

# Annual Report and Accounts 2015/16



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



**Poole Hospital NHS Foundation Trust**

**Annual Report and Accounts 2015/16**

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



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## SECTION A: PERFORMANCE REPORT





## 1. OVERVIEW

### 1.1 Welcome Statement

Welcome to Poole Hospital's Annual Report and Accounts for the financial year 1 April 2015 to 31 March 2016. The Annual Report gives us an opportunity to reflect on the last financial year and to look ahead at our priorities for 2016/17. It also gives us a valuable opportunity to explain to you how we plan, manage and develop your health services to improve safety and quality of care for patients. We also want to give you a flavour of some of our successes and challenges and we hope you find the Report interesting and informative.

We are proud to be working across three areas; providing acute general hospital services for the population of Poole, east Dorset and Purbeck; providing a number of key services for the whole east Dorset population – that is, trauma, children's services, maternity services and ENT; and a range of services for the whole population of Dorset – that is, the Dorset Cancer Centre, oral surgery, neurological services, plus bowel, breast and cervical screening.

In looking back over the year, it is very encouraging to see that the Trust has performed extremely well, delivering almost all its key objectives for the year. The hospital has met the 18 week referral to treatment standard and is one of the top performers in the country for cancer services. However, this has been a challenging year for our emergency services, especially in delivering the four hour accident and emergency target (four hour wait – total time in A&E for 95% of all patients). Nevertheless, this is recognised as a national problem and our performance continues to be better than many others in the country as we seek to deal with an on-going increase in demand.

At the same time, as many of you will be aware, with 93% of our inpatient activity being emergency treatment the Trust struggles to cover its costs, and faces very significant financial challenge. The Trust reported a final deficit position of £4.1 million. After non-recurrent exceptional items are taken into account, the trading position for the Trust for the year was an operating deficit of £6.3 million. This compares with a planned £6.7 million operating deficit agreed before the start of the year consistent with year two of a two-year plan agreed with our regulator pending the outcome of the Dorset Clinical Services Review.

Underpinning this performance in 2015/16 we achieved a successful cost improvement programme focusing on increasing efficiency, which enabled the delivery of £6.7 million in savings. We made these savings without compromising on standards of care and have maintained our track record for maintaining strong operational performance throughout the year.

Therefore, despite the financial challenges facing the health sector during 2015/16, the Trust achieved its key financial objectives for the year and now plans to implement its agreed strategy for 2016/7.

Looking ahead to 2016/17, the Trust has consistently reported that from as early as Quarter 3 it will require Interim Support funding, in order to continue to operate. The Trust has agreed planning parameters for 2016/17 consistent with the third year of the its original planning trajectory - that is, a planned deficit of £9.7 million and an in-year cash shortfall of £4.9 million. Both assumptions are after having assumed a further £6.1 million or 2.7% of efficiency savings against planned operating expenditure during 2016/17.

The work associated with the Dorset Clinical Services Review continues to be an important feature of planning forward, and the outcome of this work will be of prime importance for patients, staff and all those living in Poole, Bournemouth and the wider Dorset County. As part of this work, our key priority continues to be developing a sustainable future for the services provided by Poole Hospital, whilst ensuring we continue to maintain the high standards of care that our hospital has a history of providing.

Meanwhile, safety really is at the forefront of all our work, and we have continued to make great strides in this area, since joining the 'Sign up to Safety' programme in 2014. This programme targets avoidable patient safety incidents, and in the same way as many other NHS trusts, we have committed to reducing harm by 50% by the end of 2017. Great progress has been made this year, as you will be able to read about later in this report.

Working anywhere in the NHS is not without its challenges, and hospitals are certainly no exception to this. The pressures we face, from surges in demand, tight financial constraints, staffing levels, infection prevention and control, measurements and targets, timely discharges, to name just a few,



seem greater and greater each year. Therefore it is particularly gratifying to see these challenges being met by staff in all roles in our own unique way, in which patients remain the centre of our focus. This drive is captured in our longstanding set of values - the Poole Approach - which underpins the care and experience that our patients receive. At the start of this year, we decided to re-engage and reflect on these core values, so during the summer of 2015, a wide spread consultation exercise was undertaken to test out the views of our staff, our members, and members of the public. The result confirmed that everyone remains strongly committed to the original values of the Poole Approach. We have now distilled these into five themes – compassion, openness, respect, accountability and safety – and this has been very well received by patients, staff and members of the public.

The achievement of all staff in supporting and driving our work cannot be overestimated, and we pass on the sincere thanks of the Trust's board of directors. You will see in this Report our excellent performance in this year's NHS Staff Survey. We are thrilled that staff working at Poole Hospital, have provided such a positive endorsement. The commitment and dedication of our staff was also reflected in our annual Poole Hospital Awards evening earlier this year, which showcased examples of excellence from across the hospital. Over 200 nominations were received from staff, patients and patients' families who wanted to recognise the great lengths individuals and teams go to ensuring that patients receive good care. Ten awards were presented this year with winners ranging from a receptionist to a matron as well as a taxi driver and doctor.

Earlier in the year the Trust held a very successful Open Day in July, when members of the public were invited to visit the organisation. Over 500 visitors came along to find out more about the services we offer, the great work of our staff and to see what goes on behind the scenes. The event showcased key services in the hospital and those of our healthcare partners. The contribution of large numbers of staff made this a wonderful day.

You will see in this Report information on two significant and generous charitable donations from patients. Firstly, our new da Vinci surgical robot – an extraordinary, state-of-the-art item of equipment which has been gifted to us by Mr Robert Braithwaite CBE DL, in recognition of the care he has received at Poole Hospital and in support of our aims to remain at the forefront of surgical care. The £3.5m device allows our skilled surgeons to operate with greater accuracy and flexibility than ever before, meaning patients can recover more quickly and go home sooner. The other amazing gesture has been a very significant donation to fund diagnostic and treatment facilities for cancer, here and under the management of our own Dorset Cancer Centre, at Dorset County Hospital. The donor has asked to remain anonymous at this time.

Every piece of support we receive – time, goodwill or donations – is valued, no matter how large or small. On behalf of the Trust's board of directors, we extend a heartfelt thank you to all who make a contribution in some way whether as a member of staff, volunteer or fundraiser. And, in particular, to our governors, who have an important role in holding the board of directors to account and also as tremendous ambassadors for the trust.

You will see in this Report details of the assessment from Care Quality Commission (CQC) who inspected the hospital in January and February 2016. It shows that we are a 'well-led' Trust, with inspectors finding 31 of the 39 factors they assessed 'good'. The hospital's unique philosophy of care – the Poole Approach – was also noted as 'outstanding practice'. Some services were rated as 'requiring improvement', providing the hospital with an overall rating of 'requires improvement' by the commission, the independent regulator for health and social care in England. This report is hugely encouraging – particularly when we consider the challenged financial position of the Trust, and all the organisational changes that have taken place over the past two and a half years. The CQC has rightly highlighted areas in which we must take further action, and many of these actions are well underway. Our ambition is to deliver an 'outstanding' quality of service to our patients, and our first priority will be to focus on turning the 'requires improvement' ratings to 'good'.

We know that there will continue to be further challenges in 2016/17. However, we have very strong leadership and excellent staff with a foundation of good performance. We wish to assure our members and members of the public that we will maintain our focus on providing high quality care and support for patients.

**Angela Schofield, Chairman**

**Debbie Fleming, Chief Executive**

## **1.2 Purpose and activities of the 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 medical and clinical oncology services for the whole of Dorset, serving a total population of over 750,000.

The hospital had up to 717 beds open during 2015/16.

At the end of 2015/16, we employed in excess of 3,700 staff (excluding bank staff) in 3,452 whole-time equivalent (WTE) roles. The hospital was also supported by nearly 250 volunteers, who provide invaluable support to both patients and staff.

Our annual turnover for the financial year was over £226m.

## **1.3 Brief history of the Foundation Trust**

### **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 in the accountability report from page 37.

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 and 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 99) which is produced every year and summarises any key issues and concerns.

## **Our Vision**

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

The Poole Approach has been in place for more than 20 years and pledges that we will strive at all times to provide friendly, professional, person-centred care with dignity and respect for all. It is a unique set of values that guide staff every day. In 2015 we asked staff, patients and the public whether the underpinning values remained valid. Nearly 2,000 people took part, using this feedback, the Poole Approach was translated into five value themes:

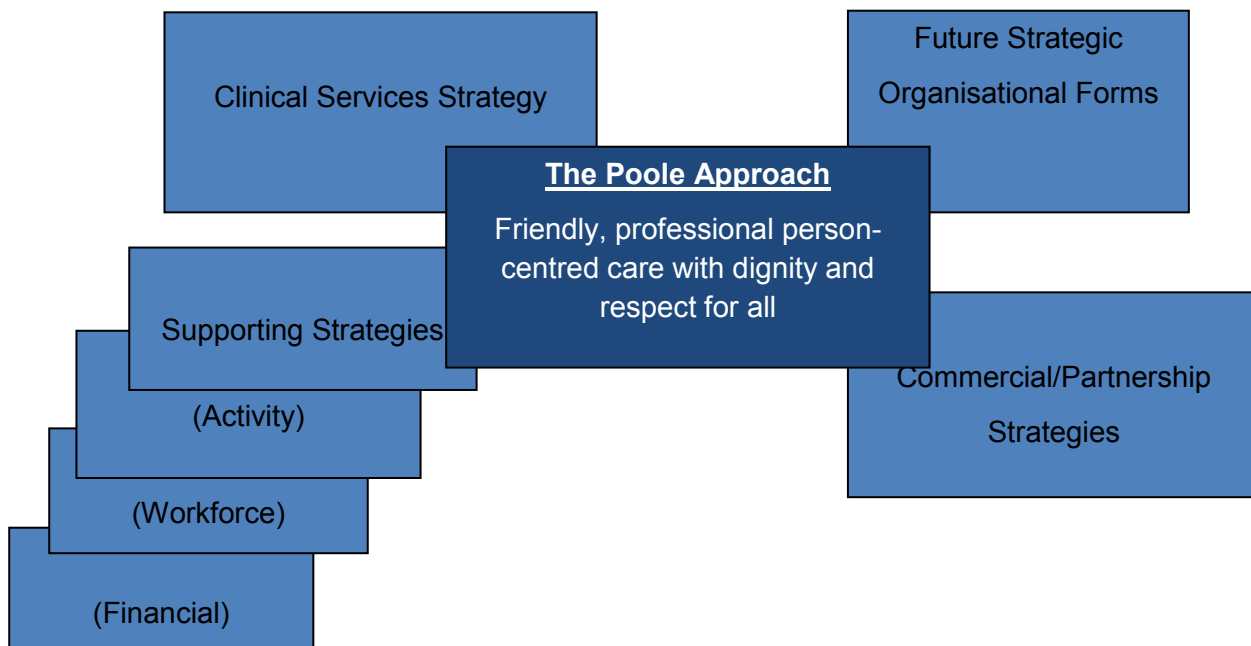
- Compassionate
- Open
- Respectful
- Accountable
- Safe

## **Our Strategic Framework**

The Trust aligns its activity via a strategic framework which forms the basis of a five year strategic plan and which brings together its vision and values (focusing on quality and safety), clinical services, future organisational forms, its commercial strategy and its supporting resources strategies (including human resources and organisational development; estates; information technology; and finance).

The strategic framework is summarised in the five domains outlined below. The success of the Trust going forward is to align each domain in partnership with the other organisations in Dorset that make up our agreed planning system.

## Poole Hospital NHS FT Strategic Framework



### **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 £6,673k was donated in 2015/16, of this £3,503k came from an anonymous donor and £2,272k from The Autumn Trust. 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](http://www.poole.nhs.uk/fundraising)

## 1.4 Highlights of the year

### A summary of the Trust's successes and achievements during 2015/16



#### May 2015: Research and innovation celebrated

Poole Hospital showcased its extensive research and innovation projects during International Clinical Trials Day which took place during the month. The day offered a chance to celebrate and raise awareness of clinical research and the significant contribution it makes to the healthcare that patients receive today.

#### June 2015: Volunteers celebrated with special afternoon tea

Hospital volunteers were celebrated during volunteer's week (1-7 June), with a special afternoon tea attended by the deputy Mayor of Poole, Peter Adams. The special tea was in recognition of the vital amount of support volunteers provide to the hospital staff and patients. The hospital is supported by over 250 volunteers, who provide invaluable support to both patients and staff, often just being a friendly face to talk to.



#### June 2015: New campaign highlights nursing opportunities

A new website and film promoting the wide range of nursing opportunities available at Poole Hospital was launched at this year's Royal College of Nursing Annual Congress at the Bournemouth International Centre.

The new recruitment campaign aims to showcase Poole Hospital as a great place to work, and is aimed at both local nurses and those further afield, including the Home Counties.



#### July 2015: Local residents invited to go 'behind the scenes' at Poole Hospital Open Day

The public were invited to attend the 2015 Poole Hospital Open Day on 4 July, for a chance to find out more about the hospital and the broad range of services it provides, as well as 'behind the scenes' tours in areas such as the hospital theatres, endoscopy department and pathology labs. There was also a chance to visit interactive stands, see some of our equipment used in action from the neo-natal unit and critical care department and visitors were able to try on a chemical, biological, radiological and nuclear warfare (CBRN) suit.

#### August 2015: Multi-million pound investment in county's cancer services

It was announced that radiotherapy treatment is being brought much closer to home for cancer patients in the West of Dorset thanks to a multi-million pound joint initiative between Dorset County Hospital (DCH) and Poole Hospital. DCH patients needing specialist radiotherapy have always had to travel to the facility at Poole, but now a state-of-the-art satellite radiotherapy treatment centre is to be built in Dorchester.

Clinical Director for Oncology/Cancer Services Dr Tamas Hickish said: "Specialist radiotherapy treatment should be given to around half of those patients with cancer and its use is expanding. By locating the replacement alongside a new Linac in Dorchester, we are expanding capacity and implementing a solution which will bring huge benefits to cancer patients in Dorset, especially those in the West of the region."



#### September 2015: Top marks for Poole Hospital

Figures published this month show that Poole Hospital is performing above the national average in a range of non-clinical activities which impact on the patient experience of care such as cleanliness, ward food and the environment. Not only does Poole Hospital score much better than the national average but it also performs better than other hospitals in the county in most of the assessed areas.



The latest figures are contained in the annual national Patient- Led Assessments of Care Environment (PLACE) which reflects the assessments of patients. At Poole, these were carried out in May 2015 by 11 patient assessors, supported by six staff.



### **September 2015: Staff honoured in Ebola fight**

Three Poole Hospital staff members received specially minted medals from the Government in recognition of their efforts to fight Ebola in west Africa. Biomedical scientists Nathan Bourne and Lucy Jones and biomedical support worker Louise Redcar, travelled to Sierra Leone in January and February this year to use their pathology expertise to diagnose cases of the deadly disease.

Working in hot, dusty and basic conditions, they processed samples received from patients with Ebola-like symptoms to determine if the illness was present. Across the region, during the epidemic more than 11,000 people are reported to have died from the illness - almost 4,000 of these in Sierra Leone - from more than 27,000 reported cases.



### **October 2015: Dorset patients to benefit from incredible gift of world-leading robotic cancer treatment**

Patients throughout Dorset are set to benefit following a huge £3.5m gift to Poole Hospital. The donation announced this month is for the specific purchase of a state-of-the-art surgical robot system and has been given to the Trust by Robert Braithwaite CBE DL, founder of Sunseeker International.

The new da Vinci surgical robot system will enable the latest advanced keyhole surgery techniques to be used to treat a range of conditions. The patients at Poole Hospital will be the first in the UK to benefit from this system. It will be used initially to treat patients with rectal cancer, before increasing its scope to include gynaecological, and head and neck cancers. Future plans will include the treatment of non-cancerous conditions, such as endometriosis.



### **November 2015: Dorset team at PM's Downing Street reception**

Representatives from the NHS in Dorset attended a special reception hosted by the Prime Minister at 10 Downing Street on 23 November 2015. Debbie Fleming, Chief Executive of Poole Hospital, and Anya de Jongh, Chair of the Dorset Clinical Commissioning Groups' Patient and Public Engagement Steering Group, (pictured with Secretary of State for Health, Jeremy Hunt) joined more than 100 other NHS and care staff at the event, as well as patients and patient representatives.

They were invited to represent One NHS in Dorset – a new initiative aimed at ensuring the three acute hospitals in the county – Poole Hospital NHS Foundation Trust, Dorset County Hospital NHS Foundation Trust and The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust – collaborate better to reduce avoidable variations in care, implement best practice and spread service innovation



### **December 2015: AFC Bournemouth makes annual visit to children's unit**

Younger patients, parents and staff rubbed shoulders with Premier League stars from AFC Bournemouth as players and staff made their annual Christmas visit. The team, as well as manager Eddie Howe and Chairman Jeff Mostyn, spent around two hours meeting children and handing out AFC Bournemouth goodies. The team makes an annual visit to the hospital each Christmas.





### **January 2016: Innovative altitude research**

In January, a team of cardiologists at Poole Hospital implanted hairpin-sized heart monitors, known as Reveal LINQs, into 16 members of the Navy, Army and RAF, who will be taking part in a 1-2 month mountain climb of the 6920m Tukucho peak in Nepal and Dhaulagiri at an altitude of 8167m - the 7th highest mountain in the world.

Dr Christopher Boos, consultant cardiologist and physician, leads the team at Poole Hospital in inserting the climbers with a Medtronic Reveal LINQ™, a wireless cardiac heart monitor which will automatically transmit the electrical patterns of each heartbeat, via a satellite phone, back to the ground in the UK, for real-time analysis— medical research which has never been done before.

### **February 2016: Best ever in staff survey**

Poole Hospital received its strongest ever endorsement as a place to work by its own staff, in the national NHS Staff survey. Findings from the survey, in which all staff within the hospital were asked a series of work-related questions, placed Poole Hospital in the top 20 per cent of all Trusts nationally in almost half of the 32 question areas. In 2014, the Trust appeared in the top 20 per cent of Trusts in just three areas.

Judy Saunders, Director of Human Resources and Organisational Development, said the marked improvement reflected a range of efforts from staff in leadership roles throughout the hospital. “This is the first time that we have surveyed all our staff rather than just a sample, and we are absolutely delighted with what they have said about the Trust in this year’s survey,” said Judy.



### **March 2016: Healthcare Science Week a great success**

Healthcare Science Week was a great success with events in the dome through the week commencing 14 March. The week provided an opportunity to raise awareness of the 250 healthcare scientists at the hospital and the important work they do. Topics and demonstrations included pathology, cytology, clinic neurophysiology, gastrointestinal physiology, clinical engineering, cardiac physiology, maxillofacial prosthetics, medical physics and radiotherapy physics.

## 2. PERFORMANCE ANALYSIS

### 2.1 How the Trust Measures Performance

Our own key performance indicators are monitored every month by the Trust Board 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.

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](http://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 9.

### 2.2 Clinical performance

The overwhelming theme across the Trust was the demand for services at Poole Hospital increased. The number of patients choosing the Trust for their treatment and care remained high, and the Trust in turn expanded services where possible to meet this demand through an agreed investment plan.

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.

#### Patient Activity

In 2015/16, we saw:

- **32,732** day case patients compared to 30,090 last year
- **35,198** non-elective patients compared to 33,005 last year
- **80,937** new outpatients compared to 75,830 last year
- **132,758** follow-up outpatients compared to 130,963 last year
- **65,909** patients in A&E compared to 66,118 last year

Over the year, we saw a 3.4% increase in in non-elective admissions (non-elective inpatients)

#### During 2015/16 we:

- saw **65,888** patients in our emergency department
- delivered **5,039** babies (including 104 home births)
- cared for **7,771** children under 18 admitted to our children's unit (excl NICU)
- managed **35,220** radiotherapy attendances
- cared for **213,695** new and follow-up outpatients
- saw **3,561** elective inpatients and **36,293** non-elective inpatients

Numbers of elective inpatients and day cases have remained consistent.

<b>Table 1: Patient activity</b>	<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>
<b>Number of inpatients and day cases treated (spells)</b>			
Elective inpatients	3,561	3,677	3,978
Day cases (including RDAs)	32,732	30,090	28,672
Non-elective inpatients	35,198	33,005	31,742
<b>Number of outpatients seen</b>			
New appointments	80,937	75,830	74,680
Follow-up appointments	132,758	130,963	129,286
<b>Operations</b>			
Cancelled at short notice (within 1 day of TCI as % of admissions)	5.1%	4.1%	4.1%
Not re-arranged within the target time of 28 days	5	8	6

The Trust has plans to increase the numbers of patients treated through the extension of theatre operating hours in 2016/17 and further developments in a number of clinical areas.

**91.7%**  
of A&E  
patients seen  
within four  
hours

**92.3%**  
of admitted patients  
treated within the 18-  
week referral-to-  
treatment target

**99.7%** of breast  
patients seen within  
the first two weeks  
after referral to first  
outpatient  
appointment



Breast screening  
achieved over **90%**  
for screening to  
results and  
assessments in each  
of the 4 quarters

## Cancer Care

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 fourth consecutive year.

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 11% more two-week referrals for suspected cancer compared to 2014/15. In spite of this, our performance against the two-week wait standards has been amongst the best in the country. During all quarters we met or exceeded the national target of seeing urgent GP referrals for patients with suspected cancer within two weeks.

Overall provisional results indicate that 99.1% of patients were seen within the 2 week wait standard for the year as a whole.

**Table 2: Performance against national cancer standards**

Target	2015/16 (Q4)	2014/15	2013/14	Target
Two-week wait referral to first outpatient appointment	99.3%	97.3%	95.7%	93%
Two-week wait for symptomatic breast patients	100.0%	98%	93.9%	93%
31-day wait diagnosis to treatment – all cancers	99.0%	99.3%	99.4%	96%
62-day wait referral to treatment – all cancers	87.9%	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 with 85.7% of patients starting treatment  $\leq$  62 days from receipt of a two-week wait referral. 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. 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 2016/17 to ensure we continue to provide the very highest standards of care and treatment.

## Care in our Emergency Department (ED)

This year was an incredibly challenging year for the Emergency Department. Our overall performance against national and local standards fell short of our expectations and of national requirements. We missed the national target to see and treat 95% of all patients within four hours in our ED. Although the indicator is named the 'A+E four-hour wait' it is a guide of how well the hospital and the local health economy of primary care, acute care and social care are working.

In previous years the Trust has seen large increases in the number of patients attending the Emergency Department, and these numbers coming through the door have explained the previous challenge of meeting the 95% target. This year has been a little different in that the number of attendances has fallen slightly, but the number of these patients who require admission has continued to increase. This is largely as a result of an ageing population of patients, many with multiple co-morbidities

Our under achievement against the four-hour standard was impacted by three features:

## Increased Demand

The increased demand during the second half of the year placed significant demands upon our unplanned care services. Unpredictable volumes and variation in times that patients attended, coupled with a rise in the number of very sick elderly and frail patients requiring admission, placed significant demands upon the hospital.

Despite a modest increase in beds, this pushed up bed-occupancy to levels (>95%) which mean that beds are not always readily available through the day for new admissions (including those from ED).

## Bed Capacity and efficient patient flow

We increased our adult bed capacity during the winter period by an additional 15 beds and invested in a further five treatment cubicles for and one additional Resuscitation bay in the Accident and Emergency Department. The cubicles improved patient increased privacy and dignity in the ability to manage the surge in activity for high acuity and trauma cases.

Specific actions have included:

- opening a new surgical assessment unit. This new facility avoids the need for these patients to attend the Emergency Department.
- with the support of the Emergency Care Intensive Support Team (ECIST), we held three 'Breaking the Cycle' weeks in November, January and March to help improve our performance and trial new ways of working across the health and social care community (a third 'Breaking the Cycle' event took place at Poole from April-June 2015).
- further reducing the interval between a patient being medically safe to transfer from our care and their transfer (including reducing delays in our notifications of patient needs and readiness to Community Health or Social Care partners)

## Workforce Capacity

Not only is bed capacity important for the 4-hour standard, but so is the capacity of nurses and doctors. We have faced challenges recruiting medical staff in ED, Acute Medicine and nursing staff across Poole. We take a proactive approach to nursing recruitment, including overseas recruitment. We have fewer vacancies for nursing and consultant posts in March 2016 compared to the same month the previous year. Against this backdrop, the Trust is taking a number of actions and working more closely with its primary care and social care partners to increase bed capacity and improve discharges back into the community.

We have devoted very significant attention, resource and energy to improving the efficiency and consistency of our ward processes, to improve flow of patients and make beds more readily available.

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**

	2015/16	2014/15	2013/14
Emergency department attendances	65,909	66,118	61,310
Four-hour standard (95% target)	91.66%	93.38%	95.2%
Emergency admissions	35,198	33,005	31,742



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 95% of patients who responded stating they would be 'extremely likely' or 'likely' to recommend the Trust to friends or family.

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 the Poole Hospital is resilient to the current and future pressures on health and social care services, especially over the winter period

### Referral-To-Treatment (RTT) Times

We are proud of our consistent achievement of the 18-week wait referral to treatment waiting time target at Trust level

Patients who are referred to our hospitals for planned care should be able to start their treatment within 18 weeks of their referral and are committed to delivering care in a timely manner for all of our patients. We achieved the referral to treatment pathways throughout the year.

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

	2015/16	2014/15	2013/14	Target
Incomplete pathways	92.3%	96.2%	97%	92%

The Trust's performance against the RTT standard compares favourably with the national position, but there have been challenges that have resulted in an increased backlog of patients waiting to be seen. The challenges include;

- Impact of emergency admissions on elective capacity
- 22% increase in demand from GP referrals
- recruitment to specialist consultant posts
- constraints in theatre capacity for elective activity
- delayed transfers of care (DTOC) impacting on patient flow.

However, we also recognise that this is an area we need to improve in order to deliver the 18-week standards at individual speciality level and in 2016/17 we will be making investments in ear, nose and throat and paediatrics to support this. In 2016/17 in conjunction with local commissioners, we will strive to improve our planned care access times across all clinical services.

### Emergency Preparedness

Poole Hospital 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 (CBRN) as well as flu or other infectious disease outbreaks and internal incidents such as flood and infrastructure failure.

Regular training took place throughout the year including awareness of major incidents, business continuity and CBRN when staff first join the Trust and on a two yearly basis for all staff, training for the Executive team around how to manage major incidents, specific training for Emergency Department staff and more in depth training for CBRN and major incident trainers.

The Trust has undergone an external audit of our CBRN equipment, training and planning arrangements; auditors commented that 'Poole Hospital NHS foundation Trust should be considered exemplary by demonstrating the commitment and the high standard of HAZMAT/CBRN preparedness'.

In 2015 the Trust updated the Evacuation Plan, looking at the risk of a large scale evacuation of the hospital due to fire or other incidents; local business such as the Lighthouse, St Mary's Church and the Harbour Hospital were included in the plan and have said they will help us to ensure the safety of our patients should we need to evacuate.

