	2015	31 March	2014	31 March
	£000	£000	£000	£000
Materials	2,205	2,205	1,683	1,683
TOTAL	2,205	2,205	1,683	1,683

Note: all inventories relate to the Foundation Trust

11.1 Trade receivables and other receivables (Group)

Current	Total	Financial	Non-	Total	Financial	Non-
	31 March	assets at	financial	31	assets at	financial
	2015	31 March	assets at	March	31 March	assets at
	£000	£000	£000	2014	£000	£000
NHS Receivables	3,796	3,796	0	5,350	5,350	0
Other receivables with related parties	20	20	0	19	19	0
Provision for impaired receivables	(447)	(447)	0	(367)	(367)	0
Prepayments	1,599	0	1,599	844	0	844
Accrued income	283	283	0	190	190	0
PDC Receivable	0	0	0	2	0	2
NHS Charitable Funds: Trade and other receivables	4	4	0	10	10	0
Other receivables	2,756	2,756	0	2,571	844	1,727
Total Current Trade and Other Receivables	8,011	6,412	1,599	8,619	6,046	2,573
Non-Current						
NHS Receivables	0	0	0	0	0	0
Provision for impaired receivables	(240)	0	(240)	(197)	0	(197)
Prepayments	0	0	0	0	0	0
Accrued income	0	0	0	0	0	0
Other receivables	1,269	0	1,269	1,246	0	1,246
Total Non Current Trade and Other Receivables	1,029	0	1,029	1,049	0	1,049

11.2 Provision for impaired receivables

	2014/15	2013/14
	£000	£000
At 1 April	564	435
Increase in provision	168	166
Amounts utilised	(45)	(37)
Unused amounts reversed	0	0
At 31 March	687	564

11.3 Analysis of receivables by age:

Ageing of impaired receivables:	2014/15	2013/14
	£000	£000
0-30 Days	0	0
30-60 Days	0	0
60-90 Days	0	0
90-180 Days	0	0
Over 180 Days	2,964	2,823
At 31 March	2,964	2,823
Ageing of non impaired receivables:	2014/15	2013/14
	£000	£000
0-30 Days	5,799	5,672
30-60 Days	413	520
60-90 Days	157	668
90-180 Days	272	305
Over 180 Days	122	244
At 31 March	6,763	7,409

11.4 Trade receivables and other receivables (Foundation Trust)

	Total 31 March 2015 £000	Financial assets at 31 March 2015 £000	Non- financial assets at 31 March 2015 £000	Total 31 March 2014 £000	Financial assets at 31 March 2014 £000	Non- financial assets at 31 March 2014 £000
Current						
NHS Receivables - revenue	3,796	3,796	0	5,350	5,350	0
Other receivables with related parties	57	57	0	137	137	0
Provision for impaired receivables	(447)	(447)	0	(367)	(367)	0
Prepayments	1,599	0	1,599	844	0	844
Accrued income	283	283	0	190	190	0
PDC Receivable	0	0	0	2	0	2
Other receivables	2,756	2,756	0	2,571	844	1,727
Total Current Trade and Other Receivables	8,044	6,445	1,599	8,727	6,154	2,573
Non-Current						
NHS Receivables	0	0	0	0	0	0
Provision for impaired receivables	(240)	0	(240)	(197)	0	(197)
Prepayments	0	0	0	0	0	0
Accrued income	0	0	0	0	0	0
Other receivables	1,269	0	1,269	1,246	0	1,246
Total Non Current Trade and Other Receivables	1,029	0	1,029	1,049	0	1,049

11.5 Provision for impaired receivables

	2014/15 £000	2013/14 £000
At 1 April	564	435
Increase in provision	168	166
Amounts utilised	(45)	(37)
Unused amounts reversed	0	0
At 31 March	687	564

11.6 Analysis of receivables by age:

	2014/15 £000	2013/14 £000
Ageing of impaired receivables:		
0-30 Days	0	0
30-60 Days	0	0
60-90 Days	0	0
90-180 Days	0	0
Over 180 Days	2,964	2,823
At 31 March	2,964	2,823
Ageing of non impaired receivables:		
0-30 Days	5,832	5,780
30-60 Days	413	520
60-90 Days	157	668
90-180 Days	272	305
Over 180 Days	122	244
At 31 March	6,796	7,517