The hospital also undertook an exercise to test our response to Pandemic Influenza, which involved different areas of the hospital coming together to work through a scenario and consider what actions would be required during a pandemic.

In the light of the tragic events in Paris, NHS England and the Department of Health, along with other national agencies, reviewed these incidents in order to ensure these are reflected in established Emergency Preparedness Resilience and Response procedures. Poole Hospital, along with all NHS Organisations were asked to provide assurance on several points, including those below:

*You have reviewed and tested our cascade systems to ensure that they can activate support from all staff groups; including doctors in training posts, in a timely manner including in the event of a loss of the primary communications systems.*

Poole Hospital NHS Foundation Trust tests the communications cascade (which will call essential staff into the hospital should an incident occur) on a bi-monthly basis, alternately in and out of hours.

*You have arrangements in place to ensure that staff can still gain access to sites in circumstances where there may be disruption to the transport infrastructure, including public transport where appropriate, in an emergency*

In this event we would seek assistance from local councils and charities as part of a response to a major incident to provide assistance in getting staff into work. Business Continuity Plans highlight critical services and the numbers of staff needed to carry these out and Departments will work together to provide car sharing and other assistance. This will be coordinated by Silver Command in conjunction with the wider Local Resilience Forum and Strategic Command.

*You have given due consideration as to how the Trust can gain specialist advice in relation to the management of a significant number of patients with traumatic blast and ballistic injuries*

One of Poole's Emergency Department Consultants has considerable experience in ballistics injuries and is the primary point of contact for advice on this type of injury. Guidance has also been provided by NHS England on how to access clinical advice from the military for ballistic injuries.

In addition to these measures Poole Hospital NHS Foundation Trust held an exercise for our executive team designed to test a response to a terrorist attack.

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 throughout the year to review activities and plan for the future.

### **Emergency Surgical Assessment Unit**

In October 2015, we introduced a new service to make faster decisions about patients who may require emergency surgery at Poole Hospital.

Our new emergency surgical assessment unit (SAU) is open 24 hours a day, 7 days a week and sees patients who may need surgery for a wide range of conditions, including problems with their arteries, bladder, kidneys or appendix.

Once patients have been assessed in SAU, a clear treatment plan is quickly put in place to ensure they receive the specialist surgical care they need.

## **2.3 Financial Performance**

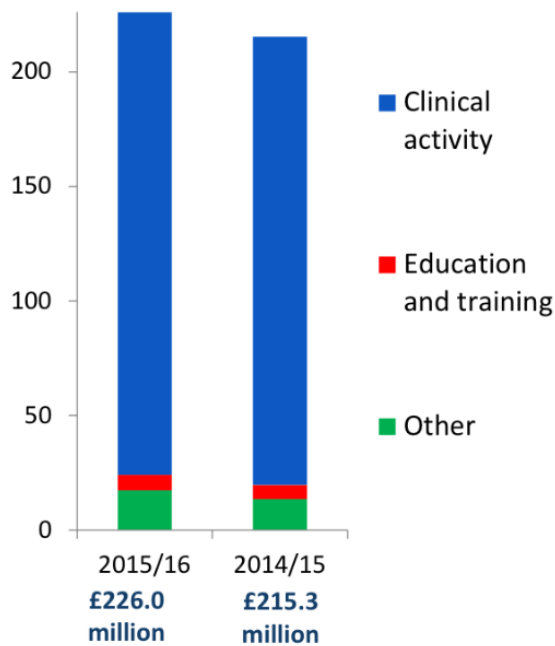
This section summarises the Trust's financial results for the 2015/16 financial year. Despite the financial challenges, the trust has achieved its financial objectives for 2015/6 and now plans to implement its agreed strategy for 2016/7.

### **Income**

During the twelve months to 31 March 2016 the Trust received just over £226 million in income. This represents an increase of almost 5% on last year, with comparative income rising by just over 3% after adjusting for exceptional one-off items (over £3 million relates to predominantly two items: an increase in charitable contributions to expenditure, and national funding received for the "One NHS in Dorset" vanguard programme).

A significant majority of the Trust's income, almost 90%, relates to clinical activity which is directly related to the treatment of patients, with over £196 million paid to the Trust by clinical commissioning groups and NHS England.

The Trust has met the requirement in Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) in that income from the provision of goods and services for the purposes of the health service in England is greater than the income from the provision of goods and services for any other purposes. A small portion of income comes from other purposes, and this therefore does not impact on the provision of health services.

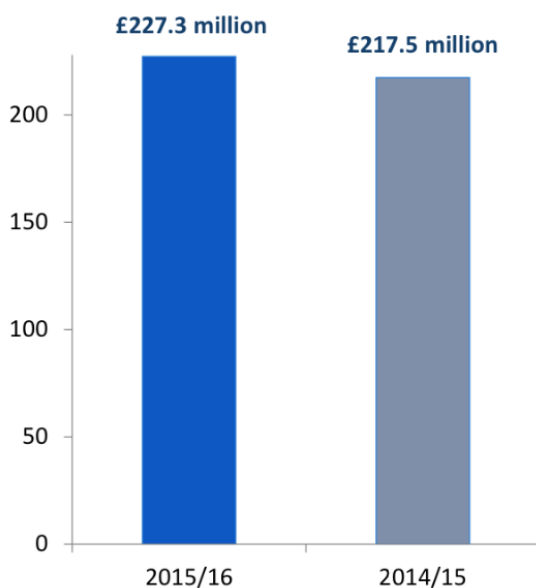


## Expenditure

The Trust also saw an increase in expenditure during the year, with just over £227 million being spent. This is an increase of under 5% when compared to last year, and is broadly the same as the increase on total income.

Pay costs make up by far the largest element of overall expenditure, and in the year £149 million was spent on pay. This equates to two thirds of expenditure. This is no surprise though, as staff are the most important resource in a hospital.

As you would expect, the spend associated with clinical services and supplies – including drugs – accounts for the second largest element of spend, and during the year the Trust spent £45 million on such items, of which over £22 million was spent on drugs.



## Financial Performance

The audited accounts for the Trust report a £4.1 million deficit.

£ million	2015/16	2014/15
	Year 2	Year 1
Income	226.0	215.3
Expenditure	(227.3)	(217.5)
Finance costs	(2.8)	(2.8)
<b>(Deficit)/ surplus</b>	<b>(4.1)</b>	<b>(4.9)</b>

In order to gain a better understanding of the Trust's financial performance relating to operational activities, non-recurrent exceptional items are excluded. When the impact of non-recurrent charitable income (£2.1 million) and impairments (£50,000) are taken into account, the trading position for the Trust for the year was an operating deficit of £6.3 million.

This compares with a planned £6.7 million operating deficit agreed before the start of the year by our Board of Directors and with our regulator, with 2015/16 representing year two of a two-year plan pending the outcome of the Dorset Clinical Services Review.

In that context, the Trust reported an improvement of almost £400,000 against year-two of our approved plan. This represents a similar level of improvement to that delivered in the previous year.

Performance against Operational Plan	2015/16	2014/15
(Deficit)/ surplus	(4.1)	(4.9)
Non-recurring items	(2.2)	(1.5)
<b>Operating deficit</b>	<b>(6.3)</b>	<b>(3.4)</b>
Planned deficit	(6.7)	(3.8)
Improvement	0.4	0.4

So despite the financial challenges facing the health sector during 2015/16, the Trust achieved its key financial objectives for the year.

Underpinning this performance in 2015/16 we ran a successful cost improvement programme focusing on increasing efficiency, which enabled the delivery of £6.7 million in savings (£6.6 million last year). We achieved these savings without compromising on standards of care and have maintained our track record for maintaining strong operational performance throughout the year.

## Going Concern

Despite reporting a deficit for 2015/16, the Trust's cash balance at the end of March 2016 stood at just under £10 million.

However, the Trust has consistently reported that from 2016/17 it will require Interim Support funding, from as early as Quarter 3, in order to continue to operate. This Interim Support may take the form of a Department of Health revenue loan.

The amount of Interim Support required during 2016/17 is projected to be £6.1 million, reflecting an in-year cash shortfall of £4.9 million, plus a further £1.2 million to provide minimum working capital equivalent to two days operating expenses.

This dependency on Interim Support is consistent with Year 3 of the Trust's original planning trajectory agreed with the regulator, and will continue until such time that a financially sustainable plan is implemented, and the associated efficiency benefits realised, as part of the Dorset Clinical Services Review.

In concluding the annual accounts for 2015/16, the Board of Directors is required to formally consider whether it regards the Trust as a 'going concern', which for this purpose is defined as "*having enough cash to remain in operation for the twelve months following the auditor's signature on the annual accounts*", that is, to June 2017.

The Board has concluded that it is appropriate to prepare the accounts on a going concern basis, based on:

- **Delivery of planned financial results:** In March 2014, the Trust Board approved a two year operational plan and five year strategic plan. This outlined a planned income and expenditure (I&E) deficit of £3.8 million during 2014/15 and an original planned deficit of £8.6 million in 2015/16. These planned deficits were agreed with the regulator to allow Poole Hospital to operationally and strategically reposition itself, post the Competition Commission prohibited merger with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust, and pending the implementation of the Dorset Clinical Services Review. The Trust overachieved its plan for each of these first two years with I&E deficits of £3.4 million and £4.1 million, underpinned by actual cost improvement plans delivered at £6.6 million and £6.7 million respectively.
- **Financial plan:** During 2016/17 the Trust is planning to deliver a £9.7 million income and expenditure deficit, after having assumed a £6.1 million cost improvement plan, representing a further 2.7% efficiency savings against planned operating expenditure. This is consistent with the third year of the Trust's original planning trajectory.
- **Contract with commissioners:** contracted activity levels agreed with NHS Dorset Clinical Commissioning Group, which includes investment of £2 million beyond 2015/16 forecast activity levels, enables both parties to plan to achieve core access standards with the exception of the four hour operational standard for A&E waiting times, which is planned to achieve above 90% during each quarter of 2016/17. Separately, the NHS England contract for 2016/17 ensures that the Trust will be reimbursed with income for any patient activity beyond indicative contracted levels, and furthermore, has removed the 2015/16 financial risk sharing arrangement for high cost specialised services.
- **Consistency of ongoing dialogue with, and reporting to, the regulator in relation to the need to Interim Support from 2016/17:** The regulator was able to evidence good process, grip and control during its most recent detailed financial review of the Trust's 2016/17 plan, which was undertaken over the two-day site visit during the period 29 February to 1 March 2016. Subject to national and local planning parameters for 2017/18 and beyond, and after having assumed that the required in-year cash shortfall is fully addressed in each of the previous years, the annual in-year cash shortfall from 2017/18 onwards is projected to be in the order of £16 million. The application for Interim Support will therefore be submitted on a multi-year basis and seek to ensure that sufficient cash is initially confirmed for at least the first quarter of 2017/18 (projected £3.3 million) to minimise service continuity risk and immediate planning beyond 2016/17.

The Board of Directors acknowledge that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Specifically, an uncertainty exists around whether the Trust will receive Interim Support or other funding to meet its financial obligations as they fall due, and



whether any cash received will be sufficiently flexible to deal with unforeseen circumstances. However, these risks are well understood and action can and will be taken to ensure that the risks are managed. The table below summarises the risk and mitigating action that can be taken.

Risk	Mitigating action
Service demand/ activity growth beyond planned capacity levels.	<ul style="list-style-type: none"> <li>• If significant and justified cost pressures in year from either increased activity or quality issues, additional income will be negotiated with commissioners</li> </ul>
Trust is unable to operate within its planned cost base.	<ul style="list-style-type: none"> <li>• Action already taken in terms of resource and governance processes to ensure 2016/17 cost improvement plans are fully identified and delivered</li> <li>• If the cost base is demonstrably not achievable without risks to patient safety the Trust will be in a stronger position to negotiate additional commissioner income</li> </ul>
Planned income levels not achieved.	<ul style="list-style-type: none"> <li>• The Trust has agreed a managed contract with NHS Dorset Clinical Commissioning Group which is designed to give both parties confidence on the overall financial envelope available for contracted levels of activity</li> <li>• The NHS England contract for 2016/17 ensures that the Trust will be reimbursed with income for any patient activity beyond indicative contracted levels</li> </ul>
Delayed implementation and benefits realisation associated with the Dorset Clinical Services Review	<ul style="list-style-type: none"> <li>• Negotiate additional income from commissioners to support continuity of services at agreed performance and quality levels</li> <li>• Delay planned capital expenditure programme</li> <li>• Delay urgent and essential developments approved during the budget setting process</li> <li>• Delay parts of the assumed commissioner investment programme</li> <li>• Increase the cost improvement programme beyond planned levels</li> <li>• Agree advanced payment of contract income with commissioners</li> <li>• Obtain Interim Support funding from national bodies</li> </ul>

The accounts do not contain the adjustments required should the Trust not be in a position to continue in operation.

## 2.4 Environmental Matters

### Sustainability

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 this<sup>1</sup>.

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 is working with British Gas on an Energy Performance Contract (EPC) to make guaranteed energy, financial, and carbon savings through a number of measures, some of which are shown below:

- Replacement of existing Combined Heat & Power (CHP) units
- Installation of low-energy LED lighting & lighting controls both internally and externally across majority of the estate
- Replacement of LPHW and steam boiler plant
- Installation of solar PV panels on flat and pitched roofs

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

Work has now been completed on the replacement of all lighting to low-energy LED's in the multi-storey car park. This has significantly reduced our energy consumption whilst making the area safer for visitors. The majority of this project was funded through a Salix Finance loan<sup>2</sup> – 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 X 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 2016/17:

- Creation of a Sustainable Development Management Plan (SDMP)
- Installation of improvement schemes including CHP, solar PV, and LED lighting
- Continual review of the Carbon Reduction Commitment (CRC) impact and future changes in legislation

### Procurement of Goods

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 for the Trust 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 putting sustainability criteria into tender assessments.

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<sup>1</sup> 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>

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

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.

An assessment of the high areas of carbon emissions associated with procurement has now been carried out, and the next step is to develop a Sustainable Procurement Policy in the following year to embed sustainability in all future procurement activities.

Priorities and targets for 2016/17:

- Develop a Sustainable Procurement Policy working in conjunction with the Procurement lead
- Organise a training event for procurement staff to introduce the concepts of sustainable procurement in practice

### **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.

During 2015 the Trust acquired grant funding through the Three Towns Travel scheme from the local Council. This funding was used to improve a much needed changing facility which is used by members of staff that cycle to work. Further communication has been circulated to all staff to encourage active travel, and to raise the awareness of the facilities that the Trust has available, especially for new starters.

Priorities and targets for 2016/17:

- Update the Trust Travel Plan
- Continue to promote and encourage sustainable forms of transport to staff, patients and visitors
- Investigate improvements of facilities for cyclists and the introduction of other initiatives such as a bicycles users group

### **Waste Reduction and Recycling**

A mixed recycling scheme has been in place at Poole Hospital for a number of years in partnership with Poole Borough Council. 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 also generates an income from selling baled cardboard and scrap metal.

A recycling campaign has been launched in early 2016 to incorporate other smaller buildings around the estate including the post-graduate centre.

Priorities and targets for 2016/17:

- Increase recycling awareness to encourage further uptake in recyclable waste and segregation of waste streams
- 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 recruited in 2015 and will act as the key contact within the Trust for all related enquiries, as well as promoting what actions the Trust is taking to reduce carbon emissions.

Priorities and targets for 2016/17:

- Continued engagement with staff, patients, and visitors through internal and external communications, for example staff bulletins, magazines and external press releases
- Take part in sustainability related events throughout the year, and other relevant local/national networks
- Initiate a staff energy awareness/engagement campaign to encourage a reduction in energy consumption

#### Performance Data:

Greenhouse gas emissions and energy use:		2012/13	2013/14	2014/15	2015/16
Non-financial indicators (tonnes CO <sub>2</sub> e)	Total gross emissions:	8,018	9,030	8,867	8,553
	Gross emissions scope 1 (Gas)	3,568	3,324	3,286	3,426
	Gross emissions scope 2 (Electricity)	4,131	5,408	5,294	4,751
	Gross emissions scope 3 (Waste/water/business travel)	319	298	287	376
Related energy consumption (MWh)	Total consumption:	27,584	29,246	27,253	28,119
	Electricity	8,322	11,183	9,846	9,495
	Natural gas	19,262	18,062	17,764	18,624
Financial indicators (£1,000's)	Expenditure on energy	1,896	1,808	1,818	1,893
	CRC gross expenditure	96	107	142	130
	Expenditure on official business travel	228	176	187	197
Energy consumption (MWh) per occupied floor area <sup>3</sup> (m <sup>2</sup> ):		0.41	0.43	0.40	0.40

Waste:		2012/13	2013/14	2014/15	2015/16
Non-financial indicators (tonnes)	Total waste:	850	811	872	984
	High temp disposal waste	408	411	440	462
	Landfill	361	310	347	361
	Recycled/reused	81	92	84	161
Financial indicators (£1,000's)	Total waste cost:	230	234	226	249
	High temp disposal waste	179	185	185	180
	Landfill	57	55	63	64
	Recycled/reused	3	3	4	8

Water:		2012/13	2013/14	2014/15	2015/16
Non-financial indicators (1,000's m <sup>3</sup> )	Water consumption	107	108	105	110

<sup>3</sup> This figure is taken from the Trust ERIC report total occupied floor area

Water:		2012/13	2013/14	2014/15	2015/16
Financial indicators (£1,000's)	Water supply costs	205	219	223	194
	Sewerage costs	102	106	107	104
Water usage (m <sup>3</sup> ) per occupied floor area (m <sup>2</sup> ):		1.58	1.59	1.55	1.59

To find out more about the 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>

## 2.5 Social, Community and Human Rights

### 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, supported by the Trust's implementation of the NHS Equality Delivery System.

The Trust's positive approach to equality is supported by the principles of our trust values and is featured within the Poole Approach. This supports the delivery of inclusive care to patients.

All staff receive training on equality with a focus on both implementing best equality practice in service delivery and in all areas of employment.

The Trust has an active Equality and Diversity Group. Led by an executive director, this group works to progress equality and provide assurances of best practice.

The Trust has welcomed the Workforce Race Equality Standard (WRES), which was introduced in April 2015 and is included within the NHS Standard Operating contract. The Workforce Race Equality Standard enables the trust to look at staff experience across nine workforce indicators to identify the experience of employees from black and minority ethnic (BME) backgrounds and compare this with that of white staff. The first WRES report, published on the trust website in July, indicated that staff experience is broadly similar in most areas. Areas of difference have been acted upon and will be compared to findings when the second report is published in July 2016.

The regulators, the Care Quality Commission (CQC), National Trust Development Agency (NDTA) and Monitor use both the Equality Delivery System and the Workforce Race Equality System 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.

### 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.

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.

## **2.6 Overseas Operations: None**

## **2.7 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 and 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, ad hoc sessions, which include assessments and making guidance readily available in paper and electronically and also within the Trust library, achieving a staff compliance level of 96.4%.
- 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, action is taken to improve patient safety and that lessons are learned in order to minimise the risk of similar incidents occurring in the future.

Further information in relation to SIRIs can be found below.

For 2015/16 the Trust achieved 84% satisfactory for our submission of the Information Governance toolkit to HSCIC.

In 2015/16 the Trust processed 1,564 requests for personal information made under the Data Protection Act 1998.

The number of Freedom of Information requests processed increased again this year to 537 which equated to 2,742 questions.

### **Summary of information governance serious incidents requiring investigation (SIRI) involving personal data as reported to the information commissioner's office (ICO) in 2015-16**

During the financial year 2015/16, there were four information governance related incidents assessed as a Level 2 SIRI: In each case it was seen that the Trust had taken appropriate action therefore there was no requirement placed upon the Trust to take any further action, as a result of this each case was closed, but additional information is provided below.

Incident reference	IGI/3938
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<b>Date of incident (month)</b>	April 2015
<b>Status as at date of report publication</b>	Closed
<b>Number of data subjects potentially affected</b>	One
<b>Incident nature</b>	Non-secure – paperwork
<b>Format category</b>	Paper (no encryption)
<b>Nature of data involved</b>	Set of patient medical notes were found left in back pocket of patient wheel chair within central dome area of the Trust.
<b>Notification steps</b>	Staff member reported through incident reporting system, appropriate senior staff members and information governance notified. Reported to HSCIC / ICO.
<b>Further action on information risk</b>	A thorough investigation was conducted and it became apparent that correct procedure had not been followed, as a Porter should always be used when transferring a patient with notes in a wheelchair. Having spoken with staff we were unable to identify the individual who transported the patient. The matter has been raised within team meetings for staff to take additional care and to follow correct procedures. Appropriate senior managers have also been made aware. It is normal practice for the files not to be placed within the back pockets of the chair; these are held on patients lap to prevent such errors occurring.

<b>Incident reference</b>	IGI/3940
<b>Date of incident (month)</b>	May 2015
<b>Status as at date of report publication</b>	Closed
<b>Number of data subjects potentially affected</b>	One
<b>Incident nature</b>	Disclosed in Error
<b>Format category</b>	Paper (no encryption)
<b>Nature of data involved</b>	Patient was discharged home with incorrect patient stroke care file, containing demographic information, a photograph of another patient; it also included some care guidance.
<b>Notification steps</b>	Staff member reported through incident reporting system, appropriate senior staff members and information governance notified. Reported to HSCIC / ICO.
<b>Further action on information risk</b>	A thorough investigation has been undertaken; both patients have been written to with an explanation of the error and with apologies. Internal procedures reviewed, and additional actions to be implemented, such as additional staff training and clearer marking on the external cover of file. Appropriate senior managers have been made aware.  This highlighted the need to check and ensure that the correct information in folders leave the Trust with the correct patients.

<b>Incident reference</b>	IGI/3939
<b>Date of incident (month)</b>	May 2015
<b>Status as at date of report publication</b>	Closed
<b>Number of data subjects potentially affected</b>	Twelve
<b>Incident nature</b>	Non-secure Disposal – paperwork
<b>Format category</b>	Paper (no encryption)
<b>Nature of data involved</b>	The handover sheet contained a minimum amount of information relating to 12 patients.
<b>Notification steps</b>	Staff member reported through incident reporting system, appropriate senior staff members and information governance notified. Reported to HSCIC / ICO.
<b>Further action on information risk</b>	A thorough investigation has been undertaken; having liaised with a senior consultant we have been unable to identify who the sheet belonged to. This has been raised within consultant's team meetings, and was also raised by the medical director. This is highlighted within IG training sessions as a high-risk area and appropriate precautions should be taken. The Trust is currently investigating an electronic solution which would limit the need to print these documents, and therefore reduce the risk.

<b>Incident reference</b>	IGI/3941
<b>Date of incident (month)</b>	May 2015
<b>Status as at date of report publication</b>	Closed
<b>Number of data subjects potentially affected</b>	Fifteen
<b>Incident nature</b>	Non-secure – paperwork
<b>Format category</b>	Paper (no encryption)
<b>Nature of data involved</b>	Sheet which contained 15 patient names, hospital number, ward and a very small amount of non-sensitive medical information, was found in corridor by staff member this was passed through to senior consultant and securely destroyed.
<b>Notification steps</b>	Staff member reported through incident reporting system, appropriate senior staff members and information governance notified. Reported to HSCIC / ICO.
<b>Further action on information risk</b>	A thorough investigation has been undertaken; having liaised with the senior consultant we have been unable to identify who this belonged to. This has been raised within consultant's team meetings, and also raised by the medical director. This is highlighted within IG training sessions as a high-risk area. The Trust is currently investigating an electronic solution which would limit the need to print these documents, and therefore reduce the risk.

## Summary of other personal data related incidents in 2015-16

Assessed as level I

Category	Breach Type	Total incidents
A	Corruption or inability to recover electronic data	0
B	Disclosed in Error	13
C	Lost in Transit	0
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	1
F	Non-secure Disposal – hardware	0
G	Non-secure Disposal – paperwork	0
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	21
K	Other	1

### 2.8 CQC Inspection

The hospital underwent an announced inspection by the Care Quality Commission in late January 2016, one of the last Trust's in England to be assessed in recognition of our low risk priority. The report was published in May 2016 where the Trust narrowly missed out on an overall 'good' rating, and has been assessed as 'requires improvement.'

Inspectors looked at a wide range of services, including maternity, emergency care, care of the elderly, paediatrics and theatres. Overall, inspectors rated services as 'good' for their effectiveness, care and leadership, and 'requires improvement' for their safety and responsiveness.

Critical care's caring approach was rated as 'outstanding', while inspectors also found 'outstanding practice' in several areas including the prevalence among staff of our unique set of values (the Poole Approach), the multi-disciplinary care provided on the award-winning Rapid Access Consultant Evaluation (RACE) unit, the Gully's Place children's and young people's palliative care suite and the 'exceptionally well-led' nuclear medicine department.

The commission has asked us to undertake a range of actions, including improving the cleanliness of clinical areas in our maternity unit, reviewing midwifery staffing levels to ensure one-to-one care in labour can be offered and enhancing our management and storage of medicines.

### 2.9 Looking ahead

During 2016/17 and as already noted, the Trust is planning to deliver a £9.7 million income and expenditure deficit, after having assumed a £6.1 million cost improvement plan, which represents a further 2.7% efficiency savings against planned operating expenditure. From 2016/17 the Trust requires Interim Support funding in order to continue to operate as a going concern. These planning parameters are consistent with the third year of the Trust's original planning trajectory.

£ million	2016/17 Plan	2015/16 Actual
	Year 3	Year 2
(Deficit)/ surplus	(9.7)	(6.3)
Cost improvement plan	6.1	6.7
Cash balance	(4.9)	10.0

The work associated with the Dorset Clinical Services Review continues to be an important feature of planning forward, and the outcome of this work will be of prime importance for patients, staff and all those living in Poole, Bournemouth and the wider Dorset County. As part of this work, our key priority continues to be developing a sustainable future for the services provided by Poole Hospital, whilst ensuring we continue to maintain the high standards of care that our hospital has a history of providing.

Performance report – signature

Signed by:



Date: 25 May 2016

Debbie Fleming, Chief Executive



### **3. DIRECTOR'S REPORT**

#### **3.1 Governance and Membership**

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 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. The council of governors is responsible for holding the non-executive directors to account for the performance of the foundation trust. 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 council of governors.

#### **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 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 chairman and non-executive directors are appraised annually and the outcomes are ratified by the Council of Governors. The Executive Directors are also appraised annually by the Chief Executive and the outcomes are ratified by the Remuneration Committee.

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. With regard to succession planning, the board and council of governors approved the process to appoint an associate non-executive director with a financial background to enable a comprehensive handover before the departure of one of the board's non-executive directors who has a financial background.



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**

The role of the Chairman is to:

- Building a well-balanced and effective Board
- Chairing board and council meetings, and setting the board and council 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**

The role of the Chief Executive is to:

- Be the accounting officer for the Trust
- Develop and implement the Trust's strategic direction and vision statement
- Recommend the annual and strategic plans for the Trust
- Provide leadership to the Trust
- Manage the Trust's risk register and establishing internal controls
- Review the Trust's organisational structure and developing the executive directors
- Ensure that the Chairman and board are kept advised and up to date on trust business and wider healthcare policy and developments
- Maintain relationships with the council of governors
- Chair 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**

The role of the non-executive directors is to:

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



### **Role of the Executive Directors**

The role of the Executive Directors is to:

- Support the Chief Executive in implementing the Trust's strategic direction and vision
- Ensure that performance and quality targets are met
- Provide leadership for the day to day running of the Trust
- Implement the Trust's annual plan
- Mitigate risks within the trust to ensure internal controls
- Review individual organisational structures to ensure succession planning.

### **Role of the Vice Chairman**

The role of the Vice Chairman is to:

- Chair board and council of governors meetings in the absence of the Chairman
- Support the Chairman on board related matters as required
- Deputise for the Chairman's day to day role in times of absence.

### **Role of the Senior Independent Director**

The role of the Senior Independent Director is to:

- Be available to governors and members on matters which cannot be resolved by the Chairman or Chief Executive
- Be involved in the process for evaluating the performance of the chairman
- Lead a meeting of the non-executive directors to evaluate the Chairman's performance, as part of the process agreed with the council of governors for appraising the Chairman
- Liaise with the Chairman, and company secretary, in relation to setting the agenda of the council of governors.

### **Board Evaluation**

During the winter of 2015, an annual review of the effectiveness of the board was undertaken. This was a continuation of the work undertaken in 2014/2015 by the Kings Fund and Niche Patient Safety which had led, in the summer of 2015, to a new governance structure, which was approved by the board in September 2015.

The annual review included the completion of a self-assessment by all board members, based on Monitor's Well Led Framework, an analysis of the self-assessment by DAC Beachcroft LLP's Governance Advisory Practice. DAC Beachcroft LLP provide legal advice to the Trust. In addition, an observed Board of Director's meeting in March 2016 and a board development day later that same month were provided by an external facilitator.

The board approved the outcomes of the review at their meeting in April 2016 and incorporated them in a development programme for 2016/2017.

### **Board Development**

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

- Governance mapping
- Financial accounts and quality account content
- Annual Board risk workshop
- NICE guidelines and clinical audit
- Organisational learning and external accreditation

- E-rostering and in-patient nursing resource
- Patient surveys
- Vanguard and Dorset clinical services review.

The board also engaged in joint development sessions with the governors in June, October and December 2015 which included presentations on:

- refreshing the Trust values
- well led organisation
- children's services
- clinical services review
- disability rights including equality
- freedom to speak up (whistleblowing)
- CQC preparation
- mortality
- risk management processes
- radiology services
- strategic position of the Trust
- holding to account in the context of well led.

### 3.2 Key activities of the board

The board has continued to focus, as a key priority, on safety and quality of the services it provides whilst ensuring an effective response to the mounting in year pressures on services and resources. Board members continue to undertake weekly visits to areas in the hospital to examine quality and safety issues. Additional visits to clinical areas for non-executive directors have taken place during the last half of 2015/2016.

The Trust reported a final deficit position of £4.1 million. After non-recurrent exceptional items are taken into account, the trading position for the Trust for the year was an operating deficit of £6.3 million. This compares with a planned £6.7 million operating deficit agreed before the start of the year, consistent with year two of a two-year plan agreed with our regulator pending the outcome of Dorset Clinical Services review. Underpinning this performance in 2015/2016 we ran a successful cost improvement programme focusing on increasing efficiency, which enabled the delivery of £6.7 million in savings. We have achieved these savings without compromising on standards of care and have maintained our track record for maintaining strong operational performance throughout the year.

The board continues to engage fully with the Dorset Clinical Services Review and the Dorset acute care vanguard: "Developing One NHS in Dorset".

During the past year the board has scrutinised regular reports and updates from the director of nursing, the director of human resources and organisational development and the finance director, on key quality issues. The 'Quality First' programme was launched early in the year to encourage positive development and change, whilst ensuring that quality is at the forefront. There has been a regular focus on agency expenditure, following implementation of the agency cap by Monitor from finance and workforce perspectives. A patient's story continues to be presented to the Board each month.

The trust underwent its Care Quality Commission inspection in January 2016 and awaits the findings of the report.

The board has ensured robust plans were in place to cover the demands of the hospital during the year when there has been planned strike action by junior doctors. The board's primary concern was to ensure that patient welfare and safety were not compromised and that robust arrangements were in place to ensure the safety of patients and the smooth running of the hospital during industrial action were maintained.

The board has reviewed and approved a new committee governance structure which was implemented in October 2015. This includes enhanced effectiveness reviews of the board sub committees in future. In addition, the Board led a reconsideration of the trust's values at the centre of the "Poole Approach", which is reflected in the statement "friendly, professional person-centred care with dignity and respect for all". This was following a highly successful consultation exercise with staff, members, governors and board members.

The board has paid attention to updates to the regulatory regimes in relation to Monitor's Risk Assessment Framework and its regular bulletins.

The board has also been fully cognisant of its own development needs and engaged external facilitators to review the effectiveness of the board and help construct a development plan for the coming year. The board is undertaking the well led review during 2016/17.

### **3.3 Working with Governors**

The Trust has a formal engagement document that sets out how the boards of directors' works with the council of governors to ensure the directors have an understanding of the views of governors and members and directors are invited to the council of governors 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/pdf/D7%20-%20Board%20Policy%20for%20engagement%20with%20CoG%20Nov%202013.pdf>

Communications between the council 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.

### 3.4 Members of the Board and Attendance at Board Meetings

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#### 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

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#### Philip Green, non-executive director; vice chairman and chairman of the audit and governance committee (from 1 December 2015)

Date of appointment: 25 April 2015

Date of expiry: 24 April 2018



Philip has more than 30 years' experience of working in the aerospace industry having spent 14 years at BAE Systems and more recently with Meggitt PLC, a FTSE 250 company, initially in the role of group company secretary and now in the position of executive director, commercial and corporate affairs.

He was appointed to the board of Meggitt PLC in 2001 and is also president of Meggitt-USA Inc.

#### ***Other directorships and registered interests\****

Director - Meggitt PLC

Director - various subsidiaries of Meggitt PLC

#### ***Other committee memberships***

Appointments committee

Audit and governance committee

Quality, safety and performance committee

Remuneration committee

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**Jean Lang, non-executive director; vice chairman and chairman of the audit and governance committee (until 30 November 2015)**

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

Remuneration committee

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**Ian Marshall, non-executive director; chairman of the finance and investment committee**

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

Senior Advisor – Prudential Regulatory Authority of the Bank of England

Specialist Insurance Advisor – Treasury Select Committee

Director – Micro Enterprise Africa

### **Other Committee Memberships**

Appointments committee

Audit and governance committee (from 1 December 2015)

Finance and investment committee

Remuneration committee

Workforce and organisational development committee (until 30 November 2015)

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### **Dr Calum McArthur, non-executive director; chairman of quality, safety and performance committee**

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

Sessional GP covering HMP IOW – Med Co Locum Agency

GP appraiser – Health Education Wessex

Coopted Member – Combat Stress

### **Other committee memberships**

Appointments committee

Finance and investment committee (until 30 November 2015)

Quality, safety and performance committee

Remuneration committee

Workforce and organisational development (from 1 December 2015)

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### **Guy Spencer, non-executive director; senior independent director (until 30 November 2015)**

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 co-ordinator 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 and organisational development committee

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**Caroline Tapster, non-executive director**

Date of appointment: 1 December 2015

Date of expiry: 30 November 2018



Caroline has spent the last 30 years working in local government and the NHS, in Dorset, East Sussex and Kent. She joined Hertfordshire County Council in 1995 becoming Director of Adult Care Services in 2001, and was appointed Chief Executive in 2004. During this time she was a Governor of Oakland's FE College, President of Hertfordshire Agricultural Society, a Board member of Hertfordshire PCT, and was awarded an Honorary Doctorate from the University of Hertfordshire.

She has been a Board Member of SOLACE, a past Chairman of ACCE, a member of numerous National Advisory Groups and Government Reviews and has served as a non-executive director of the Disclosure and Barring Service and as a Trustee of the Terence Higgins Trust. She is currently Director of Health and Wellbeing System Improvement for the Local Government Association.

**Other directorships and registered interests\***

Director - Health and Wellbeing by the Local Government Association.  
Sister-in-law is employed as a secretary in Gastroenterology

***Other committee memberships***

Appointments committee  
Finance and investment committee  
Quality, safety and performance committee  
Remuneration committee

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**David Walden, non-executive director**

Date of appointment: 1 December 2015

Date of expiry: 30 November 2018



David Walden CBE was a Senior Civil Servant in the Department of Health from 1989 to 2004. Previous appointments also include: Director at the Social Care Institute for Excellence, Strategy Director at the Commission for Social Care Inspection, Transition Director establishing the Regulator of NHS Foundation Trusts (Monitor) and Director of Anchor Trust. In the early 1990s he was Director of Human Resources at Poole Hospital. David also sits on the Board of Affinity Trust, which provides services for learning disabled people, and the Barchester Foundation.

**Other directorships and registered interests\***

Board member – Affinity Trust



Trustee – Barchester Healthcare Foundation  
Occasional consultancy work for the Department of Health and the Local Government Association

***Other committee memberships***

Appointments committee  
Audit and governance committee  
Remuneration committee  
Workforce and organisational development committee

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**Nick Ziebland, non-executive director; senior independent director (from 1 December 2015) and chairman of the workforce and organisational development committee**

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 Hospital Manager – Dorset Healthcare University NHS Foundation Trust  
Trustee – Bridport Art Centre

***Other committee memberships***

Appointments committee  
Audit and governance committee  
Remuneration committee  
Workforce and organisational development committee

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**Debbie Fleming, Chief Executive**

Date of appointment: 1 April 2014



Debbie brings with her 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

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### Paul Miller, director of strategy (director of finance until 30 April 2015)

Date of appointment: 1 May 2015



Paul brings 20 years' NHS board experience to the role, including 15 as a director of finance, and joins us 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) - Healthcare Financial Management Association

#### ***Other committee memberships***

Finance and investment committee

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### Mark Mould, chief operating officer

Date of appointment: 7 April 2014



Mark joined us from University Hospital of North Staffordshire NHS Trust, where he has 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 owns Iskinicare Ltd (aesthetics business in Dorset)

#### ***Other committee memberships***

Finance and investment committee  
Quality, safety and performance committee  
Workforce and organisational development committee

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## 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 and organisational development committee

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## Mark Orchard, director of finance

Date of appointment: 1 May 2015



Mark brings over seventeen years NHS experience to Poole Hospital, including seven at director level. He joins us from NHS England (Wessex) where he was director of finance. He has also enjoyed senior finance leadership roles at Bournemouth and Poole Teaching PCT, South and East Dorset PCT and the Bristol PCT Cluster.

### ***Other directorships and registered interests\****

Vice President - Healthcare Financial Management Association

### ***Other committee memberships***

Finance and investment committee

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## 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 and organisational development committee

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\* Interests recorded as at 31 March 2016

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

- Judy Saunders, director of human resources and organisational development

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 2015/16.

All of the non-executive directors are considered to be independent by the board of directors. This included Mrs Jean Lang and Mr Guy Spencer who have served on the board of directors for more than six years. The council of governors reappointed Mrs Lang and Mr Spencer for an extended period because these 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 during 2014/15.

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.

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.

A director is regarded as having taken all the steps that they ought to have taken as a director in order to do the things mentioned above, and:

- made such enquiries of his/her fellow directors and of the company's auditors for that purpose; and
- taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

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.

### ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS 2015/16

NAME OF COMMITTEE	BOARD OF DIRECTORS										
	MEETING DATES										
Membership (Voting Members)	29 April 2015	27 May 2015	24 June 2015	29 July 2015	26 August 2015	30 September 2015	28 October 2015	25 November 2015	27 January 2016	2 March 2016	30 March 2016
ANGELA SCHOFIELD Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DEBBIE FLEMING Chief executive	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓
PHILIP GREEN Non-executive director	✓	✓	✓	x	✓	✓	x	✓	✓	✓	✓
JEAN LANG <sup>1</sup> Non-executive director	x	✓	x	✓	✓	✓	✓	✓			
IAN MARSHALL Non-executive director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CALUM MCARTHUR Non-executive director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
PAUL MILLER <sup>2</sup> Director of strategy	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓
MARK MOULD Chief operating officer	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓
TRACEY NUTTER Director of nursing	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓
MARK ORCHARD <sup>3</sup> Director of finance		✓	✓	✓	x	✓	✓	✓	✓	✓	✓
GUY SPENCER <sup>4</sup> Non-executive director	✓	✓	✓	✓	✓	✓	✓	✓			
ROBERT TALBOT Medical director	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓
CAROLINE TAPSTER <sup>5</sup> Non-executive director									x	✓	✓
DAVID WALDEN <sup>6</sup> Non-executive director									✓	✓	✓
NICK ZIEBLAND Non-executive director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Other directors (non-voting members)</b>											
JUDY SAUNDERS Director of HR & organisational development	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Was the meeting quorate?</b>	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

<sup>1</sup> Jean Lang's tenure ended on 30 November 2015

<sup>2</sup> Paul Miller began his role as director of strategy on the 1 May 2015 (previously the director of finance)

<sup>3</sup> Mark Orchard's began his role as director of finance on 1 May 2015

<sup>4</sup> Guy Spencer's tenure ended on 30 November 2015

<sup>5</sup> Caroline Tapster began her tenure as non-executive director on 1 December 2015

<sup>6</sup> David Walden began his tenure as non-executive director on 1 December 2015

### 3.5 Audit and Governance Committee

**Chairman :** Jean Lang, non-executive director - until 30 November 2015  
Philip Green, non-executive director - from 1 December 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.

Full terms of reference for the committee can be found on our website:

<https://www.poole.nhs.uk/about-us/board-of-directors/board-sub-committees/audit-and-governance-committee.aspx>

A full annual report of the committee is presented to the council of governors each July and can be found within the published agenda and papers on our website:

<https://www.poole.nhs.uk/about-us/council-of-governors/public-council-meetings.aspx>

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
- Standing Financial Instructions
- Reservation and delegation of powers
- Draft Board Governance Statement
- Draft Annual Governance Statement
- Draft Annual Report and Accounts
- Going Concern review
- Organisational risks
- Trust Assurance Framework
- Emergency preparedness and business continuity plans
- Raising Concerns policy
- Clinical audit system.

Additionally the committee has considered during the year:

- Non-Clinical Policies and Procedures Review
- Fraud Awareness Survey Benchmarking Figures
- Drug Fridge Management Audit

- Policy on the Use of External Auditors for Non- Audit Services
- Monitor Reference Cost Assurance.

In scrutinising the 2015/16 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.

Based on the work undertaken in the year, 'reasonable assurance' can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently. However, some weakness 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:

- Financial Accounting
- E-Rostering

The key areas where 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.

- Security Management
- Data Quality
- Emergency Planning and Business Continuity
- Board Assurance Framework and Risk Management
- Falls Management
- Estates Department - Monitoring and Reporting
- IG Toolkit part II
- Management of inter-Trust SLA's
- Sign up to Safety Initiative
- Procurement – Commercial Services

The key areas where a "limited assurance" opinion was provided are listed below.

- IT Security
- Procurement – Estates Lift Tender
- Safe and Secure Storage of Medicines

## 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. In January 2016 the council of governors, approved a two year extension for Deloitte as the external auditors. 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 2016 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:

1. Recognition of NHS revenue
2. Going concern
3. Property valuations and the treatment of fixed asset additions
4. Provisions
5. Manager override of controls

## AUDIT AND GOVERNANCE COMMITTEE ATTENDANCE REGISTER 2015/16

<b>NAME OF COMMITTEE:</b>	<b>AUDIT AND GOVERNANCE COMMITTEE</b>					
<b>REPORTS TO :</b>	<b>BOARD OF DIRECTORS</b>					
<b>Membership (as per Terms of Reference).</b>	<b>MEETING DATES</b>					
	<b>13 May 2015</b>	<b>27 May 2015 *</b>	<b>9 September 2015</b>	<b>11 November 2015</b>	<b>13 January 2016</b>	<b>9 March 2016</b>
JEAN LANG <sup>1</sup> Chairman / non-executive director	✓	✓	✓	✓		
PHILIP GREEN <sup>2</sup> Chairman / non-executive director	x	✓	✓	✓	✓	✓
IAN MARSHALL <sup>3</sup> Non-executive director					x	✓
GUY SPENCER <sup>4</sup> Non-executive director	✓	✓	✓	✓		
DAVID WALDEN <sup>5</sup> Non-executive director					✓	✓
NICK ZIEBLAND Non-executive director	x	✓	x	✓	✓	✓
<b>In attendance:</b>						
ANGELA SCHOFIELD Trust chairman	x	✓	✓	✓	x	x
<i>Executive Directors/Deputies</i>	4	7	4	3	4	2
<i>External Audit</i>	1	2	1	2	2	1
<i>Internal Audit</i>	2	1	1	1	1	1
<i>Counter Fraud</i>	0	0	1	0	1	0
Was the meeting quorate? <b>Y/N</b>	Y	Y	Y	Y	Y	Y

\* Special meeting of the audit and governance committee and finance and investment committee with attendance of Mr Marshall and Dr McArthur

<sup>1</sup> Jean Lang's tenure ended on 30 November 2015

<sup>2</sup> Philip Green took on the role of chairman of the committee on 1 December 2015

<sup>3</sup> Guy Spencer's tenure ended on 30 November 2015

<sup>4</sup> Ian Marshall joined the committee on 1 December 2015

<sup>5</sup> David Walden began his tenure as non-executive director on 1 December 2015

### 3.6 Finance and Investment Committee

**Chairman: Ian Marshall, non-executive director**

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 of a non-executive director (chairman), director of finance, chief operating officer, chief executive, director of strategy 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 2015/16

NAME OF COMMITTEE	FINANCE & INVESTMENT COMMITTEE												
REPORTS TO:	BOARD OF DIRECTORS												
Membership (as per Terms of Reference).	MEETING DATES												
	22 April 2015 *	27 April 2015	26 May 2015	22 June 2015	27 July 2015	24 August 2015	28 September 2015	26 October 2015	23 November 2015	14 December 2015	25 January 2016	29 February 2016	29 March 2016
IAN MARSHALL (chairman) Non-executive director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
DEBBIE FLEMING Chief executive	✓	✓	✓	✓	x	✓	✓	✓	x	x	✓	✓	✓
CALUM MCARTHUR Non-executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓				
PAUL MILLER <sup>1</sup> Director of strategy	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓
MARK MOULD Chief operating officer	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓
MARK ORCHARD <sup>2</sup> Director of finance			✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓
ANGELA SCHOFIELD Trust chairman	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	✓
CAROLINE TAPSTER <sup>3</sup> Non-executive director										✓	✓	x	✓
<b>In attendance:</b>													
Deputy director of finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓
Was the meeting quorate? Y/N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* Extraordinary finance and investment committee meeting

<sup>1</sup> Paul Miller began his role as director of strategy on the 1 May 2015

<sup>2</sup> Mark Orchard began his role as director of finance on 1 May 2015

<sup>3</sup> Caroline Tapster's tenure as non-executive director began on 1 December 2015

### 3.7 Quality, Safety and Performance Committee

**Chairman: Calum McArthur, non-executive director**

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, medical director and chief operating officer.

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

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## QUALITY, SAFETY AND PERFORMANCE COMMITTEE ATTENDANCE REGISTER 2015/16

<b>NAME OF COMMITTEE:</b>	QUALITY, SAFETY AND PERFORMANCE COMMITTEE					
<b>REPORTS TO :</b>	BOARD OF DIRECTORS					
<b>Membership (as per Terms of Reference).</b>	<b>MEETING DATES</b>					
	<b>26 May 2015</b>	<b>27 July 2015</b>	<b>28 September 2015</b>	<b>23 November 2015</b>	<b>25 January 2016</b>	<b>29 March 2016</b>
CALUM MCARTHUR (chairman) Non-executive director	✓	✓	✓	✓	✓	✓
PHILIP GREEN Non-executive director	✓	✓	✓	✓	✓	✓
JEAN LANG <sup>1</sup> Non-executive director	✓	x	✓	x		
MARK MOULD Chief operating officer	✓	✓	x	✓	✓	✓
TRACEY NUTTER Director of nursing	✓	x	✓	✓	✓	✓
ROBERT TALBOT Medical director	✓	✓	x	✓	✓	✓
CAROLINE TAPSTER <sup>2</sup> Non-executive director					✓	✓
<b>In attendance:</b>						
DEBBIE FLEMMING Chief executive	x	x	✓	✓	✓	x
ANGELA SCHOFIELD Trust chairman	x	✓	x	x	✓	x
Deputy director of nursing	✓	✓	x	x	✓	x
Chief pharmacist	x	✓	x	✓	✓	✓
Internal auditor	x	x	x	✓	x	x
<b>Was the meeting quorate?</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>

<sup>1</sup> Jean Lang' tenure ended on 30 November 2015

<sup>2</sup> Caroline Tapster's tenure as non-executive director began on 1 December 2015

### **3.8     Workforce and Organisational Development Committee**

**Chairman: Nick Ziebland, non-executive director**

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, medical director and chief operating officer.



**WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE ATTENDANCE  
REGISTER 2015/16**

<b>NAME OF COMMITTEE:</b>	WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE					
<b>REPORTS TO :</b>	BOARD OF DIRECTORS					
<b>Membership (as per Terms of Reference).</b>	<b>MEETING DATES</b>					
	<b>27 April 2015</b>	<b>22 June 2015</b>	<b>24 August 2015</b>	<b>26 October 2015</b>	<b>14 December 2015</b>	<b>29 February 2016</b>
NICK ZIEBLAND (chairman) Non-executive director	✓	✓	✓	✓	✓	✓
IAN MARSHALL <sup>1</sup> Non-executive director	✓	✓	✓	x		
CALUM MCARTHUR <sup>2</sup> Non-executive director					✓	✓
MARK MOULD Chief operating officer	✓	✓	✓	x	✓	✓
TRACEY NUTTER Director of nursing	✓	x	✓	✓	✓	✓
JUDY SAUNDERS Director of HR & organisational development	✓	✓	✓	✓	✓	x
GUY SPENCER <sup>3</sup> Non-executive director	✓	✓	✓	✓		
ROBERT TALBOT Medical director	✓	✓	✓	✓	x	✓
DAVID WALDEN <sup>4</sup> Non-executive director					✓	✓
<b>In attendance:</b>						
ANGELA SCHOFIELD Trust chairman	x	✓	x	x	✓	x
DEBBIE FLEMING Chief executive	✓	x	✓	x	x	✓
<b>Was the meeting quorate? Y/N</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>	<b>Y</b>

<sup>1</sup> Ian Marshall's membership of the sub committees changed on 1 December 2015

<sup>2</sup> Calum McArthur's membership of the sub committees changed on 1 December 2015

<sup>3</sup> Guy Spencer's tenure ended on 30 November 2015

<sup>4</sup> David Walden's tenure as non-executive director began on 1 December 2015

### 3.9 Appointments Committee

The appointments committee makes the executive appointments 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 her own appointment is discussed.

The Committee did not meet during the period 1 April 2015 to 31 March 2016.

Appointments to executive director posts are made in open competition and can only be terminated by the board of directors.

### 3.10 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 four occasions in 2015/16 with the individual attendance recorded in the table on page 66.

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 (until 30 November 2015) and Nick Ziebland, non-executive directors, were the senior independent directors for the period of this report and were 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 Elizabeth Purcell is deputy chairman of governors (Geoffrey Carleton was deputy chairman until 31 October 2015).

#### **During 2015/16 the council of governors was made up as follows:**

Elected representatives for Bournemouth:

- Terence Purnell
- Brian Newman

Elected representatives for Poole:

- Paul Chappell
- Andrew Creamer (until 31 October 2015)
- Vivien Duckenfield
- Sarah Holmes (from 1 November 2015)
- Carol Morgan
- Richard Negus (from 1 November 2015)
- Linda Nother
- James Pride (until 31 October 2015)
- Elizabeth Purcell
- Sandra Yeoman

Elected representatives for Purbeck, East Dorset & Christchurch:

- Geoffrey Carleton (until 31 October 2015)
- Rosemary Gould
- Barbara Hooper (until 30 April 2015)
- Marilyn Osner (from 1 November 2015)
- Subrata Sen (from 1 May 2016)

Elected representative for North and West Dorset, Weymouth, Portland and rest of England:

- Isabel McLellan (until 30 April 2015)
- James Myles (from 1 November 2015)

Elected staff representatives:

- Lynn Cherrett (clinical staff)
- Kris Knudsen (clinical staff) (until 31 October 2015)
- Sylvia Lowrey (clinical staff) (until 31 October 2015)
- Graham Whittaker (non-clinical staff)

Nominated representatives from partner organisations:

- Colette Cherry, Bournemouth University (until 10 September 2015)
- Cllr David Jones, Dorset County Council
- Prof Sonal Minocha, Bournemouth University (from 25 September 2015)
- Dr Chris McCall, Dorset Clinical Commissioning Group (until 31 July 2015)
- Cllr Ann Stribley, Borough of Poole
- Dr David Richardson, Dorset Clinical Commissioning Group (from 9 October 2015)
- Vacancy, Bournemouth Borough Council

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.

### Governor training and development

The council of governors set up in 2014/15 a 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 continue their focus of 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 with the board members:

In June 2015 the governors had an away day with the board of directors: in the morning they had presentations on the refresh of the Trust values including feedback from the May members' event, information on Trust training opportunities available to governors, well led organisation presentation and discussion. In the afternoon presentations were provided on children's services and the proposals of the Dorset clinical services review.

In October 2015 the governors and board had an away day: in the morning they had presentations on disability rights including equality, the freedom to speak up (whistleblowing) policy of the Trust and preparations for the CQC visit. There was networking and informal discussions over lunch between the board and council. In the afternoon there were presentations and discussion on mortality and risk processes and learning from incidents.

In December 2015 the governors were joined by the board of directors and members of the hospital executive group for a clinical presentation on the radiology department, a strategically focused presentation on the future of the hospital and had an externally facilitated session on holding to account taking into account the well led principles.

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 2016/17.

## Elections

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 and 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.

- The public seat for the Purbeck, East Dorset and Christchurch constituency closed on 8 April 2015 and Subrata Sen was elected.
- The public seat for the North and West Dorset, Weymouth and Portland and rest of England constituency was unsuccessful.

A notice of election was published in August 2015 for six public seats and two clinical staff seats, all to commence a three year term of office. The six public seats resulted in the following results:

- The public seat for the Bournemouth constituency was uncontested with Brian Newman remaining in post.
- The public seat for the North and West Dorset, Weymouth and Portland and rest of England constituency was uncontested with James Myles taking the seat.
- The public seats for the Poole constituency closed on 14 October 2015 and Sarah Holmes, Richard Negus and Sandra Yeoman were elected.
- The public seat for the Purbeck, East Dorset and Christchurch constituency closed on 14 October 2015 and Marilyn Osner was elected.