12 Current and Non Current Liabilities

12.1 Trade and other payables (Group)

	Total	Financial	Non-financial	Total 31	Financial	Non-
	31 March	liabilities at	liabilities at	March 2014	liabilities at	financial
Current	2015	31 March	31 March	2014	31 March	liabilities at
	£000	2015	2015	£000	2014	31 March
		£000	£000		£000	2014
						£000
Receipts in advance	724	0	724	472	0	472
NHS payables - capital	75	75	0	820	820	0
NHS payables - revenue	1,309	1,309	0	2,632	2,632	0
PDC payable	14	14	0	0	0	0
Amounts due to other related parties	1,878	1,878	0	1,813	1,813	0
Trade payables - capital	822	822	0	2,300	2,300	0
Other trade payables	6,706	6,706	0	4,964	4,964	0
Taxes payable	2,767	0	2,767	2,745	0	2,745
Other payables	1,253	1,253	0	1,488	1,488	0
Accruals	4,847	4,847	0	5,181	5,181	0
NHS Charitable Funds - trade and other payables	25	25	0	69	69	0
Total Current Trade and Other Payables	20,420	16,929	3,491	22,484	19,267	3,217

12.2 Trade and other payables (Foundation Trust)

	Total	Financial	Non-financial	Total 31	Financial	Non-
	31 March	liabilities at	liabilities at	March 2014	liabilities at	financial
Current	2015	31 March	31 March	2014	31 March	liabilities at
	£000	2015	2015	£000	2014	31 March
		£000	£000		£000	2014
						£000
Receipts in advance	724	0	724	472	0	472
NHS payables - capital	75	75	0	820	820	0
NHS payables - revenue	1,309	1,309	0	2,632	2,632	0
PDC payable	14	14	0	0	0	0
Amounts due to other related parties	1,878	1,878	0	1,813	1,813	0
Trade payables - capital	822	822	0	2,300	2,300	0
Other trade payables	6,706	6,706	0	4,964	4,964	0
Taxes payable	2,767	0	2,767	2,745	0	2,745
Other payables	1,253	1,253	0	1,488	1,488	0
Accruals	4,848	4,848	0	5,180	5,180	0
Total Current Trade and Other Payables	20,396	16,905	3,491	22,414	19,197	3,217

12.3 Other Liabilities (Group and Foundation Trust)

	Group	Foundation	Group	Foundation
	31 March	Trust	31 March	Trust
	2015	31 March	2014	31 March
	£000	2014	2014	2014
		£000	£000	£000
Deferred Income	566	566	679	679
TOTAL	566	566	679	679

13 Borrowings

	Group at 31 March 2015 £000	Foundation Trust at 31 March 2015 £000	Group at 31 March 2014 £000	Foundation Trust at 31 March 2014 £000
Current				
Capital loans from Department of Health (Note a.)	267	267	0	0
Obligations under finance leases	68	68	91	91
Total Other Current Liabilities	<u>335</u>	<u>335</u>	<u>91</u>	<u>91</u>
Non-current				
Capital loans from Department of Health (Note a.)	4,533	4,533	0	0
Obligations under finance leases	199	199	0	0
Total Other Non- Current Liabilities	<u>4,732</u>	<u>4,732</u>	<u>0</u>	<u>0</u>

Note a. During the year the Trust agreed a loan facility of £20 million with the Department of Health to fund capital schemes over a three year period. £4.8 million of this facility was drawn down during the year to fund 2014/15 capital schemes.

All borrowings relate to the Foundation Trust.