The two clinical staff seats were unsuccessful.

A notice of election was published in January 2016 for two clinical staff seats, both to commence a three year term of office.

- The two seats were uncontested with John Payne and Frances Rye taking the seats from 1 April 2016.

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

## Governor expenses

During the period of 2015/16 seven governors claimed expenses for mileage and related car parking charges to attend meetings or training events both locally and nationally, totalling £837 (in 2014/15: £1,330).

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

# COUNCIL OF GOVERNORS 2015/16 ATTENDANCE REGISTER AND TERMS OF OFFICE

Name	Constituency	Type of Membership	Appointment Date	Appointment Expires	Meeting Dates			
					30 April 2015	30 July 2015	15 October 2015	14 January 2015
Mrs Angela Schofield	Chairman of the Council of Governors	n/a	n/a	n/a	✓	✓	✓	✓
AVM Geoffrey Carleton	Purbeck, East Dorset and Christchurch	Elected 3 years	01.05.09 01.11.12	30.04.12 31.10.15	✓	✓	✓	
Mr Paul Chappell	Poole	Elected 3 years	28.07.14	27.07.17	✓	✓	x	x
Ms Lynn Cherrett	Clinical staff	Elected 3 years	01.11.07, 01.11.10, 01.11.13	31.10.16	✓	✓	✓	✓
Ms Colette Cherry	Bournemouth University	Appointed 3 years	11.07.13	10.09.15	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 and Christchurch	Elected 3 years	01.11.07, 01.11.10, 01.11.13	31.10.16	✓	✓	✓	✓
Mrs Sarah Holmes	Poole	Elected 3 years	01.11.15	31.10.18				✓
Mrs Barbara Hooper	Purbeck, East Dorset and Christchurch	Elected 3 years	01.05.12	30.04.15	✓			
Mr David Jones	Dorset County Council	Appointed 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	✓	✓	✓	
Mrs Sylvia Lowrey	Clinical staff	Elected 3 years	01.11.12	31.10.15	✓	x	x	
Dr Chris McCall	Dorset Clinical Commissioning Group	Appointed 3 years	01.04.13	31.07.15	✓	✓		
Mrs Isabel McLellan	North and West Dorset, Weymouth, Portland and rest of England	Elected 3 years	01.05.09, 01.05.12	30.04.15	x			
Dr Sonal Minocha	Bournemouth University	Appointed 3 years	25.09.15	24.09.18			✓	✓
Mrs Carol Morgan	Poole	Elected 3 years	26.06.14	25.06.17	x	✓	✓	✓



Name	Constituency	Type of Membership	Appointment Date	Appointment Expires	Meeting Dates			
					30 April 2015	30 July 2015	15 October 2015	14 January 2015
Mjr James Myles	North and West Dorset, Weymouth, Portland and rest of England	Elected 3 years	01.11.15	31.10.18				✓
Mr Richard Negus	Poole	Elected 3 years	01.11.15	31.10.18				✓
Mr Brian Newman	Bournemouth	Elected 3 years	01.11.09, 01.11.12, 01.11.15	31.10.15	✓	✓	✓	✓
Mrs Linda Nother	Poole	Elected 3 years	01.11.13	31.10.16	✓	✓	✓	✓
Ms Marilyn Osner	Purbeck, East Dorset and Christchurch	Elected 3 years	01.11.15	31.10.18				✓
Mr James Pride	Poole	Elected 3 years	01.11.07, 01.11.10, 01.11.13	31.10.15	✓	✓	✓	
Mrs Elizabeth Purcell	Poole	Elected 3 years	01.11.07, 01.11.10, 01.11.13	31.10.16	✓	✓	✓	✓
Mr Terence Purnell	Bournemouth	Elected 3 years	01.11.07, 01.11.10, 01.11.13	31.10.16	✓	✓	✓	✓
Dr David Richardson	Dorset Clinical Commissioning Group	Appointed 3 years	09.10.15	08.10.18			✓	✓
Dr Subrata Sen	Purbeck, East Dorset and Christchurch	Elected 3 years	01.05.15	30.04.18	✓	✓	✓	✓
Mrs Ann Stribley	Poole Borough Council	Appointed 3 years	27.06.11, 27.06.14	26.06.17	✓	✓	✓	✓
Mr Graham Whitaker	Non-Clinical Staff	Elected 3 years	01.11.13	31.10.16	✓	✓	✓	✓
Mrs Sandra Yeoman	Poole	Elected 3 years	01.11.09, 01.11.12, 01.11.15	31.10.18	✓	✓	✓	x

No. of Public Governors attending	13	12	12	12
No. of Appointed Governors attending	3	3	3	4
No. of Staff governors attending	4	3	3	2
Was the meeting quorate? Y/N	Y	Y	Y	Y

## BOARD MEMBER ATTENDANCE AT THE COUNCIL OF GOVERNORS 2015/16

	30 April 2015	30 July 2015	15 October 2015	14 January 2015
DEBBIE FLEMING Chief executive	✓	x	✓	✓
PHILIP GREEN Non-executive director	x	✓	x	x
JEAN LANG <sup>1</sup> Non-executive director	x	x	x	
IAN MARSHALL Non-executive director	x	x	x	x
CALUM MCARTHUR Non-executive director	✓	x	x	x
PAUL MILLER <sup>2</sup> Director of strategy	✓	✓	✓	x
MARK MOULD Chief operating officer	x	x	x	x
TRACEY NUTTER Director of nursing	✓	x	✓	✓
MARK ORCHARD <sup>3</sup> Director of finance		✓	✓	✓
JUDY SAUNDERS Director of HR & organisational development	x	x	x	✓
GUY SPENCER <sup>4</sup> Non-executive director	x	x	x	
ROBERT TALBOT Medical director	x	✓	✓	✓
CAROLINE TAPSTER <sup>5</sup> Non-executive director				x
DAVID WALDEN <sup>6</sup> Non-executive director				x
NICK ZIEBLAND Non-executive director	x	✓	✓	✓

<sup>1</sup> Jean Lang's tenure ended on 30 November 2015

<sup>2</sup> Paul Miller began his role as director of strategy on the 1 May 2015

<sup>3</sup> Mark Orchard began his role as director of finance on 1 May 2015

<sup>4</sup> Guy Spencer's tenure ended on 30 November 2015

<sup>5</sup> Caroline Tapster's tenure began as non-executive director on 1 December 2015

<sup>6</sup> David Walden's tenure began as non-executive director on 1 December 2015

### 3.11 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 appointed member, and one staff member. Members during 2015/16 were the trust chairman and:

- Lynn Cherrett (elected staff governor, clinical)
- Linda Nother (elected public governor, Poole)
- Ann Stribley (nominated governor, Borough of Poole)
- Sandra Yeoman (elected public governor, Poole)

Business for the committee during 2015/16:

On 30 April 2015 the committee considered:

- Annual report of the work of the Nominations, Remuneration and Evaluation Committee
- Recommendation to council on remuneration and allowances of chairman and non-executive directors
- Absent governors
- Non-executive director recruitment process.

On 30 July 2015 the committee considered:

- 2014/15 annual appraisal of chairman and non-executive directors
- Non-executive director appointment update
- Absent governor.

On 15 October 2015 the committee considered:

- Appointment of two new non-executive directors.

On 14 January 2016 the committee considered electronically:

- Governance cycle
- Agreed methodology for the chairman and non-executive directors 2015/16 performance evaluation
- Process for recruitment of a non-executive director with financial experience
- Briefing on chairman's recruitment
- Absent governors.

*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 two new non-executive directors. Advice was taken from an external recruitment agency and the posts were advertised to ensure open competition.*

During 2015/16, on the recommendation of the NREC, the council of governors approved:

- The appointment of two new non-executive directors (C Tapster and D Walden)
- The remuneration and allowances of the chairman and non-executive directors
- The outcome of the 2014/15 chairman and non-executive director appraisal.

**NOMINATIONS, REMUNERATION & EVALUATIONS COMMITTEE ATTENDANCE  
2015/16**

Name	Constituency	Meeting Dates			
		30 April 2015	30 July 2015	15 October 2015	14 January 2016*
Mrs Angela Schofield	Chairman	✓	✓	✓	✓
Mrs Lynn Cherrett	Clinical staff	✓	✓	✓	✓
Mrs Linda Nother	Poole	✓	✓	✓	✓
Cllr Ann Stribley	Borough of Poole	x	✓	x	✓
Mrs Sandra Yeoman	Poole	✓	✓	✓	✓
<i>In attendance</i>					
Mr Guy Spencer	Senior independent director	✓			
Mr Nick Ziebland	Senior independent director		✓	x	✓
Was the meeting quorate? Y/N		Y	Y	Y	Y

\*Electronically facilitated meeting

### 3.12 Foundation Trust 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 2016 the Trust had 6,508 public members. The target was to achieve a year-end total of 6,500 members.

The council's Membership Engagement and Recruitment Group has agreed a year-end target of 6,700 members for 2016/17. Governors are targeting recruitment to achieve a sign up of new members of 100 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 4,705. 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

<b>Public constituency</b>	
Poole	3411
Purbeck, East Dorset and Christchurch	971
Bournemouth	1789
North and West Dorset, Weymouth, Portland and rest of England	337
	<b>6508</b>
<b>Staff constituency</b>	
Clinical	3465
Non-clinical (including volunteers)	992
	<b>4705</b>

## 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 and venues, including:

- Local Women's institutes and townswomen guilds
- WRVS Café
- Poole libraries
- Retirement clubs
- Yacht clubs
- Rotary clubs.

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, focussed member event, 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.

The Trust took out a consultation of members of the values of the Trust which resulted in over 1,300 responses from governors, staff, stakeholders and members.

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 team.

Recruitment and engagement events during the year took place in the hospital, local libraries and events. Links have continued 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 24 September 2015. Members were invited via the membership newsletter, Foundation Talkback. The event was publicised in the local press, on our website and throughout the hospital. The event was well attended with presentations on clinical audit and the emergency department very well received.

The Trust newsletter for members, Foundation Talkback, is published three to four 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 held clinical presentations arranged to give the governors an overview of a particular service. Members will be invited to 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](mailto:members.contact@poole.nhs.uk) or via our website [www.poole.nhs.uk](http://www.poole.nhs.uk). These details are publicised in Foundation Talkback, our membership newsletter, on membership application forms and on our website.



### 3.13 Code of Governance Compliance Statement 2015/16

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](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 with 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"> <li>• Disagreement statement- page 39</li> <li>• Summary of decisions - page 41</li> <li>• Board responsibility/operating statement- page 39</li> <li>• Decision statement- page 41</li> </ul>
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- Page 51

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.	YES	Council of Governors and supporting details- page 63
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- page 50
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 43  Statement on balance, completeness and appropriateness- from page 38
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	NREC Committee- page 71  Appointments Committee – page 62
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	The chairman does not have any other significant commitments.

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	Membership section - page 72
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 40 External facilitator review - page 40
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 40
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 98 Auditor's Statement- page 166 Annual Governance Statement – page 99

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 98
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 52
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"> <li>the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</li> <li>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</li> <li>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.</li> </ul>	YES	Audit Committee- page 55
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	<p>Currently N/A</p> <p>Refer to Remuneration Committee Terms of Reference. (director of human resources and organisational development)</p>
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 37
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- page 71



**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 salaries for the Chairman and NEDs have remained the same since November 2007, with minor amendments for equality taking place for the additional roles as Vice Chairman, SID and chairmen of subcommittees 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 salaries of the Chairman and NEDs have remained the same since November 2007 with minor amendments for equality taking place for the extra roles as Vice Chairman, SID and chairmen of subcommittees and has not commissioned external professional advisers.*

## 4. REMUNERATION REPORT

### 4.1 Remuneration Committee

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. 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.

2015/16 saw changes to the executive team, which are summarised in the notes to the table on page 87.

During 2015/16, the remuneration committee met to agree the following:

- 24 June 2015: to receive and note the letter from the Secretary of State dated 2 June 2015 regarding Very Senior Managers' Pay and to consider the remuneration of Executive Directors.

The tables on page 87 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 2015/16 is outlined in the table on page 71.

*Angela Schofield, Chairman, remuneration committee*

## **4.2 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. Where a senior manager receives more than £142,500 the trust satisfies itself that this remuneration is reasonable by reference to NHS Providers benchmarking data on executive directors' remuneration. The trust does not consult with employees with regard to senior manager's remuneration policy.

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.

### **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 2015/16 were employed on a substantive (permanent) basis. (More details are available in the notes to the table on page 87)

More information on the appointment dates for senior managers can be found in the board of directors section from page 43.

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 to the accounts and details of senior employees' remuneration can be found on page 87report.

### **Expenses paid to governors and directors**

With regards to expenses paid to governors, this information is all included on page 66 of the annual report. With regards to directors' expenses, please see the salary entitlements table on p87.

### 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 69 for more details).

**Off payroll arrangements:** None

### Remuneration Committee

The remuneration committee reviews the remuneration arrangements for executive directors. 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 2015/16 can be found on page 70.

NAME OF COMMITTEE:	REMUNERATION COMMITTEE
REPORTS TO :	BOARD OF DIRECTORS
Membership (all non-executive directors as per terms of reference)	MEETING DATES
	24 June 2015
Angela Schofield, chairman	✓
Philip Green, non-executive director	✓
Jean Lang, non-executive director	x
Ian Marshall, non-executive director	✓
Calum McArthur, non-executive director	✓
Guy Spencer, non-executive director	✓
Nick Ziebland, non-executive director	✓
Debbie Fleming, chief executive *	✓
Judy Saunders, director of HR and organisational development *	✓
Was the meeting quorate? Y / N	Y

\* left the meeting for items relating to their performance and pay.

## Salary and pension entitlements of senior managers

### Poole Hospital NHS Foundation Trust - Annual Report 2015/16

#### Salary and pension entitlements of senior managers

Name and Title	2015-16				2014-15			
	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)	(bands of £5000) £000	(bands of £5000) £000	(bands of £5000) £000	(bands of £100)	(bands of £5000) £000
Mrs. Debbie Fleming- Chief Executive	170-175	-	-	170-175	170-175	-	-	170-175
Mr Mark Orchard- Director of Finance (Note 1)	115-120	-	-	115-120	-	-	-	-
Mr. Paul Miller- Director of Strategy (Note 2)	135-140	-	-	135-140	135-140	-	-	135-140
Mr. Mark Mould- Chief Operating Officer	130-135	-	-	130-135	125-130	-	-	125-130
Ms. Tracey Nutter- Director of Nursing	120-125	-	-	120-125	120-125	-	-	120-125
Mr. Robert Talbot - Medical Director (Note 3)	140-145	35-40	-	175-180	140-145	35-40	-	175-180
Mrs. Judy Saunders- Director of OD and Workforce	85-90	-	-	85-90	55-60	-	-	55-60
Mr. Peter Gill - Director of Informatics (Note 4)	45-50	-	-	45-50	45-50	-	-	45-50
Mrs. Angela Schofield - Chairman	35-40	-	-	35-40	35-40	-	-	35-40
Mrs. Jean Lang - Non-Executive Director (Note 5)	5-10	-	-	5-10	15-20	-	-	15-20
Mr. Ian Marshall - Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
Dr. Calum McArthur- Non Executive Director	15-20	-	-	15-20	5-10	-	-	5-10
Mr. Guy Spencer - Non Executive Director (Note 6)	5-10	-	-	5-10	10-15	-	-	10-15
Mr. Nick Ziebland - Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
Mr. Philip Green - Non Executive Director (Note 7)	10-15	-	-	10-15	-	-	-	-
Mrs. Caroline Tapster- Non Executive Director (Note 8)	0-5	-	-	0-5	-	-	-	-
Mr. David Walden - Non Executive Director (Note 9)	0-5	-	-	0-5	-	-	-	-

Note 1. Mr. Mark Orchard was appointed as Director of Finance on 1 May 2015.

Note 2. Mr. Paul Miller was appointed as Director of Strategy on 1 May 2015. Previous to this, Mr. Paul Miller held the post of Director of Finance from 7 April 2014.

Note 3. Other remuneration relates to clinical work undertaken during the year. The proportion of clinical work during the year was calculated at 20% (2014/15 20%).

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. Mrs. Jean Lang's tenure ended 30 November 2015.

Note 6. Mr. Guy Spencer's tenure ended 30 November 2015.

Note 7. Mr. Philip Green was appointed on 1 April 2015.

Note 8. Mrs. Caroline Tapster was appointed on 1 December 2015.

Note 9. Mr. David Walden was appointed on 1 December 2015.



Salary and Pension entitlements of senior managers

Pension Benefits

Name and title	Real increase in pension sum at age 60	Real increase in pension lump sum at age 60	Total accrued pension and related lump sum at age 60 at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2016	Cash Equivalent Transfer Value at 1 April 2015	Real Increase in Cash Equivalent Transfer Value
	(bands of £2500) £000	(bands of £2500) £000	(bands of £5000) £000	£000	£000	£000
<b>Mrs. Debbie Fleming- Chief Executive (see Note 1)</b>	n/a	n/a	n/a	n/a	n/a	n/a
<b>Mr. Mark Orchard- Director of Finance</b>	2.5-5	0-2.5	100-105	362	320	38
<b>Mr. Paul Miller- Director of Strategy (see Note 1)</b>	n/a	n/a	n/a	n/a	n/a	n/a
<b>Mr. Mark Mould- Chief Operating Officer</b>	0-2.5	n/a	155-160	662	633	21
<b>Ms. Tracey Nutter- Director of Nursing</b>	0-2.5	2.5-5	220-225	1,086	1,043	30
<b>Mr. Robert Talbot - Medical Director (see Note 1)</b>	n/a	n/a	n/a	n/a	n/a	n/a
<b>Mrs. Judy Saunders- Director of OD and workforce</b>	0-2.5	n/a	110-115	487	n/a	n/a
<b>Mr. Peter Gill - Director of Informatics (see Note 2)</b>	0-2.5	0-2.5	55-60	229	210	16

Note 1. Mrs. Debbie Fleming, Mr. Paul Miller and Mr. Robert Talbot are not members of the NHS pension scheme.

Note 2. Mr. Peter Gill is a joint appointment with RBCH and therefore only 50% of his costs have been included above.

Note 3. Mrs. Judy Saunders left the 1995 section in April 2012 and rejoined the scheme in April 2015

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 – Fair Pay Multiples

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 2015/16 was £175,000-£180,000 (2014/15 £175,000-£180,000). This was 6.8 times the median remuneration of the workforce which was £26,041 (2014/15 £26,822) (whole time equivalent). No employee received remuneration in excess of the highest paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The median pay calculation is based on:

- Payments made to staff in post on 31 March 2016
- 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 2016 to staff that 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 31<sup>st</sup> March 2016 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 £26,041 (2014/2015 £26,822).

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

Signed by:



Date: 25 May 2016

Debbie Fleming, Chief Executive

## 5. STAFF REPORT

### 5.1 NHS Staff Survey

Poole Hospital received its strongest ever endorsement as a great place to work by staff through the 2015 National NHS Staff Survey. This was carried out, for the first time, as a full census survey of all members of staff rather than by a random sample.

Findings from the survey, in which all staff were asked a series of work-related questions, placed Poole Hospital in the top (best) 20 per cent of all acute Trusts in England in a total of 15 areas. These comprised 14 Key Finding areas, featuring almost half of the 32 survey question areas, and also the score for Staff Engagement.

The 15 high performing areas included:

- Communication between staff and management
- Ability to contribute to improvements at work
- Equal opportunities for career progression
- Recommendation as a place to work or receive treatment
- Being valued and recognised
- Support from managers
- Recognition and value of staff by managers
- Satisfaction with responsibility level and involvement
- Effective team working
- Quality of non-mandatory training, learning or development
- Provision of equal opportunity

In 2014, the Trust appeared in the top 20 per cent of Trusts in just three areas.

This marked improvement reflects a range of efforts from staff in leadership roles throughout the hospital.

A lot of work has been undertaken by senior staff and teams to actively listen and respond to staff views given in the 2014 National NHS Staff Survey, with each area having devised their own local action plan to improve the experience of their staff.

Changes made as a result of this work include the introduction of a new leadership development programme, a greater emphasis on staff engagement, more frequent team meetings, improving support and training to staff who reported experiencing harassment or violence, departments developing new ways to communicate with their staff, and questionnaires that give staff a chance to air their views on a regular basis.

This year's results also highlighted a number of areas that could be improved, including staff working extra hours and witnessing potentially harmful errors.

Although the Trust's performance this year is excellent, we will continue to work hard to continue to improve our performance in those areas that have been identified in the report as less satisfactory.

Details of the key findings from the 2015 National NHS Staff Survey are outlined in the tables below. These include comparisons between the Trust's results for the previous year together with the national average for acute Trusts in England.

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.

## National NHS Staff Survey 2015 findings

	2014	2014	2015	2015	
	Trust	National average	Trust	National average	Trust improvement or deterioration
Response rate (compared to national average for acute Trusts)					
Response rate	56%	43%	41%	42%	Deterioration. It is noted that the survey method changed to ensure more staff could participate and give their views; leading to richer data.

Top five ranking scores in 2015 survey (Key Findings in brackets)	2014 Trust	2014 National average	2015 Trust	2015 National Average	Trust improvement or deterioration
Percentage of staff experiencing physical violence from staff in last 12 months (Key Finding 23)	4%	3%	1%	2%	Improvement
Percentage of staff able to contribute towards improvements at work (Key Finding 7)	76%	68%	76%	69%	No change
Staff satisfaction with level of responsibility and involvement (Key Finding 8)	3.92	No direct comparator Key Finding	4.00	3.91	Improvement
Staff recommendation of the organisation as a place to work or receive treatment (Key Finding 1)	3.78	3.67	3.93	3.76	Improvement
Quality of non-mandatory training, learning or development (Key Finding 13)	New question	No direct comparator Key Finding	4.09	4.03	New question

Bottom five ranking scores in 2015 survey (Key Findings in brackets)	2014 Trust	2014 National average	2015 Trust	2015 National Average	Trust improvement or deterioration
Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month (Key Finding 28)	41%	34%	34%	31%	Improvement
Staff satisfaction with the quality of work and patient care they are able to deliver (Key Finding 2)	79%	77%	3.86	3.93	No comparison available due to change from staff percentage in 2014 to staff score in 2015
Percentage of staff working extra hours (Key Finding 16)	71%	71%	74%	72%	Deterioration
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months (Key Finding 22)	19%	14%	15%	14%	Improvement
Percentage of staff agreeing that their role makes a difference to patients (Key Finding 3)	91%	91%	90%	90%	Deterioration by 1% (Remaining in line with national average)

## Future Priorities and Targets:

### Measuring progress

In total 1409 staff took part in 2015 compared to 454 in 2014. This richer information gives an enhanced understanding of staff views at department level and enables accurate and specific action planning to support positive change. This will be supported by an increase in activity to take into account staff views across the organisation.

The Trust's organisation wide 'high level' priority areas, based on key areas of concern, will ensure appropriate targets can be set and actions agreed to secure improvement. Using best practice action plans, and including the involvement of the Staff Partnership Forum, enables progression of key actions which are subject to scrutiny. Actions arising from views given in the 2015 survey will continue to be 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 HR.

The increase in survey participation and resulting staff views and actions available will continue to be communicated to staff throughout the year. In this way members of staff are assured that they are listened to and that their views matter and result 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.

### Whistleblowing and counterfraud

Following the publication of "Freedom to Speak Up – A Review of Whistleblowing in the NHS" undertaken by Sir Robert Francis to provide independent advice and recommendations on creating a more open and honest report culture in the NHS, the trust's current Whistleblowing Procedure was reviewed to ensure the recommendations of this report were included in the policy. The opportunity was taken to rename the Whistleblowing Procedure to "Raising Concerns" and the role of the Freedom to Speak up Guardian included. The principles of the policy are to provide an effective and confidential process to enable staff and others to challenge practices or behaviours if they believe others are acting in an unlawful and/or unethical way. In addition, the Trust has an approved counter fraud policy and a local counter fraud specialist.

## 5.2 NHS Staff Friends and Family Test

The Staff Friends and Family Test encourages staff and volunteers to give their views, enabling informed and empowered staff to celebrate and build on what is working well in their services and also quickly address areas in need of attention.

Three times a year Trust staff and volunteers are asked the questions: 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they need care and treatment?' and 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?'

During this year the Trust changed the method of delivering the Staff Friends and Family Test from enabling staff and volunteers to take part in the survey once per year to all staff and volunteers having an opportunity to participate three times a year, via a live web link.

The Trust continues to demonstrate excellent results which are consistently higher than the national average.

<b>Question 1</b> <b>How likely are you to recommend the Trust to friends and family if they needed care or treatment?</b>	Trust Quarter 1	National Quarter 1	Trust Quarter 2	National Quarter 2	Quarter 3 – staff survey	Trust Quarter 4	National Quarter 4
Positive Score	92	79	88	79		Not yet known	Not yet known
Negative Score	3	7	5	7			
<b>Question 2</b> <b>How likely are you to recommend the Trust to friends and family as a place to work?</b>	Trust Quarter 1	National Quarter 1	Trust Quarter 2	National Quarter 2		Trust Quarter 4	
Positive Score	72	63	69	62			
Negative Score	12	18	14	19			

Results are made public through NHS England. In addition, comments made by staff when completing are available to the Trust.

Staff comments made in the Friends and Family Test include:

#### **Question 1 - How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they needed treatment?**

‘Commitment of staff to provide the highest level of care’  
‘Good reputation, high quality care’  
‘Staff go out of their way to help patients’  
‘Have been a patient and had excellent care’  
‘It is a friendly place that does its best to get it right’

#### **Question 2 - ‘How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?’**

‘I feel supported by the Trust as an employee’  
Very supportive managers and happy environment’  
Staff are hard-working and friendly  
‘I enjoy working as part of a great team’  
‘I work here as a healthcare assistant...staff are really supportive to new staff members’

### **5.3 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, supported by the Trust’s implementation of the NHS Equality Delivery System.

The Trust’s positive approach to equality is supported by the principles of our Trust values and is featured within the Poole Approach. This supports the delivery of inclusive care to patients.

All staff receive training on equality with a focus on both implementing best equality practice in service delivery and in all areas of employment.

The Trust has an active Equality and Diversity Group. Led by an executive director, this group works to progress equality and provide assurances of best practice.

The Trust has welcomed the Workforce Race Equality Standard, which was introduced in April 2015 and is included within the NHS Standard Operating contract. The Workforce Race Equality Standard enables the Trust to look at staff experience across nine workforce indicators to identify the experience of employees from black and minority ethnic (BME)

backgrounds and compare this with that of white staff. The first WRES report, published on the Trust website in July, indicated that staff experience is broadly similar in most areas. Areas of difference have been acted upon and will be compared to findings when the second report is published in July 2016.

The regulators, the Care Quality Commission (CQC), National Trust Development Agency (NTDA) and Monitor use both the Equality Delivery System and the Workforce Race Equality System 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.

### **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.

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.

### **5.4 Occupational Health and Employee Assistance Provider (EAP)**

The Trust's occupational health provision in 2015/16 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 and OD Committee to ensure requirements are consistently met and any concerns are robustly addressed.

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.

There was a reduction in the take up of the flu vaccination in 2015/16 on the previous year despite the concerted efforts of the communications team, HR and the occupational health nurses. Early preparation for a more innovative campaign for 2016/17 is being planned.

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. New online and app services support the aim for wider access to the EAP and staff can now access the enhanced website on health, work and home issues.

## 5.5 Breakdown of Staff and Directors by Gender

As of 31 March 2016 Poole Hospital NHS Foundation Trust had:

- 5 female directors (including executive and non-executive directors and the chairman) and 8 male directors
- 121 female senior managers (band 8 and above) and 58 male senior managers
- 2526 female staff (substantive posts) and 799 male staff

## 5.6 Staff Sickness

The year-end turn out for sickness absence was 3.63% against a target of 3.50%. Seasonal conditions accounted for the greatest number of episodes of sickness absence in the period with colds/coughs/influenza exceeding any other single cause at 30.82% of all episodes, with gastrointestinal problems being second highest.

The average sickness rate for the regional benchmark group stands at 3.67%. Poole's rate for the 12 month reference period was at 3.75%, 0.08% above the benchmark average.

In a wider benchmark exercise Poole's performance against sickness absence places the Trust at the 25th percentile, (24th percentile in January), amongst all direct healthcare providers in England and Wales (i.e. excluding CCGs etc.), with an average rate for the total group of 4.30% and 4.09% for acute Trusts. A local benchmark for Dorset shows a rate of 3.94%

### **Staff sickness rates during 2015/16**

Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
4.04%	3.78%	3.50%	3.33%	3.44%	3.36%	3.62%	3.53%	3.86%	3.91%	3.93%	3.32%



## **6. THE DISCLOSURES SET OUT IN THE NHS FOUNDATION TRUST CODE OF GOVERNANCE**

### **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	51.2	46.0

## **7. REGULATORY RATINGS**

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

The aim of the assessment is to identify

- significant risk to the financial sustainability of a provider of key NHS services that endangers the continuity of those services and/or
- poor governance at an NHS foundation trust, including poor financial governance and inefficiency

NHS Foundation Trusts are assigned a financial sustainability risk rating calculated using a capital service metric, liquidity metric, income and expenditure margin metric and variance from plan metric. There are four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk.

A Foundation Trust's governance rating is determined using information from a range of sources including national outcome and access measures, outcomes of Care Quality Commission (CQC) inspections and aspects relating to financial governance and delivering value for money. There are three categories to the governance rating ranging from green, where no concerns exist, to red, when there are concerns and enforcement action is in place.

In June 2015, a number of changes were made to the risk assessment framework to reflect the challenging financial context in which foundation trusts are operating and to strengthen the regulatory regime to support improvements in financial efficiency across the sector. The changes include:

- monitoring in-year financial performance and the accuracy of planning
- combining these two measures with the previously used continuity of services risk rating to produce a new four-level financial sustainability risk rating
- introducing a value for money governance trigger

The risk ratings for the year-to-date at each quarter end during 2015/16 are as follows:

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>
Financial Sustainability	3	2	2	
Governance	Green	Green	Green	

## 8. STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

### **Statement of the Chief Executive's responsibilities as the accounting officer of Poole Hospital NHS Foundation Trust**

The NHS Act 2006 states that the chief executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the *NHS Foundation Trust Accounting Officer Memorandum* issued by Monitor.

Under the NHS Act 2006, Monitor has directed 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
- 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 records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable her to ensure that the accounts comply with the requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signed by:



Date: 25 May 2016

Debbie Fleming, Chief Executive

## 9. ANNUAL GOVERNANCE STATEMENT 2015-2016

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Poole Hospital 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 2016 and up to the date of approval of the annual report and accounts.

### Capacity to handle risk

The management of risk is led by the Board of Directors (BoD) overseen by the key board assurance committee; Quality, Safety and Performance Committee which is chaired by a Non- Executive Director. The Trust's aim is to promote a risk awareness culture in which all risks are identified, assessed, understood and proactively managed. This promotes a way of working that ensures risk management is embedded in the culture of the organisation and remains 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 Trust is signed up to the national 'Sign up to Safety' campaign and progress against the key 'sign up to Safety' topics is monitored and reported up through the organisation from the Sign up to Safety steering group, chaired by the Director of Nursing up to the BoD and HEG. The Trust held its first annual 'safety summit' in October 2015 marking the anniversary of joining the campaign.

Full details on the Trust as a going concern is addressed on page 23 in the performance report.

The success of any risk management plan is dependent on the defined and demonstrated support and leadership provided by the board as a whole. The BoD has endorsed the Trusts risk management strategy in order to support the delivery of the Trust's strategic objectives through ensuring a robust risk management infrastructure is in place. This robust framework includes continued development of the Board Assurance Framework (BAF) closely aligned with the Trusts risk register.

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, monitored and developed. The Audit and Governance Committee receives regular reports with regard to the risk register process including; All new significant risks added to the risk register each month, annual risk register report with a 6 month update mid-year, draft annual governance statement, the BAF process for scrutiny, and Internal and external audit reports and audit view.

Risks are assessed using the standard NPSA (National Patient Safety Agency) risk assessment tool/rating matrix which maps the likelihood of the risk occurring against the impact/consequence of its occurrence, 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 BoD recognises 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 this includes; incident reporting, risk assessment and health and safety. Additional risk related training is available for staff as appropriate to their role. This includes; risk awareness for all staff at induction through to regular BoD seminars and separate board development sessions covering key risk and safety topics. The board seminars are held throughout the year to support the executive and non-executive directors in their roles and have included; How the board receives assurance through the board assurance framework, Governance mapping with a focus on the quality, safety and risk management reporting processes from 'ward to board' and NICE guidelines and clinical audit.

The risk management process is led by a nominated Director - the Director of Nursing, supported by Executive Directors, Clinical Directors, General Managers, Matrons, Department Leads, an Assistant Director of Nursing- Governance who heads a small team of risk managers and a newly appointed Assistant Director of Nursing for Patient Safety (April 2015) who leads on the Sign up to Safety campaign and the serious incident process.

Learning following a serious incident or complaint is extremely important to the Trust in ensuring that we constantly strive to improve the quality and safety of 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 and review of significant complaints at senior Trust meetings. The introduction of serious incident learning panel reviews have been developed and shared with staff. The Trust has improved the incident reporting process during the year with the introduction of a web based incident reporting system, replacing the previous paper system, ensuring a more timely response and action to incidents.

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.

### **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 and monitoring
- Risk Registers
- Board Assurance Framework – (BAF)
- Risk Management Education and Training
- Monthly and quarterly performance review process
- Review of Effectiveness
- Risk management annual plan
- Sign up to Safety Campaign, project , monitoring and reporting

The key ways in which risk management has been embedded in the activity of the Trust are:-  
Trust wide adverse incident reporting procedure applicable to all staff.

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 Clinical Care Groups and Corporate Directorates where a wide range of risk issues are discussed and monthly incidents reviewed including the identification of Trust-wide trends and analysis. The Risk Management and Safety Group reports into the Quality, Safety and Performance Committee and HEG with escalation up to the Board as required using the SBAR escalation process. (Situation, Background, Assessment and Recommendation)

Specialist area 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 risks on the Trusts risk register and review these on a regular basis (monthly for significant risks and 3 monthly for moderate risks).

Any risks that cannot be managed at a local level and have the potential to affect the whole of the Trust, and/or have a risk rating of 12 and above are considered for inclusion in the Trust strategic/corporate level risk register and are automatically included in the BAF.

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 significant risks rated 12 and above 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 Group meetings.
- Recommendations from Serious Incidents are monitored by the Board of Directors and the Quality, Safety and Performance Committee.
- Hospital Executive Group (HEG)
- 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.
- Sign up to safety campaign steering group, chaired by the Director of Nursing, reporting into the Risk Management and Safety Group and Quality Safety and Performance Committee and included in the Trusts annual quality account.
- Infection Control Group – of note there have been no hospital attributable cases of MRSA for 2 years.
- Datix web (incident reporting system) project implementation steering group. (Renamed the Datix web user group Feb 2016)
- High level risk register review group chaired by the Director of Nursing
- 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 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 are 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 2015-2016 there were 4 cases of serious data losses recorded, these were reported to the Information Commissioner's Office (ICO) through the HSCIC reporting tool and treated as a serious untoward incident. In each case following appropriate actions taken by the Trust there was no requirement placed upon the Trust to take any further action, as a result of this each case was closed. Additional details can be found from page 32.

The Board assurance Framework (BAF) is an integral part of the Trusts Risk Management Strategy. The Trust BAF provides the Board with significant assurance throughout the year that the key strategic risks are being managed effectively.

The BoD 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 BoD 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 and Organisational Development Committee (workforce risks).

The Trust identified 5 strategic objectives and associated risks at the start of the year which formed the basis of the BAF. The list of risks that these are what the Trust considers to be the principal risks in compliance with the FT licence. The key risks for 2015-2016 were around;

- The delivery of safe, responsive, compassionate high quality care
- To attract, inspire and develop staff
- Working with partners to develop new models of care and reconfigure services so that clinically and financially sustainable arrangements are in place across Dorset
- Ensuring all resources are used efficiently, effectively and economically to deliver key operational standards and targets
- Be a well governed and well managed organisation that operates collaboratively with local partners.

A number of gaps in risk control and assurance were identified at the beginning of the year within the BAF these totalled 5 key gaps in control and 6 gaps in the associated assurance. 3 gaps in control and a number risks relating to the 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.

The Trust has met the majority of the national targets for the first 3 quarters of 2015-16 including Cancer standards, and RTT at aggregate level, despite seeing a 20% rise in demand compared with the same period to date last year, and some constraints in capacity which also made the 62 day cancer target challenging.

The Trust has sustained the reduction in MRSA which is commendable.

The Trust has met the stroke target for every month from April to January.

The Trust last achieved the four hour organisational standard in September 2015. The number and acuity of patients has contributed to the fragility of performance against this national standard, as well as hospital bed capacity during the final two quarters of the financial year. NHS Improvement requires the external auditor to undertake detailed testing against this indicator on a sample basis. The results of this work identified data quality issues in relation to five of the thirty-two cases sampled, which resulted in an additional three breaches being recorded. The external auditor provided a qualified limited assurance opinion on the indicator as they were unable to conclude as to whether there were no similar errors in the remaining population. The corrections made did not affect overall reported performance against the standard.

Recognising that further improvements are required a number of actions have been agreed in order to strengthen data quality in this area going forward. In the area of A&E data quality further work is being progressed to embed standard systems, processes, policies and training across the emergency department and to ensure data is seamlessly reported, including;

- a review with the IT supplier of the A&E system whether there is an ability to have a restriction/alert that prevents the ability to have a discharge time prior to admission time
- the development of a suite of data quality reports that enable the team to undertake a regular data quality check
- the development of a standing operating procedure for data validation of the 4 hour standard and full training against the procedure for all those staff who undertake the role
- awareness sessions for staff who input data in the emergency department to be put in place for existing staff and a 'slot' in local induction for new starters.

There continues to be challenges meeting the 15 'key diagnostic tests' which are currently above 1%. Delayed transfers of care are running above the expected target and this is adversely affecting patient flow, and length of stay.



The Cytology Screening standard achievement (Wessex std 98% in 10 days) has been retrieved and sustained consistently since Jan 2015 which is to be commended.

### **Information Governance Toolkit Progress Report**

The IG Toolkit is a mandatory performance tool consisting of 45 separate criteria covering various areas, including IT, clinical coding, clinical audit, medical records, human resources, and commercial services. The Trust must submit evidence against each criteria, which demonstrates compliance at either: Level 0 (insufficient), Level 1 (limited), Level 2 (sufficient), or Level 3 (exceptional). The Trust must achieve a minimum of Level 2 in all 45 criteria in order to achieve a 'satisfactory' rating. The IG Toolkit also gives a percentage score based on the levels achieved within each criteria across the assessment.

The IG Toolkit evidence is coordinated from various departments by the IG Team, and there are three submissions which must be made each year: July is the baseline, October is the performance update, and March is the final assessment which gives the Trust's ultimate rating for that financial year. The Trust's IG Toolkit evidence is reviewed by an independent auditor, who is commissioned by the Trust to provide assurance of accurate information within these self-assessments. The Trust's final IG Toolkit submission for 2015/16 was 84% 'satisfactory', and this was validated by internal audit.

### **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 Care Groups and Corporate Directorates.

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 and the Workforce and Organisational Development Committee is also chaired by a non-executive director. 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 ensure that scarce resources are used in the most effective manner. As part of this process, the Trust is fully engaged with the productivity and efficiency workstreams arising from the Carter report.

A benefits realisation process is in place to review all investment decisions to ensure that resources are utilised effectively for the intended purpose. All investment decisions are reviewed on a monthly basis prior to approval to ensure value for money.

### **Information Governance**

During the period 2015-2016 there were four cases of serious data losses recorded, these was reported to the Information Commissioner's Office (ICO) through the HSCIC reporting tool and treated as a serious untoward incident. In each case it was seen that the Trust had taken appropriate action therefore there was no requirement placed upon the Trust to take



any further action, as a result of this each case was closed, but additional information is provided below.

Reference IGI/3938 - Summary of Incident

Set of patient medical notes were found left in back pocket of patient wheel chair within central dome area of the Trust.

A thorough investigation was conducted and it became apparent that correct procedure had not been followed, as a Porter should always be used when transferring a patient with notes in a wheelchair. Having spoken with staff we were unable to identify the individual who transported the patient.

The matter has been raised within team meetings for staff to take additional care and to follow correct procedures. Appropriate senior managers have also been made aware. It is normal practice for the files not to be placed within the back pockets of the chair; these are held on patients lap to prevent such errors occurring.

Reference IGI/3939 - Summary of Incident

Patient Ward handover sheet found by a staff member, by a computer in a public area within stroke unit.

The sheet contained a minimum amount of information relating to 12 patients.

Having liaised with a senior consultant we have been unable to identify who the sheet belonged to. This has been raised within consultant's team meetings, and was also raised by the medical director. This is highlighted within IG training sessions as a high-risk area and appropriate precautions should be taken.

The Trust is currently investigating an electronic solution which would limit the need to print these documents, and therefore reduce the risk.

Reference IGI/3940 - Summary of Incident

Patient was discharged home with incorrect patient stroke care file, containing demographic information, a photograph of another patient; it also included some care guidance.

A thorough investigation has been undertaken; both patients had been written to with an explanation of the error and with apologies. Internal procedures reviewed, and additional actions to be implemented, such as additional staff training and clearer marking on the external cover of file. Appropriate senior managers have been made aware.

This highlighted the need to check and ensure that the correct information in folders leave the Trust with the correct patients.

Reference IGI/3941 - Summary of Incident

Sheet which contained 15 patient names, hospital number, ward and a very small amount of non-sensitive medical information, was found in corridor by staff member this was passed through to senior consultant and securely destroyed.

Having liaised with the senior consultant we have been unable to identify who this belonged to. This has been raised within consultant's team meetings, and also raised by the medical director. This is highlighted within IG training sessions as a high-risk area.

The Trust is currently investigating an electronic solution which would limit the need to print these documents, and therefore reduce the risk.

## 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. The Trusts governance structure has been updated during the year and the board of directors has undertaken a review of their effectiveness during March 2016.

## 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 committee, risk/clinical governance/ quality, safety and performance committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

## 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 by:



Date: 25 May 2016  
Debbie Fleming, Chief Executive

## SECTION C: QUALITY REPORT



## **QUALITY REPORT**

### **Chief Executive's Statement**

Poole Hospital remains fully committed and passionate about maintaining, developing and improving the quality of patient care. Our core values- 'The Poole Approach' – friendly, professional, person centred care with dignity and respect for all, remains a central philosophy. During these significant times of change it was felt right that we should re-engage and reflect on these core values, which underpin the unique care and experience our patients receive. Subsequently during the summer of 2015 a consultation exercise was undertaken to revisit our core values.

The result of this refresh confirmed the Trust remains strongly committed to the values within the Poole Approach and staff felt very passionate about retaining and building upon these important and unique set of values that guide them every day.

Dorset's clinical services review (CSR) has now come to life with the publication of an options paper outlining NHS Dorset Clinical Commissioning Group's (CCG's) proposals. The review is Dorset's proactive response to the challenges not just in Dorset but nationally, in providing truly patient centred care within the resources available to us. The CSR represents an unprecedented opportunity to work together with our partners to achieve this.

Alongside this work the Trust 'Vanguard' application submitted jointly with Dorset County and Royal Bournemouth Hospitals was one of 13 nationally to be successful. This will provide us with financial and practical support to better integrate services across our hospitals. The vanguard programme will directly support the delivery of the Dorset CSR.

Safety is really at the forefront of a campaign that we joined in late 2014. The 'Sign up to Safety' programme targets avoidable patient safety incidents, and in common with other NHS trusts, we have identified priority areas to reduce harm by half by the end of 2017. This is indeed an ambitious aim, but it is one that we are committed to achieving, knowing what a difference this will make in improving patient care.

I am pleased to note that we retained our band 6 rating from the Care Quality Commission (CQC), from July 2014 up to May 2015 (when the CQC intelligence monitoring bandings ceased), placing us in the lowest risk category of trusts. This achievement reflects the very hard work of our staff in routinely putting our patients first.

Poole Hospital was the recipient of two incredible donations from patients; the £3.5 million Da Vinci surgical robot system is state-of-the-art equipment that has been gifted to us in recognition of the care this patient received here at Poole. Another generous donation around £3.5 million to fund new diagnostic and treatment facilities for cancer patients has also been received. This donation will enable the development of services both at Poole and at Dorset County Hospital, where the Poole Cancer Centre will be setting up a satellite radiotherapy unit to bring cancer treatment close to patient's homes.

The Trust continues to perform well and for the first two successive quarters we met the four hour emergency department standard. This means that more than 95% of patient's, coming to the department, were admitted or discharges within four hours. However the trust was unable to sustain this standard for quarters 3 and 4 due to unprecedented demand on the trust services. This increase in demand on Emergency departments has been found across the NHS.

Unfortunately, the huge increase in patients referred to our cancer services has created significant pressures within the trust- to the extent that we were only able to meet the target to treat 85% of patients within 62 days in 3 out of the 4 quarters within the year. However in quarter 4 we achieved 87.9% against a national figure of 81.9%.

Throughout the year patients have the ongoing opportunity to comment on the trust services through the “Friends and Family test” with over 93% of patients recommending the Hospital to friends and family. Staff also have the opportunity to comment on the hospital as a place they would recommend to their friends and family with 91% would recommend the trust to friends and family if they needed care or treatment.

In January 2016 the Trust welcomed the inspectors from the CQC we were amongst the last group of hospitals in the country to be assessed by the CQC as part of their national work programme. The inspection results were received in late May 2016. The CQC inspectors complimented the trust on the very evident ‘Poole Approach’ and to the visible high level of quality of care given to our patients. However, the CQC has rightly highlighted areas in which we must take further action, and many of these actions are well underway. Full details on the CQC report is covered on page 34 in the performance report .

I am pleased to report that Poole Hospital received its strongest ever endorsement as a great place to work by staff, as shown in the national NHS Staff Survey, published in February 2016

Findings from the survey, in which all staff were asked a series of work-related questions, placed Poole Hospital in the top 20 per cent of all Trusts nationally in almost half of the 32 question areas.

In 2014, the Trust appeared in the top 20 per cent of Trusts in just three areas.

This marked improvement reflects a range of efforts from staff in leadership roles throughout the hospital.

This is the first time that we have surveyed all our staff rather than just a sample, and we are absolutely delighted with what you have said about the Trust in this year’s survey.

The report also highlighted a number of areas that could be improved, including staff working extra hours and witnessing potentially harmful errors.

Our performance this year remains at a high level, but we are not complacent, and we will work hard to continue to improve our performance in those areas that have been identified in the report as less satisfactory.

There are many areas that we as a trust are extremely proud of; among those are our partnerships with NHS and Social care partners including the development of radiotherapy services at Dorset County Hospital, Our award-winning teams such as the alcohol treatment service, trust data analyst and Midwifery services, Our Medical investigation unit and Rapid Access Consultant Evaluation (RACE) unit.

The trust continues to live with uncertainty and still faces an uncertain financial future. Throughout these challenging times, our staff remain focussed on the provision of safe, high quality patient care and we remain committed to Quality and Safety for all our patients.

Despite our size, we provide a number of high performing, nationally regarded services. Our staff continue to demonstrate a real commitment to our core values, we are open and honest, and are working to address areas in need of development.

We build trust and confidence by doing what we say we will do and are pleased to be working closely with our partners to establish sustainable services for the future.

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



**DEBBIE FLEMING**  
Chief Executive

## **1. QUALITY OVERVIEW**

Poole Hospital continues to be firmly committed to providing the very best of care and treatment to our patients. This is reflected in the trust's vision- The Poole Approach – Friendly, professional, person centred care with dignity and respect for all. During 2015-16 the trust undertook a consultation exercise with staff, patients and the public to refresh the Poole Approach which has been embedded in the trust for nearly 20 years.

The result of this refresh confirmed the trust is strongly committed to the values within the Poole Approach and staff felt very passionate about retaining and building upon these important and unique set of values that guide staff every day. The Poole Approach refresh has been translated into 5 key themes: Compassionate, Open, Respectful, Accountable and Safe and supports the quality standards for patient services set out in the NHS Constitution and the Care Quality Commission fundamental standards for all trusts.

Throughout this report it is hoped that we can demonstrate our ongoing commitment to these values through our achievements during the past year and in particular in ensuring that we continue to provide;

- Safe, responsive, compassionate and high quality care
- Clinical Excellence as standard
- Award winning models of care
- Nationally recognised nursing standards
- Highly respected cancer centre
- World class keyhole surgery
- Improvements and innovations
- Innovative day care services
- Pioneering clinical research

### **1.1 OUR APPROACH TO QUALITY PLANNING**

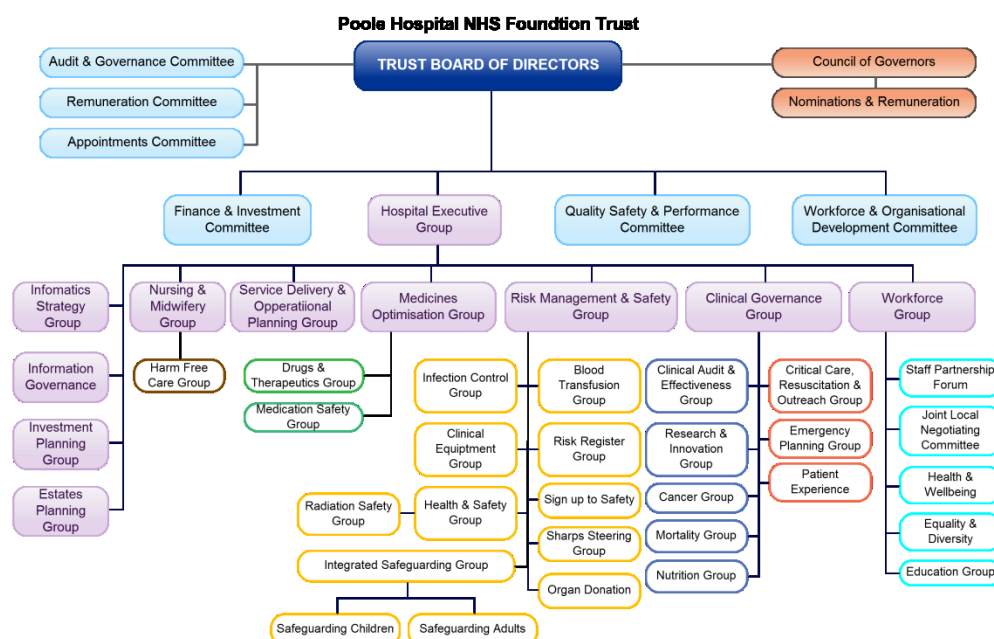
Poole Hospital introduced a new quality strategy in 2014, led by the Director of Nursing, which describes the quality governance arrangements in place to underpin the provision of high quality care to all our patients and puts high quality, safe, patient centred care at the heart of everything we do.

This quality strategy also supports the achievement each year of the trust's key objectives and quality improvements as set out in the organisation's operational plan and the quality account. Our quality goals are refreshed each year in conjunction with our key local health partners, Health Watch, Poole and Bournemouth Councils and the trust Governors who all actively contribute throughout the year to the monitoring and development of the quality improvement goals outlined in this quality account.

During 2015-2016 the quality strategy was revised. As part of this process the governance arrangements for the trust were updated, which included a map clearly describing the reporting arrangements to the Board of Directors. See table below;



Table 1; Revised Governance arrangements 2015.



A number of the quality standards are reflected in the contract we have with our key commissioner the Dorset Clinical Commissioning Group. These standards are monitored on a monthly basis via a scorecard report and quarterly through a more detailed narrative report. The trust has a positive and open relationship with our commissioners and the excellent communication channels in place assist the trust in ensuring we continue to provide high quality and appropriate care to the residents of Dorset.

## 1.2 OUR APPROACH TO QUALITY IMPROVEMENT

Our quality progress and achievements are monitored via the Trust's Quality, Safety and Performance board sub-committee, chaired by a Non-Executive Director which meets alternate months. Each of the clinical care groups within the trust produce a quality report every quarter that supports the achievement of our quality strategy.

These reports are created using a set template and cover a wide range of risk and safety topics such as; untoward incidents, infection control, clinical audit and research activity, patient experience, Friends and Family test, and quality improvements and innovations. Additional monitoring is achieved via directorate scorecards which are reviewed at monthly performance meetings with a number of Executive Directors. Any significant risk or safety issues are escalated to the relevant board sub committees and up to the Board of Directors as appropriate.

The quarterly quality reports importantly also include innovations and key achievements to ensure we celebrate our successes alongside managing any risk and safety challenges throughout the year.

These important quality reports form the key assurance that patients are receiving good quality care across the trust and are supported by relevant outcome measures and quality indicators. Where shortfalls are identified actions are documented and progress monitored closely through the risk and governance processes described earlier.

During each year we engage with our external scrutiny bodies, Health watch and our Trust Governors who all contribute to the quality monitoring process and identification of quality improvement goals.

These quality improvement goals are actively monitored throughout the year and the Trust has reviewed the quality improvement topics identified for the year 2015-2016. More details can be found further on in this report. Suggested topics to be carried forward and possible new quality improvement topics for 2016-2017 have been identified in conjunction with our local health partners, these include;

- Pressure ulcers and falls
- Handover at discharge including patient and carer involvement
- The deterioration of patient's condition including Sepsis and Acute Kidney Injury
- Medication errors
- Nursing patient assessment (including learning disabilities)
- Care of the dying pathways and nursing patient assessment tools.