14 Finance Lease Obligations - Group and Foundation Trust

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	At 31 March 2015 £000	At 31 March 2014 £000	At 31 March 2015 £000	At 31 March 2014 £000
Gross lease liabilities				
of which liabilities are due:				
not later than one year;	82	92	82	91
later than one year and not later than five years;	216	0	216	0
later than five years;	0	0	0	0
Finance charges allocated to future periods	(31)	(1)	(31)	0
Total Gross Lease Liabilities	<u>267</u>	<u>91</u>	<u>267</u>	<u>91</u>
Net lease liabilities				
not later than one year;	68	91	68	91
later than one year and not later than five years;	199	0	199	0
later than five years;	0	0	0	0
Total net lease liabilities	<u>267</u>	<u>91</u>	<u>267</u>	<u>91</u>

Note: Finance Leases relate mainly to medical equipment assets. All finance leases relate to the Foundation Trust.

15 Provisions for Liabilities and Charges (see Note)

	Group Total 31 March 2015 £000	Foundation Trust Total 31 March 2015 £000	Group Total 31 March 2014 £000	Foundation Trust Total 31 March 2014 £000
Current				
Pensions relating to other staff	39	39	36	36
Other legal claims	67	67	82	82
Redundancy	300	300	250	250
Total Current Provisions for Liabilities and Charges	406	406	368	368
Non-current				
Pensions relating to other staff	612	612	580	580
Total Non-current Provisions for Liabilities and Charges	612	612	580	580

Note: All provisions relate to the Foundation Trust and the Charity had no provisions in its accounts.

Provisions for liabilities and charges

	31 March 2015 Pensions relating to other staff £000	Legal claims Note 1 £000	Redundancy £000	Other £000	Total £000
At 1 April 2014	616	82	250	0	948
Change in the discount rate	0	0	0	0	0
Arising during the period	60	41	300	0	401
Utilised during the period	(35)	(32)	(103)	0	(170)
Reversed unused	0	(24)	(147)	0	(171)
Unwinding of discount	10	0	0	0	10
At 31 March 2015	651	67	300	0	1,018
At 1 April 2013	599	93	539	0	1,231
Change in the discount rate	27	0	0	0	27
Arising during the period	13	56	250	0	319
Utilised during the period	(36)	(61)	0	0	(97)
Reversed unused	0	(6)	(539)	0	(545)
Unwinding of discount	13	0	0	0	13
At 31 March 2014	616	82	250	0	948
Expected timing of cashflows at 31 March 2015:					
Not later than one year	39	67	300	0	406
Later than one year and not later than five years	154	0	0	0	154
Later than five years	458	0	0	0	458
Total	651	67	300	0	1,018

Note 1. Legal claims relate to employer and third party liability claims against the Trust.

Clinical Negligence Liabilities:

£51,540k is included in the provisions of the NHS Litigation Authority at 31 March 2015 in respect of clinical negligence liabilities of the NHS Trust (31 March 2014 £49,039k).

Non Clinical Liabilities

Note: Refer to Note 19 re Contingent Liabilities for Non Clinical claims.

16 Cash and Cash Equivalents

	Group 31 March 2015 £000	Foundation Trust 31 March 2015 £000	Group 31 March 2014 £000	Foundation Trust 31 March 2014 £000
Balance at 1 April	12,185	10,100	17,693	15,000
Net change in year - Foundation Trust	564	564	(4,900)	(4,900)
Net change in year - Charitable Funds	(208)	0	(608)	0
Balance at 31 March	<u>12,541</u>	<u>10,664</u>	<u>12,185</u>	<u>10,100</u>
Broken down into:				
Cash at commercial banks and in hand - Foundation Trust	122	122	82	82
Cash at commercial banks and in hand - Charitable Funds	1,877	0	2,085	0
Cash with the Government Banking Service - Foundation Trust	10,542	10,542	10,018	10,018
Cash and Cash Equivalents as in SoFP and SoCF at 31 March	<u>12,541</u>	<u>10,664</u>	<u>12,185</u>	<u>10,100</u>

17 Contractual Capital Commitments

	Group 2014/15 £000	Foundation Trust 2014/15 £000	Group 2013/14 £000	Foundation Trust 2013/14 £000
Property, Plant and Equipment	2,713	2,713	4,075	4,075
Total at 31 March	<u>2,713</u>	<u>2,713</u>	<u>4,075</u>	<u>4,075</u>

18 Events after the Reporting Period

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

19 Contingent Liabilities

	Group 2014/15 £000	Foundation Trust 2014/15 £000	Group 2013/14 £000	Foundation Trust 2013/14 £000
Gross value of contingent liabilities	(29)	(29)	(31)	(31)
Amounts recoverable against contingent liabilities	0	0	0	0
Total Contingent Liabilities	<u>(29)</u>	<u>(29)</u>	<u>(31)</u>	<u>(31)</u>

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 14 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 were to be settled in favour of the claimant.

20 Related Party Transactions (Foundation Trust)

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:

The Foundation Trust is anticipating similar levels of income from Dorset and NHS England CCG's for 2015/16 and would expect to carry out similar services for this level of income.

20.1 Value of Transactions with Other Related Parties (Foundation Trust)	2014/15		2013/14	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
NHS Dorset CCG	145,083	13	140,221	52
NHS England	40,990	3	40,421	0
Royal Bournemouth and Christchurch NHS FT	5,175	5,240	4,695	7,129
Dorset County Hospital FT	1,010	318	847	302
Dorset Healthcare FT	2,282	367	2,141	459
West Hampshire CCG	2,676	0	2,718	0
Public Health England	292	115	622	145
Health Education England	6,469	10	6,131	7
University Hospital Bristol FT	0	20	925	22
University Hospital Southampton FT	2,380	404	710	381
NHS Litigation Authority	0	5,263	0	5,065
Dept. of Health	0	23	0	64
NHS Blood and Transport	0	971	0	1,156
NHS Pension Scheme	0	13,292	0	13,021
HM Revenue & Customs - Employer NI Contributions	0	8,592	0	8,684
Other NHS/WGA Bodies	2,151	1,178	2,133	1,527
Total Value of Transactions with Other Related Parties	208,508	35,809	201,564	38,014

Note: The Trust paid income tax on behalf of its employees to HMR&C amounting to £16,588k (2013/14 £16,482k) and recovered net Vat amounting to £2,784k (2013/2014 £2,570k). These amounts have not been included in the schedule above as income or expenditure. De minimis rules apply to disclosure whereby only expenditure or income in excess of £0.5 million is disclosed.

20.2 Balances with Other Related Parties (Foundation Trust)	At 31 March 2015		At 31 March 2014	
	Receivables £000	Payables £000	Receivables £000	Payables £000
Royal Bournemouth and Christchurch NHS FT	1,150	790	2,235	2,854
NHS Dorset CCG	371	571	824	687
NHS England	801	3	1,022	0
Dorset County Hospital NHS FT	16	22	30	39
Dorset Healthcare NHS FT	213	27	372	45
University Hospital Southampton NHS FT	776	296	153	215
NHS Pension Scheme	0	1,878	0	1,813
Dept. of Health	10	14	105	0
Charitable Funds	37	0	119	0
HM Revenue & Customs - National Insurance and Income Tax	0	2,767	0	2,745
HM Revenue & Customs - VAT	202	0	394	0
Other NHS/WGA Bodies	459	241	611	299
Total Balances with Other Related Parties	4,035	6,609	5,865	8,697

De minimis rules apply to disclosure whereby only debtor or creditor balances in excess of £0.1 million are disclosed.

21 Private Finance Transactions

PFI schemes deemed to be off-SoFP

Staff Residences

£97k (£93k 2013/14) is included within operating expenses in respect of PFI transactions deemed to be off SoFP.

The Trust is committed to make a payment of £97k during the next year in respect of a PFI scheme that is expected to expire in approximately 6 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.

Nursery

£30k (£30k 2013/14) 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 4 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 (now assigned to Blackhill Investments) 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 Blackhill Investments Limited a sum of £30k per annum for the remainder of the 15 year period. TOPS will pay a similar amount to the Trust over the same period.

22 Financial Instruments (Foundation Trust)

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.

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 Barclays Bank plc and the Government Banking Service (GBS). 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).

As set out in Note 16 - £10,542k (31 March 2014 £10,018k) of the Trust's cash deposits is held with the Government Banking Service (GBS). At the end of the financial year there were no sums held in the form of short term investments (2013/14: £nil).