A number of key risks have been identified on the trust's risk register and the actions required in resolving these risks will be supported by the improvement topics above. These risks include;

- Delayed discharges and transfers of care
- Medical staffing levels in the Emergency department
- Outdated information technology

Detailed plans are in place to address these risks and all appear on the trust's board assurance framework which is monitored by the board sub-committees.

The findings of the CQC in their published report will be considered alongside the quality improvements outlined above within the year.

During 2015 the Trust made a new appointment of an additional Assistant Director of Nursing for Patient Safety whose role is to strengthen the Trust's Governance around safety. As part of this enhanced drive to continually improve patient safety the trust signed up to the national 'Sign up to Safety' campaign at the end of 2014. Progress on the improvement topics signed up to is managed by the Sign up to Safety group which is chaired by the Director of Nursing. A number of 'Sign up to Safety' topics were identified for 2015-2017 and these include;

- Patient Engagement
- Learning from Experience
- Leadership and the Competent Safety Community
- The deteriorating Patient - Sepsis and Acute Kidney Injury
- Handover and Discharge.
- Right patient, right place, right time.

The Trust is fully committed to complying with the national guidance with regard to the 'Duty of Candour'. The Trust has a policy which links the duty of candour with the principles of 'being open' to provide a continuum of dialogue with patients and families in support of an open, honest and transparent culture. A new patient information leaflet 'Patient Safety Incidents' has been produced to support the process. During the course of the year staff have had access to a number of training and development events where the 'duty of candour' has been discussed. The Trust is now in the process of reviewing the policy and staff guidance following reflection of the implementation to date, including feedback from patients and carers.

The Trust does not rely solely on its own monitoring processes to confirm progress against these significant improvement challenges. A number of internal and external audits are commissioned each year to provide external assurance and recommendations against our quality improvement plans. The trust also participates in a considerable number of national clinical audits and has an active clinical research programme.



## **2. QUALITY IMPROVEMENTS 2015-2016**

The detail of our progress on our quality improvements in 2015-16 is set out below:

### **2.1 Handover at discharge**

**Aim:** To continue to further develop on the work of the quality improvement topic from the previous year (2014-15).

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.

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.

#### **Actions**

- Implement the SAFER discharge flow bundle. (The term 'bundle' refers to a set of key tasks identified to enable the delivery of best practice on any given topic)
- Ensure systematic approach to providing patients with information on 'what is happening now and next' throughout their stay.
- Ensure confirmation of patients understanding of their discharge arrangements, their understanding of information and any documentation provided on discharge. Including safer discharge planning tool/discharge leaflet
- Explore options to increase patients 'home for lunch' with a clear focus on earlier discharges.

#### **Progress**

The SAFER bundle was trialled in 10 clinical areas, supported with communications in the form of posters for patients and staff.

Achievements and progress during 2015 were captured in an end of year audit (January 2016) which identified good practice and continuing improvements for 2016

A clinical team undertook an extensive root cause analysis of 5 patient journeys with extended length of stay to identify process improvements. A plan was implemented to tackle the causes of delays resulting in the creation of a system wide initiative to be undertaken in 2016 (this was taken forwards into 2016 campaign for There's No Place Like Home).

A review of Adverse Incident Reports (AIRs) relating to discharge and transfer was undertaken, demonstrating a slight decrease in reports between April and Jan 2016 compared to the same period in previous year, however this will continue to be closely monitored in line with national agenda and local initiatives.

Review and reporting mechanisms are in place with internal and external partners to ensure actions are undertaken and learning is shared to resolve issues and reduce reoccurrence.

Discharge quality standards are audited twice a year. A number of the standards show an improving picture, and a detailed action plan has been developed to further address areas for improvement.

## **2.2 Deterioration of patients**

**Aim** The Trust has the paper based Poole Early Warning System (PEWS) in place to support the early recognition of patient's whose condition deteriorates. We need to ensure that all patients' observations are recorded and any potential deterioration for the patient is recognised promptly and escalated effectively.

### **Actions**

- Implement the electronic National Early Warning System (eNEWS) 'VitalPAC' patient observation system on inpatient areas.
- Produce detailed reports on response to escalation and key performance indicators.
- Further link to sign up to safety campaign
- Identify the key measures to evidence successful implementation and reduction of harm to patients

### **Progress**

The Trust had been successfully using the paper based Poole Early Warning System (PEWS) to support the early recognition of patient's whose condition was potentially deteriorating. The aim was to ensure that all patients' observations were recorded and any potential deterioration for the patient recognised promptly and escalated effectively.

In April 2015 Poole Hospital replaced the PEWS with the National Early Warning System (NEWS) in an electronic format. This means that patients' observations are now scored on a national scoring system in an electronic format (e NEWS) on a system supplied by VitalPAC.

Staff record the patients' observations and the NEWS scores the patient either low, medium, high or critical on a graded response and staff are given actions to follow based on the score. Escalation of patients who are a 'critical risk' is through a NEWS call on the '2222' system. For 'high risk' patients ward staff contact the patient's own doctor or the Clinical Practitioner and the patients are reviewed within 30 minutes.

A full audit was undertaken three months post implementation of eNEWS and found a 99.9% compliance with the completion of patients' observations with 94% of all observations being taken within the prescribed interval. The audit however highlighted that 'High and Critical Risk' patients escalation could be improved according to the recommended graded response. An action plan has been developed to further develop compliance with the system.

Further work is planned to link with the sign up to safety campaign, patients observations being a key work stream.

The key measures to evidence successful implementation and reduction of harm to patients for 2016 / 17 will be;

### **Key measures:**

- Patients will have a full set of their observations recorded within 30 minutes of identified time. Aim: for 95% of the patients.
- Only clinically indicated patients will have observations recorded at night between 24.00 and 06.00. Aim: No more than 20% of observations to be recorded between 24.00 and 06.00.
- Visual infusion phlebitis (VIP) scores will be documented every 12 hours on the condition of the patient's cannula. Aim: for 95% of the patients to have this score clearly documented.
- Patients who are graded a critical risk through a high score, will have a NEWS call. Aim: for 100% compliance evidenced with clear documentation.

## 2.3 Medication errors

**Aim:** 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, ensuring that the trusts policies and procedures and practical application support the delivery of safe medication to patients.

### Actions

- Introduce an electronic prescribing system.
- Reduce missed doses of medicines
- Review the audit/monitoring processes currently in place.
- The medicines review group to identify key performance indicators (KPI's) and or monthly dashboard monitoring.
- New Chief Pharmacist in post March 2015

### Progress

- Electronic prescribing – project has been initiated, with 12-18 months anticipated implementation timeframe.
- A new Medicines Governance structure has been introduced, with all medicine related groups reporting into the new Medicines Optimisation Group (see table 1 page 5). The new medicines governance structure was fully implemented in December 2015.
- The Medicines Incident Review Group was renamed the Medicine Safety Group and Terms of reference reviewed in Dec 2015. Themes around medication incidents are identified at the Medicine Safety Group and escalated to the Medicines Optimisation Group.
- The Medicines governance policy was submitted to the Medicines Optimisation Group and Hospital Executive Group in January 2016 and approved.
- Medicines Optimisation (MOP) dashboard has been developed and is presented at the Medicines Optimisation Group and HEG monthly.
- A lead Pharmacist Governance/Medication Safety has been appointed
- A programme is being developed to address prescribing errors. Reports on prescribing errors and controlled drugs are presented at MOP and HEG and action plans developed.
- A Medicines Optimisation strategy and work plan is under development.
- A Review of levels of harm recorded on the trust Datix incident reporting system are presented below;

Harms - medication related	Total Oct 2015-March 2016	October 2014 - March 2015
Severe	2	0
Moderate	12	2
Low/ No harm	395	426

It should be noted in relation to the chart above that the inclusion of venous thromboembolic events are now recorded under medication errors which has resulted in a rise in moderate errors. The Datix reporting system was also changed in October 2015 from a paper based system to a web based reporting version. Data for the next annual quality account will include full year figures.

## 2.4 Sepsis

**Aim:** National audits show that clinical standards are not being achieved. Care failings seem to occur mainly in the first few hours when rapid diagnosis and simple treatment can be critical to the chances of survival. The aim is to develop and implement an effective agreed Sepsis Pathway across the Trust.

### Actions

- Coordination of activity to develop trust wide action plan.
- Implement of the electronic Vital Pac system to enhance early recognition of patients with severe sepsis.
- Link to sign up to the sign up to safety campaign
- Development and introduction of Sepsis screening and action tool
- Development and introduction of Sepsis Action Sticker
- Evidence of roll out of new tool and stickers in the Emergency Department from September 2015 and Medical Assessment Unit from Jan 2016
- Results of national audit of sepsis pathways
- Benchmark reports
- National CQUIN monitoring.
- Assessment and compliance against the new National 'Just Say Sepsis' guidelines.

### Progress

- The Trust joined the Academic Health Science Network safety collaborative in May 2015. The support from this programme was used to implement an accredited improvement model including using small scale cycles of change to drive clinical improvements.
- On September 11<sup>th</sup> a Sepsis awareness staff event was undertaken in celebration of national sepsis awareness day.
- A New simulation trainer was appointed to provide targeted education on sepsis and other aspects of the deteriorating patient. .
- An audit of new sepsis action tool and stickers in ED demonstrates increased compliance with the care bundle
- Funding has been agreed for a Sepsis and Acute Kidney Injury Nurse
- New National report entitled; Just say Sepsis! was published in November 2015. All key recommendations are currently being met in the Trust. This new national audit indicates clinical guidelines will be changing February 2016. This will govern further tool development when released.
- Participated in the sign up to safety campaign Sepsis work stream launched in May 2015.
- Review and further develop systems to capture robust data on sepsis incidence and outcomes.
- Review and further develop the existing good practice with assessment tools in Emergency Department and paediatrics across into all in-patient areas of the Trust.

## 2.5 Patient involvement and feedback

**Aim:** 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. 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.

## Actions

- Implement the Patient experience steering group
- Fully implement Friends and Family Test (FFT) in Outpatient settings.
- Ensure a systematic /consistent approach to protect the confidentiality of patient information displayed on white boards accessible to the public wherever possible, keeping patient details to the minimum and making best use of symbols and colour.
- Related NICE guidance compliance
- Increase the total number of areas introducing 'safety briefings' – patient leaflet.
- Develop actions plans from Health Watch visit/ external visit reports.
- Develop & increase the capability to collect patient feedback using SMS Text messaging & response cards (FFT), additional patient 'Suggestion boxes' around the hospital (now 76 in number) and revamp PALS (Patient Advice & Liaison Service) operations.

## Progress

- Patient experience steering group in place. More patient reps being sought. An additional patient experience working group has also been set up. Please also see section 7.3 Patient experience.
- FFT and Patient Survey results support achieving patient centred coordinated care and reduction in negative comments. See table 3 below.
- The FFT roll-out in Outpatients has been completed, taking care to identify appropriate services that have the correct throughput (Eligible Patients) and appropriate procedural adjustments in place incorporating FFT.
- Decrease in related complaints recorded.
- 7 day working stream – with patient involvement.
- Review of the serious incident policy and Duty of candour compliance completed.
- PALS activity reports;
- The management of the PALS and complaints services was amalgamated in April 2015. Complaints systems and processes have been reviewed and revised. The number of formal complaints has reduced during the year with a number of initial enquiries now being managed via the PALS process rather than being dealt with as a complaint from the outset.
- A further restructure of the Complaints/PALS team is underway ( March 2016) with the plan to introduce patient experience facilitators who will be closely aligned to Matron's in each Clinical Care Group.
- Commenced real time patient feedback with the Picker Institute 'After Francis research project' in July 2015. A 10 month study involving four areas, ED, Ansty, RACE and Stroke. Volunteers collect the data. Reports sent out weekly. Update meeting with research organiser Picker, matrons, lead clinicians and staff involved 6/10/15.
- Disability Forum (joint with Royal Bournemouth Hospital) membership made up of patient each with a disability. Training video produced by group and shown at each overseas nurse induction course, seen by Trust Board and SDOP. Physical access discussed at the September meeting. Appropriate actions to be taken where possible to improve access for disabled patients.
- Poole Borough Council to identify a patient representative to attend the monthly Patient Experience steering group on a quarterly basis.

Table 3 FFT Patient Response Analysis

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Ave
% Recommend	93%	93%	92%	94%	91%	94%	94%	94%	95%	93%	93%	93%
% Not Recommend	3%	3%	4%	3%	5%	3%	3%	2%	2%	4%	3%	3%

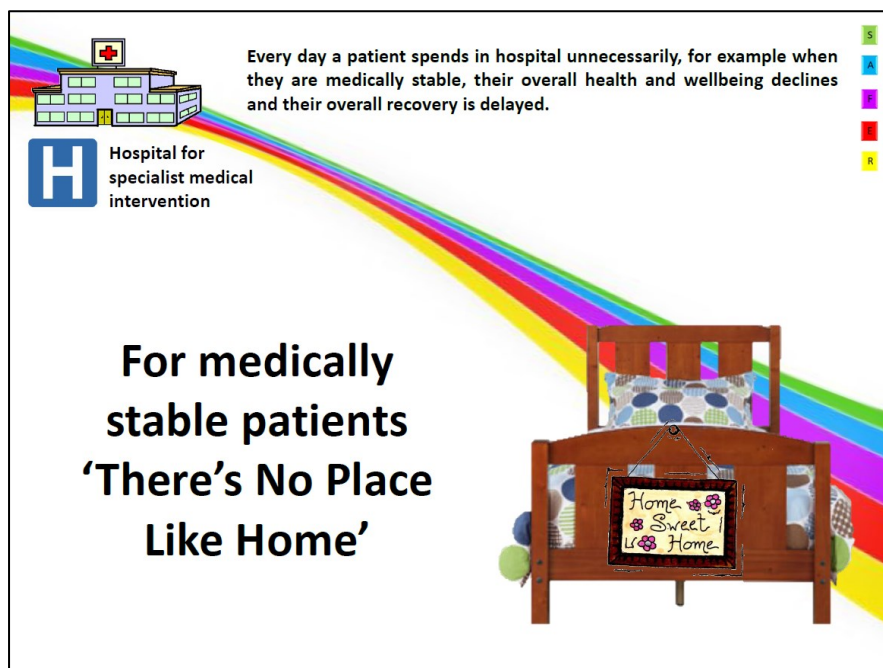
### 3. QUALITY IMPROVEMENT FOR THE COMING YEAR 2016-2017

The details of our plans for our quality improvements in 2016-17 are set out below:  
These will be monitored via the Quality, Safety and Performance Committee and the progress will be reported in the Quality account for 2016-17.

<b>3.1 Supporting patients to return home (effective discharge planning and communication)</b>	
Quality priority	<p>During 2015/16 the trust focussed on improving our internal processes including a comprehensive review of the discharge planning tools and the discharge policy.</p> <p>Supporting patients to return home is a complicated and multifactorial process. The Trust is working with partners to further develop effective discharge processes and improve communication both internally and externally to the organisation.</p> <p>A key focus is delivering personalised arrangements for discharge home to enable all patients to achieve their best possible outcomes.</p>
Target	<p>To continue to improve discharge information and communication working in closer partnership with Poole Borough Council and local healthcare providers.</p> <p>To improve the transfer documentation between wards and departments to ensure all discharge planning and patient intelligence is not weakened or lost during transfer between wards prior to discharge.</p> <p>To work with patients/relatives and local bodies such as health watch to identify improvement opportunities to the discharge process.</p> <p>The Trust has adopted a 2016 campaign to enhance the quality safety and timeliness of discharge under the banner of "There's No Place Like Home", in line with national best practice and guidance. (picture below)</p> <p>A series of initiatives have been timetabled, including specific weeks focusing on best discharge policy across the trust, for example January 2016 - raising awareness, March - supporting patient choice and May - Expected Date of Discharge.</p> <p>Subsequently new practices have been adopted including regular audits (twice yearly and weekly).</p>
Measure	<p>Increase in number of patients leaving hospital by 10 am and 1pm (target as agreed in speciality areas ie. Department of Medicine for the Elderly (DME) 23% of patients to leave prior to 1pm).</p> <p>Reduce the number of patients with extended length of stay (over 30 days) in line with national guidance (e.g. 3.5% or below in line with Better Care Fund)</p> <p>Hospital wide compliance with the SAFER audit.</p> <p>Regular auditing (frequency to be agreed) of patients receiving Estimated date of Discharge (EDD).</p> <p>Progress against the discharge quality standard Audit action plans (twice yearly)</p> <p>Reduction in any complaints/ incidents/safeguarding issues relating to discharge process, communication and documentation etc.</p> <p>Evidence of improved outcomes for patients, through improved Friends and Family Test, patient surveys and external scrutiny.</p>

### 3.1 Supporting patients to return home (effective discharge planning and communication)

How will we achieve this	<p>Implement the discharge aspects from the 10 Point Action plan which has been developed during 2015/16. This plan reflects the national agenda for hospital flow, patient frailty, personalisation and person centred care and incorporates the discharge audit findings and capacity review recommendations.</p> <p>Continue to embed SAFER flow bundle across all relevant areas of the Trust. Including an additional question on the Wednesday ward watch monthly audit</p> <p>Ensure that patients experience high quality communication throughout their journey within the hospital and back into the community to assist a seamless transfer of care. Embed and develop the My Ticket Home and Welcome Letter with patients, colleagues, and partners.</p> <p>Explore options to enable patients to appropriately return 'home for lunch' with a clear focus on discharge earlier in the day, for example preparation and timing of ward rounds.</p> <p>Expanding the scope of the 'There's No Place Like Home' campaign to help manage expectations and provide consistent messaging for patients and their families, staff and partners.</p>
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<b>3.2 Quality improvement priority- Deterioration of patients (including sepsis and acute kidney injury (AKI))</b>	
Quality priority	The 'deteriorating patient', has been identified as a key work area in the Trusts safety Plan supporting the Sign Up to Safety campaign. Work to increase staff awareness and the timely escalation of the deteriorating patient to clinical experts within the hospital will increase safety and reduce the risk of harm for all patients. National prioritisation of this work is also being driven through CQUIN targets for Acute Kidney Injury and Sepsis, two principle causes of deterioration in patients.
Aims	Reduction in the number of serious incidents where failure to escalate is a feature. Increased compliance with implementation in NEWS track and trigger. For at least 95% of patients to have vital signs recorded in accordance with agreed plan of care. For at least one ward in each care group to be involved in a service improvement project. Increase the number of departments receiving 'simulation' training.
Measure	Number of staff and departments having received simulation in practice training. % compliance with implementation in NEWS track and trigger. Number of Serious Incidents relating to failure to escalate the deteriorating patient. Performance against CQUIN targets. Number of departments participating in service improvement projects and the measurement for improvement data collected. % of patients having a full set of vital sign observations recorded within the agreed plan of care timescale.
How will we achieve this	To appoint a Nurse Specialist for Sepsis/Acute Kidney Injury. To audit and collect data for analysis and submission in support of the AKI and Sepsis CQUIN. To evaluate the impact of the Simulation Trainer post on staff knowledge and clinical care and make recommendations for continued funding. To join the Academic Health Science Network's 2016/7 work stream; the deteriorating patient, and implement active service improvement projects. Complete the full implementation of the National Early Warning Score track and trigger system in all clinical wards and departments, including paediatrics, maternity and the emergency department. To develop a video to support education on sepsis in practice. Share learning at the Trust annual patient safety conference.



<b>3.3 Quality improvement priority – Medication errors</b>	
Quality priority	<p>The trust has focussed on the number of medication errors occurring across the trust and the monitoring mechanisms in place during 2015/16.</p> <p>The electronic prescribing project has been initiated with a 12-18 month implementation plan.</p> <p>A new medication Governance structure was introduced in August 2015 with all the medicine related groups reporting into the new Medicines Optimisation Group and was fully implemented by December 2015. The new Medicines Governance policy was approved by the Hospital Executive Group in January 2016.</p> <p>A lead Pharmacist for Medication/Governance Safety has been appointed.</p> <p>The monitoring and management of medication errors will continue to be a priority for 2016/17</p>
Aims	<p>To embed the medicines governance policy into daily working and to continue to improve the policies, procedure and systems in place to ensure the safe and effective administration of medication to patients.</p> <p>To improve the understanding of safe administration and management of medicines, analyse themes and ensure actions are delivered to address these.</p> <p>To improve learning and sharing from medication incidents – to publish 6 medication safety bulletins</p> <p>To implement electronic prescribing across the trust in phase 1 prescribing areas – this will be partially completed in some areas during 16/17.</p> <p>Increase reporting of medication errors by 10%</p> <p>Decrease severe and moderate harm errors by 5%</p>
Measure	<p>Completion of the implementation of the electronic prescribing project in each key area.</p> <p>Review and monitor the implementation of the new medicines Governance structure.</p> <p>Continue to monitor, review and reduce missed doses.</p> <p>Improve and expand the use of the Medicine Optimisation dashboard.</p> <p>Include Medicine Optimisation into the Integrated performance reporting process (IPR)</p>
How will we achieve this	<p>Monitor implementation of the Electronic prescribing system.</p> <p>Medicines dashboard reports to Medicines Optimisation Group and Hospital Executive Group.</p> <p>Audit programme to monitor prescribing errors, incidents and controlled drugs related incidents.</p> <p>Pharmacy intervention audits.</p> <p>Monitoring of the medicines Optimisation work plan.</p> <p>External audit of medication errors and action plan implementation.</p>

<b>3.4 Quality improvement priority – Pressure ulcers</b>	
Quality priority	<p>The numbers of hospital acquired pressure ulcers fluctuate each month but an increase in pressure ulcers in the autumn of 2015 prompted a full risk assessment and addition of a new risk onto the trusts risk register alongside a detailed action plan.</p> <p>The Trust nursing standard is that all patients should be risk assessed within 6 hours of admission to hospital and an appropriate plan of care put in place.</p> <p>Pressure ulcers are monitored and reported monthly via the electronic incident reporting systems. Occurrence of pressure ulcers can be 'inherited' where a patient is admitted to hospital with a pressure ulcer or 'acquired' where a patient suffers a pressure ulcer while in hospital.</p>
Aims	<p>Reduce the number of avoidable hospital acquired pressure ulcers grade 3 and above.</p> <p>For all registered nurses and healthcare assistants in adult in-patient wards to have completed specific training on pressure ulcer prevention.</p> <p>To increase the number of patients risk assessed on admission to 100% currently 97%.</p>
Measure	<p>Number of pressure ulcers of each grade occurring on each ward per month.</p> <p>Number of moisture lesions occurring on each ward per month.</p> <p>% compliance with nursing assessments completed within 6 hours of admission.</p> <p>% compliance with completion of the pressure ulcer care bundle</p> <p>% of healthcare assistants and registered nurses having completed specific training on pressure ulcer prevention</p>
How will we achieve this	<p>Develop the 'Safety Pins' link staff group. (Safety Pins is the name given to the staff representatives to raise awareness of the trusts safety work).</p> <p>Use of service improvement methodology to drive changes in practice.</p> <p>Development and implementation of Electronic nursing assessment.</p> <p>Revision to the Trust documentation and care planning tools for pressure ulcer risk assessment and care planning</p>

<b>3.5 Quality improvement priority – Nursing patient assessments including Learning disabilities</b>	
Quality priority	<p>Nursing assessment forms a vital part of the patient's record whilst in hospital and ensures a personalized approach to the provision of care and treatment to each individual patient.</p> <p>Separate nursing assessment documentation is currently in use including assessment of patients with learning disabilities.</p> <p>Nursing documentation audit results show varied compliance with nursing assessment documentation with a significantly low number of patients with learning disabilities having a completed learning disabilities specific nursing assessment.</p>
Aims	<p>For all patients to have a nursing assessment of core care needs within 6 hours of admission.</p> <p>For all patients with an identified learning disability to have a 'reasonable adjustment' assessment in addition to the standard nursing assessment.</p> <p>For all elective admissions of patients with a learning disability the reasonable adjustment record should be completed prior to admission.</p>
Measure	<p>% of patients receiving the nursing assessment with 6 hours of admission.</p> <p>% compliance with a reasonable adjustment assessment for patients with an identified learning disability.</p>
How will we achieve this	<p>Review the current nursing assessment priorities and standards.</p> <p>Implement Electronic Nursing Assessment.</p> <p>Workshops to raise awareness of Learning Disabilities.</p> <p>Inclusion of reasonable adjustment into induction and mandatory update training.</p>

### 3.6 Quality improvement priority - Care of the dying pathways

#### Quality priority

End of life care – care in the last days, weeks and months of life - forms a central service of Poole Hospital services, with 28% adult inpatients (excluding obstetrics) being in their last year of life, consistent with the national picture. End of life care is everybody's responsibility, as highlighted in the recent National Ambitions for Palliative and End of Life Care (2015), and is carried out throughout the Trust. The Trust End of Life Care Group oversees this work.

The integrated Palliative Care Service based at Forest Holme Hospice includes the Hospital Palliative Care Team, in-patient ward, out-patient clinic and Community Specialist Palliative Care Team, Lymphoedema and Counselling teams, all managed by PHFT. It is also a base for the Generalist Palliative Care Team (managed by DHUFT) and Forest Holme Hospice Charity.

Poole Hospital is one of ten hospitals nationally to be selected to take part in a new national programme to improve end of life care, **Building on the Best**, led by the National Council for Palliative Care in partnership with Macmillan, from March 2016 – October 2018. This builds on the work of the Transform programme, Routes to Success, for which PHFT was a phase 1 site from 2010.

#### **Current Position**

The Trust has recently refreshed its Palliative and End of Life Care Strategy and Action Plan.

The Hospital Palliative Care Team has led on a number of initiatives to improve palliative and end of life care, not only for patients who are known to the HPCT for the management of more complex problems. These include:

#### ***Treatment Escalation Plans***

Treatment Escalation Plans enable consistent, easily accessible documentation of discussions and decisions about what treatments may be appropriate for each individual patient. The electronic document is embedded in EPR for clinicians to complete. This means that decisions can be made, in discussion with the patient, by a senior member of the clinical team, reducing the need for decisions to be made by a more junior member of staff in the middle of the night. From July 2015 to January 2016, staff have created 269 Treatment Escalation Plans, with a significant impact on care.

#### ***Planning Ahead for End of Life Care***

It is important that individuals have the opportunity to state their preferences and priorities, particularly as they approach the end of their life, so that these can be met where possible. When people have the opportunity to consider what their priorities are, they may choose to avoid further admission to hospital or intensive disease-focused treatments. Planning Ahead for End of Life Care, embedded in EPR, allows documentation of their preferences in a straightforward and accessible way following sensitive discussion with clinical staff.

The Planning Ahead document has been available on EPR since July 2015 and is well used by the palliative care services (Poole and Bournemouth), with scope to expand its use across other teams.