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 Compensation Recovery Unit (CRU) in respect of Road Traffic Act (RTA) income. Receivables from other NHS bodies and related parties is considered to be fully recoverable. A bad debt provision of 18.9% (2013/2014 15.8%) is made against the CRU (i.e. mainly RTA income) receivables.

Liquidity risk

The NHS Foundation Trust's net operating costs are incurred under annual service agreements with local Clinical Care Groups (previously 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 2015 amounted to £2,713k (£4,075k at 31 March 2014) - see Note 17 and Finance Lease commitments amounted to £267k (£91k at 31 March 2014) - see Note 13. The NHS Foundation Trust is not, therefore, exposed to significant liquidity risks.

23 Financial Assets and Liabilities by Category

Set out below are the Group and Foundation Trust's financial assets and liabilities as at 31 March 2015. There are no material differences between the book value and fair value.

	Loans and Receivables			
	Group 31 March 2015 £000	Foundation Trust 31 March 2015 £000	Group 31 March 2014 £000	Foundation Trust 31 March 2014 £000
Financial assets				
Cash	12,541	10,664	12,185	10,100
NHS Receivables	3,796	3,796	5,350	5,350
Accrued Income	283	283	190	190
Other Receivables	701	736	496	614
Other Receivables - Charitable Funds	4	0	10	0
Total	17,325	15,479	18,231	16,254

The following are not considered to be financial instruments and therefore have been excluded from the above table (Group and Foundation Trust):

- The NHS Injury Cost Recovery Scheme amounting to £2,695k (2013/14 £2,578k).
- Prepayments amounting to £1,533k (2013/14 £844k).
- PDC receivable amounting to £0k (2013/14 £2k).
- Vat recoverable amounting to £202k (2013/14 £394k).

	Other Financial Liabilities			
	31 March 2015 Group £000	31 March 2015 Foundation Trust £000	31 March 2014 Group £000	31 March 2014 Foundation Trust £000
Financial liabilities				
Trade and Other Payables				
NHS Payables	1,309	1,309	2,632	2,632
Accruals	4,847	4,848	5,181	5,180
Capital Payables	897	897	3,120	3,120
Other Payables	9,837	9,837	8,265	8,265
Other Payables - Charitable Funds	25	0	69	0
Total Trade and Other Payables	16,915	16,891	19,267	19,197
Other Financial Liabilities				
Finance Lease obligations (Note 1)	267	267	91	91
Provisions under contract (Note 2)	651	651	616	616
Total Other Financial Liabilities	918	918	707	707
Total	17,833	17,809	19,974	19,904

The following are not considered to be financial instruments and therefore have been excluded from the above table:

- Other Tax Payables amounting to £2,767k (2013/14 £2,745k).
- Provisions not under contract amounting to £367k (2013/14 £332k).
- Receipts in Advance amounting to £724k (2013/14 £472k).
- Deferred Income amounting to £568k (2013/14 £679k).
- PDC Payable amounting to £14k (2013/14 £0k).

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 HM Treasury pension discount rate of 1.8% (2013/14 1.8%) in real terms.

24 Third Party Assets

The Trust held £2k cash at bank and in hand at 31 March 2015 (£1k - at 31 March 2014) 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.

25 Losses and Special Payments

	2014/15 Total number of cases Number	2014/15 Total value of cases £000's	2013/14 Total number of cases Number	2013/14 Total value of cases £000's
LOSSES:				
1. Losses of cash due to:				
Overpayment of salaries etc.	0	0	25	31
Private patients	88	14	67	5
Overseas visitors	39	28	0	0
Other	23	3	209	2
Stores losses	1	34	1	23
Other	0	0	0	0
TOTAL LOSSES	151	79	302	61
2. SPECIAL PAYMENTS:				
Loss of personal effects	40	15	34	6
Personal injury with advice	13	61	17	122
TOTAL SPECIAL PAYMENTS	53	76	51	128
TOTAL LOSSES AND SPECIAL PAYMENTS	204	155	353	189