3.6 Quality improvement priority - Care of the dying pathways	
	<p><b>Personalised Care Plan for the Last Days of Life</b> Following the Independent Review of the Liverpool Care Pathway (LCP), the Trust replaced the LCP with Personalised Care Plan for the Last Days of Life, developed jointly by the Palliative Care Team and Department of Medicine for the Elderly in August 2013. This has been available electronically in EPR since August 2015 and is very well used throughout the Trust, with 320 plans created between August 2015 – January 2016. Results of the National Care of the Dying Audit are awaited, but review of the plans suggests that they are well completed, with good documentation of sensitive discussions taking place and effective prescribing to ensure good symptom control.</p> <p><b>Rapid Discharge Home to Die Pathway</b> The rapid discharge home to die pathway is one of the key enablers recommended as part of the Routes to Success programme and has been in use throughout Poole hospital since 2012.</p>
Aims	<p>To improve end of life care by: Improving shared decision making with patients – enabling people to have more control and choice over their care and treatment Improving planning ahead for end of life care across all parts of the acute hospital, including out-patients Optimising symptom control Ensuring all patients have access to timely and effective palliative care when needed.</p>
Measure	<p>Audit of Care of the Dying Audit use of Treatment Escalation Plans Audit use of Planning Ahead for End of Life Care Surveys including bereavement survey. Compliance with 'Being the best' project aims</p>
How will we achieve this	<p>Launch Palliative and End of Life Care Strategy Participation in <b>Building on the Best</b> (initial national meeting 23-24 March 2016). Poole Hospital is 1 of only 10 trusts across the country selected to participate in this programme. Education and training relating to advance care planning, shared decision making and symptom control Continued work with commissioners and our partner organisations to improve timely access to effective palliative care seven days a week.</p>

## **4. 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.

### **4.1 Provision of Clinical Services**

During 2015-2016, 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 2015-2016 represents 100 per cent of the total income generated from the provision of these services.

### **4.2 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 2015/16 (gateway reference: 04730, dated 03/02/16). 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 & Enquiries (NAGCAE)<sup>4</sup>. 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.

#### **Participation in Clinical Audits**

During 2015/16, 36 national clinical audits covered NHS services that Poole Hospital provides. During that period Poole Hospital participated in 97% of the national clinical audits in which it was eligible to participate. The national clinical audits that Poole Hospital was eligible to participate in during 2015/16 are as follows:

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<sup>4</sup> 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.

<b>Eligible and participated</b>	
1	Acute coronary syndrome or acute myocardial infarction (MINAP)
2	Adult critical care: case mix programme (ICNARC CMP)
3	Bowel cancer (NBOCAP)
4	Cardiac arrest (NCAA)
5	Cardiac rhythm management (CRM)
6	Diabetes (adult) (NADA)
7	Diabetes (paediatric) (NPDA)
8	Elective surgery (national PROMs programme)
9	Emergency use of oxygen
10	Falls and fragility fracture audit programme (FFFAP): Fracture liaison service database
11	Falls and fragility fracture audit programme (FFFAP): Inpatient falls audit
12	Falls and fragility fracture audit programme (FFFAP): National hip fracture database (NHFD)
13	Heart failure
14	Inflammatory bowel disease (IBD)
15	Lung cancer (NLCA)
16	Major trauma: the trauma audit & research network (TARN)
17	National chronic obstructive pulmonary disease (COPD): secondary care workstream
18	National diabetes footcare audit (NDFA)
19	National diabetes inpatient audit (NADIA)
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	Paediatric asthma
26	Patient blood management in scheduled surgery
27	Procedural sedation in adults (care in emergency departments)
28	Prostate cancer
29	Sentinel stroke national audit programme (SSNAP)
30	UK cystic fibrosis registry (adults and paediatrics)
31	UK Parkinson's audit
32	Use of blood in haematology
33	Use of blood in lower GI bleeding
34	Vital signs in children (care in emergency departments)
35	VTE risk in lower limb immobilisation (care in emergency departments)
<b>Eligible but did not participate</b>	
36	Rheumatoid and early inflammatory arthritis

The national clinical audits that **Poole Hospital** participated in, and for which data collection was completed during **2015/16**, 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 2015/16	% 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 critical care: case mix programme (ICNARC CMP)	Yes	Continual data submission process. Awaiting national report to confirm formal case submission rate for 2015/16. Data on 695 cases submitted for 2014/15.	
3	Bowel cancer (NBOCAP)	Yes	Awaiting 2016 national report to confirm formal case ascertainment rate for 2015/16. Case ascertainment rate was 96% within the 2015 national report.	
4	Cardiac arrest (NCAA)	Yes	87 cases submitted	Continual data submission process. No formal case ascertainment rate calculated / provided.
5	Cardiac rhythm management (CRM)	Yes	Awaiting national report to confirm formal case submission rate for 2015/16 Data on 202 cases submitted for 2013/14 (most recently published national report).	
6	Diabetes (adult) (NADA)	Yes	1,079 Type 1 and 3,291 Type 2 cases registered.	No formal case ascertainment rate calculated / provided.
7	Diabetes (paediatric) (NPDA)	Yes	223 cases submitted	No formal case ascertainment rate calculated / provided.
8	Elective surgery (national PROMs programme)	Yes	Continual data submission process. Awaiting finalised national data to confirm formal case submission rate for 2015/16. Case ascertainment for 2013/14 was 68.4% (most recently published finalised data).	
9	Emergency use of oxygen	Yes	100%	Data was submitted from 15 wards audited.
10	Falls and fragility fracture audit programme (FFFAP): Fracture liaison service database	No	Data collection period continues until December 2016.	
11	Falls and fragility fracture audit programme (FFFAP): Inpatient falls audit	Yes	100%	



Eligible and Participated		Data collection completed in 2015/16	% Cases Submitted	Comments
12	Falls and fragility fracture audit programme (FFFAP): National hip fracture database (NHFD)	Yes	Awaiting 2016 national report to confirm formal case ascertainment rate for 2015/16. Case ascertainment rate was 112.2% within the 2015 national report.	
13	Heart failure	Yes	Awaiting national report to confirm formal case submission rate for 2015/16. Case ascertainment rate was 111% for 2013/14 (most recently published national report).	
14	Inflammatory bowel disease (IBD)	Yes	9 cases submitted	No formal case ascertainment rate calculated / provided.
15	Lung cancer (NLCA)	Yes	Awaiting 2016 national report to confirm formal case submission rate for 2015/16. Data on 126 cases submitted and reported within the 2015 national report.	
16	Major trauma: the trauma audit & research network (TARN)	Yes	88 – 100%+	Banding as reported by TARN
17	National chronic obstructive pulmonary disease (COPD): secondary care workstream	No	Data collection for this workstream of the national COPD audit closed during 2014/15.	
18	National diabetes footcare audit (NDFA)	Yes	62 cases submitted	No formal case ascertainment rate calculated / provided.
19	National diabetes inpatient audit (NADIA)	Yes	Awaiting national report to confirm formal case submission rate for 2015/16. Data on 58 cases was submitted to the 2013 round of this audit (audit was not run in 2014).	
20	National emergency laparotomy audit (NELA)	Yes	100%	134 cases submitted. Estimated 11 cases per month.
21	National joint registry (NJR)	Yes	Awaiting 2016 national report to confirm formal case ascertainment rate for 2015/16. Case ascertainment rate was 51% within the 2015 national report.	
22	National pregnancy in diabetes audit (NPID)	Yes	24 cases submitted	Awaiting 2016 national report to confirm formal case ascertainment rate.
23	Neonatal intensive and special care (NNAP)	Yes	100%	
24	Oesophago-gastric cancer (NOGCA)	Yes	Awaiting 2016 national report to confirm formal case ascertainment rate for 2015/16. Case ascertainment rate was 81 to 90% within the 2015 national report.	
25	Paediatric asthma	Yes	100%	

Eligible and Participated		Data collection completed in 2015/16	% Cases Submitted	Comments
26	Patient blood management in scheduled surgery	Yes	18 cases submitted	No formal case ascertainment rate calculated / provided.
27	Procedural sedation in adults (care in emergency departments)	Yes	100%	
28	Prostate cancer	Yes	All Poole data is submitted via the Urology MDT at Royal Bournemouth Hospital.	
29	Sentinel stroke national audit programme (SSNAP)	Yes	90%+ (558 cases submitted)	Banding as reported by Royal College of Physicians (RCP)
30	UK cystic fibrosis registry (adults and paediatrics)	Yes	Awaiting national report to confirm formal case submission rate for 2015/16. Note, all eligible cases are submitted via University Hospital Southampton.	
31	UK Parkinson's audit	Yes	100%	
32	Use of blood in haematology	Yes	100%	
33	Use of blood in lower GI bleeding	Yes	100%	
34	Vital signs in children (care in emergency departments)	Yes	100%	
35	VTE risk in lower limb immobilisation (care in emergency departments)	Yes	100%	

The reports of **23** national clinical audits were reviewed by the provider in **2015/16** and **Poole Hospital** intends to take the following actions to improve the quality of healthcare provided.

#### National Clinical Audits Reviewed in 2015/16 and Local Action Plans

No	Title	Actions being taken
1	National Audit of Chronic Obstructive Pulmonary Disease (COPD) 2014 - Secondary Care Audit	No local action plan required.
2	Myocardial Infarction National Audit Project (MINAP) (1st April 2013 to 31st March 2014)	No local action plan required.
3	National RCEM Audit of the Initial Management of Fitting Children	To ensure the Emergency Department has a leaflet for febrile convulsions.
4	National RCEM Audit of the Mental Health (Care in Emergency Departments) 2014/15	To introduce a new psychiatric proforma.
5	National Audit of Adult Community Acquired Pneumonia (1st December 2014 to 31st January 2015)	No local action plan required.
6	Intensive Care National Audit and Research Centre (ICNARC): Case Mix Programme (1st April 2013 to 31st March 2014)	No local action plan required.
7	Intensive Care National Audit and Research Centre (ICNARC): Case Mix Programme (1st April 2014 to 31st March 2015)	No local action plan required.
8	National Paediatric Diabetes Audit (NPDA) - (1st April 2013 to 31st March 2014)	No local action plan required.
9	The National Heart Failure Audit and Meeting National Standards (1st April 2013 to 31st March 2014)	<ul style="list-style-type: none"> <li>• To consider taking cardiology out of the general medicine rota to focus on cardiology patients.</li> <li>• To develop cardiology ward and ward based care.</li> <li>• To develop administrative support worker to do National Heart Failure Audit data entry so the heart failure nurse can ensure greater clinical engagement.</li> <li>• To develop elderly care medicine heart failure champion.</li> </ul>
10	British Thoracic Society (BTS) Emergency Oxygen Audit (15th August 2015 to 1st November 2015)	<ul style="list-style-type: none"> <li>• To encourage the use of the red stickers "Oxygen needs prescribing" on the drug charts through discussions with the nurses and pharmacists.</li> <li>• To introduce a smaller version of the red sticker "Oxygen needs prescribing" for use by the oxygen taps on the wall. This is to serve as a reminder to staff to check prescriptions and / or sign for them.</li> <li>• To undertake a local re-audit.</li> </ul>

No	Title	Actions being taken
11	National Inpatient Falls Audit May 2015	<ul style="list-style-type: none"> <li>To develop new falls pathway documentation.</li> <li>To use falls Safety Cross on wards.</li> <li>To arrange staff training.</li> </ul>
12	National Sentinel Stroke Audit Programme (SSNAP) (1st April 2014 to 31st March 2015)	<ul style="list-style-type: none"> <li>To hold monthly performance meetings.</li> <li>To ring-fence 1 bed and 1 trolley at all times on Stoke Unit.</li> <li>To develop and implement a protocol for CT scanning in the Emergency Department (non-consultant grades able to request).</li> <li>To produce a business plan for stroke outreach team.</li> <li>Continence management plans - documentation to be updated.</li> <li>To review therapy documentation of therapy times.</li> </ul>
13	National Emergency Laparotomy Audit (NELA) (7th January 2014 to 30th November 2014)	<ul style="list-style-type: none"> <li>To present findings to the consultant surgeons. Emphasis on requirement for seeing patients within 12 hours.</li> <li>To change theatre booking process so patients cannot be booked without a completed risk assessment.</li> <li>To negotiate input of Care of the Elderly physician.</li> <li>To educate junior surgeons in NELA process and risk assessment.</li> </ul>
14	The National Hip Fracture Database: Annual Report 2015 (1st January 2014 to 31st December 2014)	<ul style="list-style-type: none"> <li>MDT meeting to take place in November 2015 in order to discuss and review current care of the hip fracture patients.</li> <li>To undertake an in-depth analysis of cases breaching the 36 hours to surgery target.</li> </ul>
15	National Joint Registry (NJR): 12th Annual Report (1st January 2014 to 31st December 2014)	No local action plan required.
16	National Neonatal Audit Programme (NNAP) (1st January 2014 to 31st December 2014)	To establish a breast feeding group.
17	National Head and Neck Cancer Audit: 10th Annual Report (1st November 2013 to 31st October 2014)	No local action plan required.
18	ICNARC: National Cardiac Arrest Audit (NCAA) (1st April 2014 to 31st March 2015)	No local action plan required.
19	National Bowel Cancer Audit (1st April 2013 to 31st March 2014)	No local action plan required.
20	National Lung Cancer Audit (1st January 2014 to 31st December 2014)	No local action plan required.
21	National Elective Surgery Patient Reported Outcome Measures (PROMs) (1st April 2013 to 31st March 2014)	No local action plan required.
22	National Pregnancy in Diabetes (NPID) 2014	To implement patient-held pre-pregnancy care checklist.

No	Title	Actions being taken
23	National Diabetes Audit - Adults (ANDA) (1st January 2013 to 31st March 2015)	To consider looking at data divided into clinic attenders and diabetes education session attenders to confirm patients actually under hospital care are getting all care processes.

### **National Clinical Audit Reports Currently Being Reviewed by the Local Clinical Teams**

No.	Title
1	National Comparative Audit of Patient Blood Management in Scheduled Surgery 2015
2	National British Thoracic Society (BTS) Paediatric Asthma Audit 2015/16
3	National Diabetes Audit of Footcare (N DFA) (14th July 2014 to 31st July 2015)

The reports of **132** local clinical audits were reviewed by the provider in **2015/16**. Of the 132 local clinical audits reviewed, 30 identified that change in practice was not required due to good performance. Of the remaining 102, **Poole Hospital** has undertaken the following actions to improve the quality of healthcare provided. The following are a number of examples:

#### **Develop new and improve existing patient information**

- Provision of patient head injury advice leaflets on the RACE (rapid access consultant evaluation) unit.
- Posters have been developed to advertise and promote health needs assessments, which are on display in the radiotherapy department as well as the Dorset Cancer Centre.
- New leaflets in use which promote the 24-hour advice line for specialist palliative care.
- Information sheets on restorative dentistry and oral rehabilitation services available on the hospital website.
- Updates made to the restorative dentistry patient information leaflet.
- New patient information leaflet written on denture hygiene.
- Availability of diabetes telephone advice to patients / carers highlighted.

#### **Improve the education and training of new as well as existing staff**

- Provision of education to staff in the Emergency Department on the management of patients presenting with urinary retention.
- Teaching sessions held for medical staff in the Emergency Department on the management of patients with suspected subarachnoid haemorrhage.
- Rolling education programme within Medicine for the Elderly on continence and diagnosing urinary tract infections.
- Ongoing education programme on pain management in elderly patients presenting to the emergency assessment departments.
- Roll-out of a Trust-wide training pack on discharge planning.
- Provision of education sessions on the mental capacity act and deprivation of liberty safeguarding.
- Emergency Department nurse training has been updated to reflect the current safeguarding children agenda.
- End of life care is now part of the clinical skills mandatory training.
- Routine teaching of the 'Personalised Care Plan for End of Life Care' on the junior doctors' mandatory training.

- Provision of education and training for junior medical staff and midwives on symphysis fundal height measurement.
- Training and education on the use of the MEOWS (modified early warning system in obstetrics) scoring system.
- Education provided to paediatric and emergency department teams on the management of diabetic ketoacidosis in children.
- Provision on education and training to junior doctors' on anaemia policy in relation to the treatment of iron deficiency anaemia in puerperium.
- Refresher training sessions for doctors in maternity on the use of GROW charts.
- Provision, within the pathology department, of education regarding staging and dataset items for melanoma excisions.
- Update to regular MUST (malnutrition universal screening tool) training to now include the prescription of appropriate nutritional supplements.
- Re-introduction of pharmacy involvement in junior doctor oncology induction.
- Training sessions provided, as well as ongoing, on the safe insertion and delivery of gastrostomy tube feeding.

### **Develop new and update existing local policy and guidance documents**

- Emergency department junior doctors handbook updated with guidance on the management of patients with subarachnoid haemorrhage.
- Development of a "step down" plan in the Emergency Department for children presenting with moderate or severe asthma.
- Publication on the hospital intranet of guidelines for the management of patients with established spinal cord injury, including referral process to rehabilitation medicine.
- New guidelines written and introduced for the management of chronic obstructive pulmonary disease (COPD) in the Emergency Department
- Updates made to the trust's deprivation of liberty safeguarding policy.
- Amendment / update of current aide-memoire for antibiotic prophylaxis in paediatric surgery, which is now on display in all anaesthetic rooms.
- Guidelines for caesarean section have been updated.
- New denture hygiene guidelines for clinicians have been written.
- New local child protection / safeguarding policy which has been ratified and disseminated.
- Pathway in place which stops antibiotics at 36 hours in well babies, previously suspected for early onset neonatal sepsis, but with no further evidence of infection.
- Update to the policy relevant to the management of sepsis in pregnancy.
- Update to the policy relevant to the treatment of iron deficiency anaemia in puerperium.
- Update to the local policy for the management of diabetic ketoacidosis in children, to reflect recommendations in the new NICE guidelines.
- Update to local guidelines relevant to the use of low dose aspirin in women with risk factors for pre-eclampsia.
- The new paediatrics sepsis guidelines, developed by Southampton Hospital, have been introduced locally. This includes an assessment of severity.
- Revision of the guidelines for ultrasound scan referral.

### **Develop new and improve existing local proforma / charts / forms**

- Development and introduction of a new proforma for the management of urinary retention, for use in the Emergency Department.
- Development and introduction of a new proforma for the management of patients presenting with suspected subarachnoid haemorrhage, which emphasises need for urgent CT scan and use of Nimodipine.

- New electronic 'Treatment Escalation Plan' document available on EPR (electronic patient record), which will facilitate the recording of advance care planning.
- Changes made to Symphony (emergency department clinical data system) so that completion of safeguarding questions is prompted for all child attendances.
- Amendment made to risk assessment on discharge from the Emergency Department, for child attendances, to enable easier identification of 3<sup>rd</sup> attendance within a 12-month period.
- Development of a new electronic 'Planning ahead for end of life care' document.
- New stickers have been introduced for use on the drug charts in order to standardise the postoperative prescribing of post-partum analgesia.
- Review and revision of the electronic DNACPR (do not attempt cardiopulmonary resuscitation) decisions form.
- Redevelopment of the nursing and medical care plans within the 'Personalised Care Plan for Last Days of Life' document.
- Development of a new proforma for the management of pregnant women with suspected sepsis.
- Update to the Emergency Department proforma for the management of diabetic ketoacidosis in children, to reflect recommendations in the new NICE guidelines.
- Update to the lumbar puncture checklist so that it now includes date and time of procedure.
- The admission sheets for paediatrics have been adapted to try and improve COAST (children's observation and severity tool) scoring and documentation.
- Amendment of the consent form checklist for injections (therapies) so that it now includes a tick box to record that the intended benefits of the procedure have been discussed with the patient.
- Improvements made to the neurological therapy assessment form as well as the therapy goals documentation.
- In order to facilitate patient confidentiality, an application form for a hospital safe stick is now included in the information pack provided to new doctors.

### **Updates to local clinical working practice**

- Discharge support team provide a support system to the Oncology wards to support the management of complex patient discharges.
- Use of COAST chart with all children in Majors in the Emergency Department.
- RACE ambulatory clinic has been set-up, which includes an increase in senior medical presence on RACE.
- Melatonin sedation electroencephalograms (EEG) service set-up in the Clinical Neurophysiology department.
- Appointment on new band 5 discharge support nurse to support the wards in discharge planning.
- Establishment of a sharps safe working group.
- New discharge facilitator roles within Surgery and Trauma.
- Trust-wide roll out of the eNEWS / VitalPAC system which enables the electronic documentation and monitoring of patient observations.
- Changes made to theatre list management so that, where appropriate, small children with minor injuries are routinely put first on the emergency afternoon theatre list.
- Re-vaccination reminder letters being sent to General Practitioners for haematology patients' one-year post autologous stem cell transplant.
- Development of an algorithm for decision making and communication to try and increase the number of patients and relatives, informed and aware of decisions regarding resuscitation status.
- Substantive post now in place for a trust-wide facilitator in end of life care.

- Update to the telephone system for specialist palliative care to ensure that out of hours advice is available.
- New system developed to try and ensure that all autologous haemopoietic progenitor cells (HPC-A) and autologous stem cell transplant (ASCT) patients have their patient notes scanned as a priority request.
- Increase in haematology specialist nurse support to the outpatient clinics where HPC-A and ASCT patients attend.
- Change made to the type of mesh used in sacrocolpopexy.
- Standardisation to the consent process for lumbar punctures.

### **National Confidential Enquiries**

The Trust participated in the following two new NCEPOD enquiries during 2015-16;

- July 2015 Time to get control - A review of the care received by patients who had a severe gastrointestinal haemorrhage.
- Nov 2015 Just say sepsis - A review of the process of care received by patients with Sepsis.

A Trust clinical lead is appointed for each report and a full self-assessment against the report recommendations is undertaken. A monitoring tool is maintained, records compliance against each element of the recommendations and outlines actions being taken where any gaps in compliance are apparent.

The monitoring tool is presented at each quarterly Clinical Governance Group, chaired by the Medical Director; with the Clinical lead providing an update.

A senior nurse appointment has been made to support the Sepsis NCEPOD recommendations alongside a previous report; Adding insult to injury – A review of the care of patients who died in hospital with a primary diagnosis of acute kidney injury. This new post commences in April 2016.

## **5.2 Clinical Research 2015-2016**

### **Participation in Clinical Research**

The following report provides information on participation in clinical research as requested in the Quality Accounts report requirement for 2015/16.

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 subsequently cross checked with the NIHR to ensure consistency in reporting.

#### **Participation in clinical research**

The number of patients receiving NHS services provided or sub-contracted by Poole Hospital in 2015/16 that were recruited during that period to participate in research approved by a research ethics committee was 2244 (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 152 clinical research studies during **2015/16** in the following specialities:



- Age and ageing
- Cancer: Breast/Colorectal/Gynaecology/ Haematology/Head & Neck/Lung/Lymphoma/Melanoma/Radiotherapy/Upper GI/Urology
- Cardiovascular
- Critical care
- Dementias & Neurodegeneration
- Dermatology
- Diabetes
- Emergency Medicine
- ENT
- Gastroenterology
- Genetics
- Hepatology
- Health Service Research
- Injuries & Emergencies
- Infectious Diseases & Microbiology
- Maternity
- Metabolic & Endocrine
- Musculoskeletal
- Neurology
- Orthopaedics
- Paediatrics
- Physiotherapy
- Primary Care
- Occupational Therapy
- Reproductive Health
- Rheumatology
- Stroke
- Surgery

There were **23.80 whole time equivalent (WTE)** clinical staff participating in research approved by a research ethics committee at Poole Hospital during 2015/16. These staff participated in research covering 28 medical specialties.

In addition, in the last three years, seven 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.

#### **Multi-Site National Studies that Poole Hospital participated in:**

- MOSAIC: Multicentre Oxaliplatin and 5FU-LV Study in the Adjuvant Treatment of Colon Cancer
- ARTEMIS: Avastin Randomised Trial with Neo-Adjuvant Chemotherapy for Patients with early her2 -Negative Breast Cancer
- PROMISE - A multi-centre, randomised controlled trial of the clinical and cost-effectiveness of early goal-directed protocolised resuscitation for emerging sepsis shock.

#### **Poole Hospital's own sponsored studies:**

- Mii-VITALISE (outlined below)
- TRUST: A prospective observational study of early risk-stratification of suspected cardiac chest pain and initiation of high-sensitivity troponin testing within 1 hour of presentation in very low and low risk Emergency Department patients.
- WEIGHTED: Weight Estimation Intended to Guide How to dose Treatment in the Emergency Department
- IDvIP: A two centre, randomised controlled trial comparing intramuscular diamorphine and intramuscular pethidine for labour analgesia

Our engagement with clinical research also demonstrates Poole Hospitals' commitment to testing and offering the latest medical treatments and techniques. One study In particular demonstrates just that:

- Mii-vitaliSe - Development of a physiotherapist-supported Nintendo Wii™ intervention to encourage people with multiple sclerosis to become more active in the home.

- Abstract was published in the Multiple Sclerosis Journal 2015; 21 (S11) 654-779

Background: The benefits of physical activity for people with MS (pwMS) have become overwhelmingly evident. However, pwMS typically engage in dramatically lower levels of physical activity than the general population. This is cause for concern given that sedentary lifestyles are associated with increased health risks and poorer quality of life. Active gaming systems such as the Nintendo Wii™ might offer a convenient, enjoyable and engaging means for pwMS to become more active. Our aim was to develop a theoretically underpinned Nintendo Wii™ intervention package for pwMS incorporating physiotherapist support and behaviour change techniques that could be undertaken in the home.

### **5.3 Goals Agreed with Commissioners**

A proportion of Poole Hospital NHS Foundation Trust's income in 2015-2016 was conditional on achieving quality improvement and innovation goals agreed between the trust and its lead commissioner, NHS Dorset Clinical Commissioning Group. NHS Dorset Clinical Commissioning Group and Poole Hospital NHS Foundation Trust had a contract for the provision of NHS services that included a commissioning for quality and innovation payment framework (CQUIN). In 2015-2016 this was equivalent to £3.45 million, which was paid to the trust in full as part of the contractual arrangements. The value of CQUIN in the contract with Dorset CCG for 16/17 is £3.562 million. There is also a CQUIN value for the contract with Wessex Area Team for specialised services (£406K, secondary care dental (£117k), and public health (£145k).

Further details of the agreed CQUIN goals and outcomes for 2015-2016 and for the following twelve month period (2016-2017- contract value £4.23 million) are available on request from:

Director of Nursing,  
Poole Hospital NHS Foundation Trust,  
Longfleet Road,  
Poole,  
Dorset, BH15 2JB

### **5.5 Registration with the Care Quality Commission**

Poole Hospital NHS Foundation Trust is required to register with the Care Quality Commission

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

The Care Quality Commission has not taken any enforcement action against Poole Hospital NHS Foundation Trust during 2015-2016.

Poole Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the CQC in the reporting period.

The Trust was subject to the new-style inspection by the Care Quality Commission (CQC) in January 2016. The full inspection report is expected late May 2016.

### **5.6 Data Quality Text**

Poole Hospital NHS Foundation Trust submitted records during 2015/16 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 2016.

The percentage of records submitted which included the patient's valid NHS number was (national averages are shown in brackets):

- 99.7 % (99.6%) for admitted care
- 99.8 % (99.8%) for outpatient care
- 99.6 % (96.4%) for accident and emergency care

The percentage of records submitted data which included the patient's General Practitioner practice code was:

- 100 % (100%) for admitted care
- 100 % (100%) for outpatient care
- 99.9% (99.9%) for accident and emergency care

Poole Hospital NHS Foundation Trust's Information Governance Assessment Report for 2015/16 showed the trust compliance at 84% with a 'Satisfactory' rating, this is an 11% improvement on the previous year's achievement of 73%.

Poole Hospital NHS Foundation Trust has not been subject to a full Payment by Results data assurance framework (clinical coding) audit this year. 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 % (99.6%) for primary diagnosis
- 100 % (100%) 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.

## 6. WHAT OUR PATIENTS, THE PUBLIC AND STAFF SAID

The trust participated in two national surveys during the course of the year – the National Inpatient Survey and the National Cancer Survey.

The **National Inpatient Survey** was undertaken in the autumn of 2015 and the results will be published in June 2015.

### The National Cancer Patient Experience Survey 2015

Poole Hospital has, once again, participated in the latest National Cancer Patient Experience Survey. Questionnaires were distributed to all adult patients (aged 16 and over) with a primary diagnosis of cancer who have been admitted to Poole Hospital as inpatients, or who were a day case patient, and who were discharged between 1st April 2015 and 30th June 2015. The survey was conducted by post, with questionnaires returned during the period from November 2015 to March 2016. The final response rate for Poole Hospital NHS Foundation Trust was 73%.

The anticipated timetable for publication is as follows:

- Official Statistics Publication of the national results: 7th June 2016
- Official Statistics Publication of CCG and Trust level results: 5 July 2016
- Release of Comments Reports on the 100,000 comments made by cancer patients in the survey: mid-August

### Friends and Family test – what our patients said;

In general FFT results indicate continuing patient satisfaction with the care and treatment received when using Trust services. Analysis of responses between April 2015 and February 2016 to the question “How likely are you to recommend our services to friends and family if they needed similar care or treatment?” support this widespread appreciation of the hospital services see table 3.

The number of positive comments from patients ranged from 85% to 91% between April 2015 and February 2016. See page 14 and the table below;

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16
% of Patients Comments - Positive	88%	86%	85%	88%	87%	89%	88%	87%	91%	88%	89%

Trends are identified from patients free text comments, however the issue of communication cuts across all departments.

Other trends include perceived low levels of staff, pain relief, catering and fluids, and levels of noise at night.

Patient feedback is the paramount element circulated to matrons and ward staff via the monthly FFT report. This enables issues to be identified & remedial actions taken and lessons learned where appropriate

## NATIONAL NHS STAFF SURVEY 2015

### Summary of performance

Poole Hospital received its strongest ever endorsement as a great place to work by staff through the 2015 National NHS Staff Survey. This was carried out, for the first time, as a full census survey of all members of staff rather than by a random sample.

Findings from the survey, in which all staff were asked a series of work-related questions, placed Poole Hospital in the top (best) 20 per cent of all acute trusts in England in a total of 15 areas. These comprised 14 Key Finding areas, featuring almost half of the 32 survey question areas, and also the score for Staff Engagement.

The 15 high performing areas included:

- Communication between staff and management
- Ability to contribute to improvements at work
- Equal opportunities for career progression
- Recommendation as a place to work or receive treatment
- Being valued and recognised
- Support from managers
- Recognition and value of staff by managers
- Satisfaction with responsibility level and involvement
- Effective team working
- Quality of non-mandatory training, learning or development
- Provision of equal opportunity

In 2014, the Trust appeared in the top 20 per cent of Trusts in just three areas.

This marked improvement reflects a range of efforts from staff in leadership roles throughout the hospital.

A lot of work has been undertaken by senior staff and teams to actively listen and respond to staff views given in the 2014 National NHS Staff Survey, with each area having devised their own local action plan to improve the experience of their staff.

Changes made as a result of this work include the introduction of a new leadership development programme, a greater emphasis on staff engagement, more frequent team meetings, improving support and training to staff who reported experiencing harassment or violence, departments developing new ways to communicate with their staff, and questionnaires that give staff a chance to air their views on a regular basis.

This year's results also highlighted a number of areas that could be improved, including staff working extra hours and witnessing potentially harmful errors.

Although the trust's performance this year is excellent, we will continue to work hard to continue to improve our performance in those areas that have been identified in the report as less satisfactory.

Details of the key findings from the 2015 National NHS Staff Survey are outlined in the tables below. These include comparisons between the trust's results for the previous year together with the national average for acute trusts in England.

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.

## National NHS Staff Survey 2015 findings

	2014	2014	2015	2015	
	Trust	National average	Trust	National average	Trust improvement or deterioration
Response rate (compared to national average for acute trusts)					
Response rate	56%	43%	41%	42%	Deterioration. It is noted that the survey method changed to ensure more staff could participate and give their views; leading to richer data.

Top five ranking scores in 2015 survey (Key Findings in brackets)	2014 Trust	2014 National average	2015 Trust	2015 National Average	Trust improvement or deterioration
Percentage of staff experiencing physical violence from staff in last 12 months (Key Finding 23)	4%	3%	1%	2%	Improvement
Percentage of staff able to contribute towards improvements at work (Key Finding 7)	76%	68%	76%	69%	No change
Staff satisfaction with level of responsibility and involvement (Key Finding 8)	3.92	No direct comparator Key Finding	4.00	3.91	Improvement
Staff recommendation of the organisation as a place to work or receive treatment (Key Finding 1)	3.78	3.67	3.93	3.76	Improvement
Quality of non-mandatory training, learning or development (Key Finding 13)	New question	No direct comparator Key Finding	4.09	4.03	New question

Bottom five ranking scores in 2015 survey (Key Findings in brackets)	2014 Trust	2014 National average	2015 Trust	2015 National Average	Trust improvement or deterioration
Percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month (Key Finding 28)	41%	34%	34%	31%	Improvement
Staff satisfaction with the quality of work and patient care they are able to deliver (Key Finding 2)	79%	77%	3.86	3.93	No comparison available due to change from staff percentage in 2014 to staff score in 2015
Percentage of staff working extra hours (Key Finding 16)	71%	71%	74%	72%	Deterioration
Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months (Key Finding 22)	19%	14%	15%	14%	Improvement
Percentage of staff agreeing that their role makes a difference to patients (Key Finding 3)	91%	91%	90%	90%	Deterioration by 1% (Remaining in line with national average)

Additional information requested in relation to the Workforce Race Equality Standard	2014 Trust	2014 National Average	2015 Trust	2015 National average	Trust improvement or deterioration
Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12 months Key Finding 23 (Key Finding 19 in 2014)	4%	3%	1%	2%	Improvement
Indicator KF 21 Percentage believing that trust provides equal opportunities for career progression or promotion Key Finding 27 in 2014)	91%	87%	90%	87%	Deterioration by 1% (Remaining above national average)

## Future Priorities And Targets:

### Measuring progress

In total 1409 staff took part in 2015 compared to 454 in 2014. This richer information gives an enhanced understanding of staff views at department level and enables accurate and specific action planning to support positive change. This will be supported by an increase in activity to take into account staff views across the organisation.

The trust's organisation wide 'high level' priority areas, based on key areas of concern, will ensure appropriate targets can be set and actions agreed to secure improvement. Using best practice action plans, outlined above and including the involvement of the Staff Partnership Forum, enables progression of key actions which are subject to scrutiny. Actions arising from views given in the 2015 survey will continue to be 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 HR.

The increase in survey participation and resulting staff views and actions available will continue to be communicated to staff throughout the year. In this way members of staff are assured that they are listened to and that their views matter and result 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.

### NHS STAFF FRIENDS AND FAMILY TEST

The Staff Friends and Family Test encourages staff and volunteers to give their views, enabling informed and empowered staff to celebrate and build on what is working well in their services and also quickly address areas in need of attention.

Three times a year trust staff and volunteers are asked the questions: 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they need care and treatment?' and 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?'

During this year the trust changed the method of delivering the Staff Friends and Family Test from enabling staff and volunteers to take part in the survey once per year to all staff and volunteers having an opportunity to participate three times a year, via a live web link.

The Trust continues to demonstrate excellent results which are consistently higher than the national average:

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 1	Trust Quarter 2	National Quarter 2	Quarter 3 – staff survey	Trust Quarter 4 Not yet known	National Quarter 4 Not yet known
Positive Score	<b>92</b>	79	<b>88</b>	79		<b>91%</b>	77%
Negative Score	<b>3</b>	7	<b>5</b>	7		<b>3%</b>	8%
Question 2 How likely are you to recommend the Trust to friends and family as a place to work?	Trust Quarter 1	National Quarter 1	Trust Quarter 2	National Quarter 2		Trust Quarter 4	
Positive Score	<b>72</b>	63	<b>69</b>	62		<b>77%</b>	61%
Negative Score	<b>12</b>	18	<b>14</b>	19		<b>11%</b>	20%

Results are made public through NHS England. In addition, comments made by staff when completing are available to the Trust.

Staff comments made in the Friends and Family Test includes:

Question 1 - How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they needed treatment?

'Commitment of staff to provide the highest level of care'

'Good reputation, high quality care'

'Staff go out of their way to help patients'

'Have been a patient and had excellent care '

'It is a friendly place that does its best to get it right'

Question 2 - 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?'

'I feel supported by the trust as an employee'

Very supportive managers and happy environment'

Staff are hard-working and friendly

'I enjoy working as part of a great team'

'I work here as a healthcare assistant...staff are really supportive to new staff members'.

## **7. PERFORMANCE AGAINST SELECTED MEASURES**

The trust has selected a number of measures to indicate the progress made during 2015-2016 in three key areas: patient safety, clinical effectiveness and patient experience. The reported areas have remained the same as in the last four 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. Where information is collected from national data the information is governed by standard national definitions.

### **7.1 Patient safety**

<b>MEASURE</b>	<b>2015-2016</b>	<b>2014-2015</b>	<b>2013-2014</b>	<b>2012-2013</b>	<b>2011-2012</b>	<b>Data Source</b>
Hospital acquired MRSA bacteraemia	0	0	2	4	1	National
Hospital acquired pressure ulcer Grade 3 or Grade 4	37	16	4	12	4	Local
Patient falls from bed or trolley (Note 8)	16	4	7	15	28	Local

The absence of MRSA bacteraemia in 2015/16 continues to be a laudable improvement on previous years.

The rise in hospital acquired pressure ulcers and inpatient falls is of concern to the trust and both are subject to a focussed review, education and monitoring via the sign up to safety plan or the quality improvement plan outlined within this report for the coming year.



With reference to the rise in falls detailed work is ongoing to understand this and also proactive work to address each of the factors, acuity and dependency of patients. The issue and emphasis is on reducing falls with harm understanding that promoting independence and reducing restriction will be a factor.

## 7.2 Clinical effectiveness

MEASURE	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	Data Source
Hospital mortality rate (figure in brackets is expected levels) (Note 9)	91.71% (85.49 – 98.27)  April to Nov 15 benchmarked against 2014-15	104.5% (98.8-110.5)	90.8% (100%)	92.1% (100%)	75.6% (100%)	National
Cancelled operations not readmitted within 28 days	0% (7 as at Jan 2016)	0%	0%	0%	0%	National
Stroke high risk patients treated in 24 hours (60%% target)	61% as at March 2016)	65%	63% (average)  Target 45%	43%	80%	National

Note 9: Expected figure derived from Dr Foster data and is standardised for a number of factors. Reporting from 2015-16 is by relative risk compared to national figures rather than the actual rate. The rate is the latest available for 2015-16 which is April 2015 - February 2016

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.

## 7.3 Patient experience

MEASURE	2015-2016	2014-2015	2013-2014	2011-2012	Data Source
Overall patient satisfaction rated excellent or very good	94%	Not provided with national survey results	82%	83%	National
Patient led assessment of the care environment (PLACE) Inspection Report 2015  (2015 National Average in Brackets)	Cleanliness 99% (97%) Food: 95% (97%) Condition and appearance 93% (90%) Privacy, Dignity and Wellbeing 90% -New Dementia 86% -New	Cleanliness 99% Food 92%  Condition, appearance, maintenance 94%	Cleanliness 96% Food; 87% Condition, appearance and maintenance 93%	Excellent (environment) Good (food) Excellent (privacy & dignity)	National
Patient rating of privacy and dignity (inpatient) (Note 9)	Results not available until June 2016	94%	91%	92%	National

## **Improving the patients experience key projects;**

Implement the Patient experience steering group;

The Patient Experience Steering Group was set up in October 2014. Its remit is to oversee, direct and implement the patient experience aspect of the Quality Strategy. This evolving group has agreed that a Patient Experience Working Group, whose membership will include patient representatives, will support the Steering Group by taking forward projects identified as a result of patient feedback, including PALS/complaints and the Friends and Family Test.

Fully implement Patient Stories in part one (public part) of the Trust Board meetings;

Patient stories are now fully established in part one of the Board meetings and are a regularly featured in other senior level management and clinical meetings. Patient stories include short interviews with patients (and relatives) who describe their hospital experience during a conversation with a member of staff.

Picker; After Francis real time patient feedback research study;

Commenced real time patient feedback with the Picker Institute 'After Francis research project' in July 2015. A 10 month study involving four areas, ED, Ansty, RACE and Stroke. Volunteers collect the data and achieved the 900 responses required by the end of the data collection period.

The Trust has scored well in the following areas:

- Patients feel they are treated with respect and dignity whilst in hospital
- Staff have made the patients feel safe
- Staff appear confident and able to perform task when caring for patients
- Staff have answered questions in a way that patients found easy to understand
- Staff made patients feel at ease by being friendly and warm in conversations

Actions taken as a result of the research study include:

- The introduction of a 'named nurse' policy in the Emergency Department
- The introduction of regular cleanliness checks of the waiting room area
- Improvement of the transfer to ward documentation
- The introduction of a 'Meet the Team' process on all Department of elderly Medicine wards
- The introduction of 'My usual life before admission to hospital' document to support the 'This is Me' document already in use on the wards.

Further analysis of the data is ongoing and will be consolidated and presented in late summer 2016.

Stroke patient engagement project;

A part-time stroke liaison nurse is employed cover ward visiting times and proactively provides a point of contact to welcome, offer support and advice, and to discuss diagnosis, prognosis and progress to patients and their carers. They also liaise with the multi-disciplinary hospital and community team and supported the transition from hospital to home with post-discharge phone calls for short stay patients.

However feedback from patients suggested poor communication and lack of information along the pathway was a main cause for complaint.

Recognising that communication is the cornerstone of good quality care, and using a mix of general and Experience Based Design (EBD) questions, the unit held two 'focus' sessions, for recently discharged stroke patients.

Areas where improvement could be made were i.e. high levels of anxiety in the early stages and where information, verbal and written could be given. This has been implemented along with an increase in follow up post discharge calls particularly for short stay patients, and the introduction of an ex-patients group which includes 'tell your story' where volunteers encourage and support new patients by speaking about their recovery experiences.

## 8. 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 2016 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	2015-2016	2014-2015	2013-2014	2012-2013	Target Figure (2013-2014)
Care Quality Commission Standards/Regulated Activities – intelligence monitoring reports	Band 6 Lowest risk	Band 6 (Lowest risk)	16/16	16/16	16
Clostridium Difficile Infections	21	9	10	27 (5 samples on 2 patients)	25
MRSA bacteraemias (bloodstream infections)	0	0	2	4	1
Maximum 31 day cancer first treatments	99%	99.3%	99.4%	100%	96%
Maximum 62 day cancer treatments (note 12 month average)	87.9%	88.0%	88.4%	88%	85%
18 week maximum wait (admitted patients)	Demised summer 2015 - % incomplete pathways as at Jan 93.1%	94.0%	95%	98%	90%
18 week maximum wait (non-admitted patients)		96.0%	96%	97%	95%
% of incomplete RTT pathways at 18 weeks or less (New 2015/16)	92.3%	N/A	N/A	N/A	N/A
Less than 4 hour wait in A&E	91.67%	93.38%	95.2%	95%	95%
31 days to subsequent treatment for all cancers	Surgery 97.9% Anti-cancer 100% Radiotherapy 99.2%	Surgery 99% Anti-cancer 100% Radiotherapy 98.3%	Surgery 97.9% Anti-cancer 99.9% Radiotherapy 98.5%	100%	94%

Target Description	2015-2016	2014-2015	2013-2014	2012-2013	Target Figure (2013-2014)
62 days urgent referral to treatment for all cancers	95.8%	95.0%	95.2%	100%	90%
Thrombolysis within 60 minutes	43.5%	55.0%	44 %*	65%	68%
Cancer two week wait all cancers	99.3%	97.3%	95.7%	97%	93%
Cancer two week wait breast cancer	100%	98.0%	93.9%	94%	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 day following the day of admission. 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](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.

## 8.2 Performance against Nationally Prescribed Indicators

PRESCRIBED INDICATOR	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 2014/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14
<b>1. Summary hospital level mortality indicator (SHM1)</b>	93.82 12 months to Sept 2015			98.85	Data not yet available	Data not available		
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								
<b>2. Percentage of patient deaths with palliative care coded at either diagnosis or specialty level</b>	YTD Sept 2015  30.38	YTD Sept 2015  Highest 53.91 Lowest 13.19	YTD Sept 2015  26.59%	30.52%	Highest 50.85% Lowest 12.5%	25.7%	29.72%	Highest 47.64% Lowest 7.04% National ave. 23.64%

PREScribed INDICATOR	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 2014/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14
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								
<b>3. Patient reported outcome score for groin hernia surgery</b>	98.13%	N/A	N/A	85.25%	N/A	N/A	76.39%	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 the Trust.								
Poole Hospital NHS Foundation Trust will								

PREScribed INDICATOR	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 2014/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14
continue to seek to improve patients responding to the questionnaire on their satisfaction								
<b>4. Percentage of patients readmitted to hospital within 28 days of being discharged</b> <b>4.1 0 to 14 years old</b> <b>4.2 15 years old and over</b> <b>4.3 Total</b>	11.75% 11.8% 11.6%			10.4% 10.5% 10.5%			11.1% 10.1% 10.4%	N/A
Poole Hospital NHS Foundation Trust considers that this data is as described because the data has been internally validated.								
Poole Hospital NHS Foundation Trust will be working across the health and social care community to reduce unnecessary patient readmissions								
<b>5. Percentage of staff who would</b>				Q1 89%		76%	74%	National average for

PREScribed INDICATOR	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 2014/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14
<b>recommend the trust as a provider of care to their family or friends *</b> Q3 covered by staff survey.				Q2 84% Q3 * Q4 N/A		77%		acute trusts 64%
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.								
<b>6. Percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism</b>	97.40% as at Q4			98%		96%	97.3%	N/A
Poole Hospital NHS Foundation Trust								



PRESCRIBED INDICATOR	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 2014/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14
considers that this data is as described because of the good work being undertaken by clinical staff.								
Poole Hospital NHS Foundation Trust will continue the work on improving VTE assessment that it already undertakes								
<b>7. Rate per 100,000 bed days of cases of c.difficile</b>	N/A			5.2			16.3	Significantly better than others
<b>8. infection amongst patients aged 2 or over</b>	18			9				Highest 50.9 Lowest 7.2
Poole Hospital NHS Foundation Trust considers that this data is as described because of the excellent work in preventing infections in the trust. There were no cases of C.Diff cross contamination in either year.								

PREScribed INDICATOR	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	PHT POSITION 2014/2015	COMPARISON WITH OTHER TRUSTS 2014/2015	NATIONAL AVERAGE 2014/15	PHT POSITION 2013/2014	COMPARISON WITH OTHER TRUSTS 2013/14
Poole Hospital NHS Foundation Trust will continue the work on improving infection prevention that it already undertakes.								
<b>9. Number of patient safety incidents (NRLS Apr - Sep)</b>	4484			4236	N/A	N/A	3,722	N/A
<b>Percentage rate of patient safety incidents per 100 admissions</b>	49.29 Per 1000 bed days			49.34 Per 1000 bed days	N/A	N/A	10.8%	Highest 10.47% Lowest
<b>Percentage rate of severe harm or death</b>	0.1% 0.0%			0.0472%	N/A		0.4%	Highest 1.9% Lowest 0.0%
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 caused to patients is very low. It should be noted that this data is for the six								

<b>PRESCRIBED INDICATOR</b>	<b>PHT POSITION 2015/2016</b>	<b>COMPARISON WITH OTHER TRUSTS</b>	<b>NATIONAL AVERAGE 2015/2016</b>	<b>PHT POSITION 2014/2015</b>	<b>COMPARISON WITH OTHER TRUSTS 2014/2015</b>	<b>NATIONAL AVERAGE 2014/15</b>	<b>PHT POSITION 2013/2014</b>	<b>COMPARISON WITH OTHER TRUSTS 2013/14</b>
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 report patient safety incidents under the NRLS's voluntary arrangements.

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

## **9. OTHER QUALITY IMPROVEMENTS**

During 2015-2016 Poole Hospital NHS Foundation Trust made progress on improving the quality of patients care in a number of ways, including:

### **9.1 Outreach Alcohol Team**

A community health service is dramatically reducing the number of hospital visits made by one group of patients. The outreach alcohol team targets people who are recurring attendees at the emergency department or their GP because of long term alcohol misuse. The team provide intensive support helping patients to get back on their feet, find other interests and even employment. Working closely with a range of other agencies, the teams efforts have led to some impressive results. In the six months before the service started (September 2014) more than 140 such patients attended the emergency department at Poole Hospital. In the six months after launch, that number went down to just 28.

The alcohol care and treatment service (ACTS) has been recognised for the innovative way in which it has dramatically reduced the number of days patients spend in hospital due to alcohol. The team has been named as finalists in this year's prestigious Health Service Journal's awards, in the acute sector innovation category.

### **9.2 New research study- prevention of delirium programme**

Important research has been undertaken at Poole Hospital in conjunction with a larger study, exploring the effectiveness of a new approach to care for patients admitted to hospital who are at risk of developing delirium, also known as acute confusion. The trial study – prevention of delirium programme (POD) – used a confusion assessment method and mental test assessment, and included daily patient assessments undertaken by research nurses.

Delirium is a condition where an individual can become confused, have difficulty understanding things and have poor concentration or memory. It can last for a short amount of time but can be a serious illness. During the trial the research nurses were able to offer advice and support to family members who were distressed at the sudden onset of delirium, which can be confused with dementia, as well as flag concerns to the medical teams. In addition, patients were visited by the research nurses after discharge and were able to provide an assessment which could identify any concerning depression or anxiety and refer them to their GP.

### **9.3 Sign up to safety campaign- Patient safety summit and launch of patient safety plan**

Poole Hospital joined the NHS 'Sign up to Safety' Campaign in October 2014 and following a listening event in January 2015 formalised a 3 year plan to reduce avoidable harm to patients. Our first year has focused on the 'Safety collaborative' being supported by the Wessex Academic Health Science Network which has underpinned our Sepsis and handover work streams.

Poole Hospital held its first ever 'safety summit' in October to mark a year since joining a national safety campaign. Attendees, including doctors, nurses, managers, therapists and healthcare assistants, heard about how the Trust is reducing incidents of avoidable harm to patients through a range of initiatives, including targeting blood poisoning, enhancing clinical skills through the use of manikins and other artificial aids, and improving patient handovers between nursing teams.

The event also marked the formal launch of the hospital's patient safety plan, which outlines how the Trust will work to improve patient safety over the coming years. Trusts who have joined the national Sign Up To Safety campaign have committed to reduce incidents of preventable harm to patients – for example falls or infections developed while in hospital – by half by the end of 2018. It was launched by the Secretary of State for Health last year.

As we move into year two of our plan we need to spread the word and bring together all those staff who are already engaged in improvement projects particularly if we are to collectively solve some of the cross cutting challenges that impact on all our work including communications and team working.

#### **9.4 Robotic Cancer Treatment**

Patients will benefit from a huge £3.5m gift to Poole Hospital to purchase a state-of-the-art surgical robot system. The daVinci surgical robot system purchased is the first in the UK of its kind, and enables the latest advanced keyhole surgery techniques to be used to treat a range of conditions. It offers surgical instruments with a greater range of movement to allow easier access to areas difficult to reach with traditional keyhole surgery, and high definition, three dimensional views providing greater precision.

Initially used to treat patients with rectal cancer, its scope will expand to include gynaecological, and head and neck cancers. Future plans will include the treatment of non-cancerous conditions, such as endometriosis.

#### **9.5 Cancer Treatment Closer To Home**

The Dorset Cancer Centre at Poole hospital has launched a new chemotherapy service offering chemotherapy patients the choice to have their treatment closer to their homes. The new service is provided by specialist chemotherapy trained nurses from the Dorset Cancer Centre who will run the clinics every Friday from Wareham Hospital, part of Dorset Healthcare. The Dorset Cancer centre provides medical and clinical oncology services for the whole of Dorset and this service is being brought to Wareham Hospital to alleviate some of the long distances some in Dorset made to attend their appointments.

#### **9.6 Afterglow – support for patients after radiotherapy**

The hospital radiography team was selected as Radiography Team of the Year at the Society and College of Radiographers awards. The award was given to the team for its development of Afterglow, a support group for patients who have recently finished their radiotherapy treatment. Afterglow aims to bridge the gap between the end of treatment and follow up and gives patients a chance to meet others who have had similar experiences.

#### **9.7 Improving data quality**

The performance team from Poole Hospital has been awarded Analytics Team of the Year at a conference held September 2015. The award was given by AphA, the professional body for healthcare information specialists and analysts, for their work in improving data quality at the trust. The team was praised by AphA for delivery a fully validated patient level reporting system. The work the team does improves the patient experience at the hospital by supporting the trusts delivery of the 18 week RTT (Referral to Treatment) access times and ensuring all specialty managers have access to fully validated patient level data for RTT pathways, with updates available on demand and support to plan their elective workload.

## **9.8 New Carers support services**

A new carer's support service has been launched providing information about the services available to carers. The service will offer support to carers, taking time to listen to their needs and sign posting them to relevant support in the community. The free service based at the hospital is available to anyone connected to Poole Hospital – for example a carer visiting the cared for person, staff who may also be a carer being in hospital themselves. The service can be accessed via phone, email, promotional even, or 1-1 meetings.

Carer support advisor Elizabeth Adams said “The amount of information for carers can be overwhelming. We aim to inform and support carers in their choices, to let them know what help is available, if they need it in the future. There is a lot of information and support out there and we hope the new service will be of value”.

For more information contact the carer support advisor on [carersupport@uhd.nhs.uk](mailto:carersupport@uhd.nhs.uk) or telephone 0300 019 8714. Alternatively visit [www.uhd.nhs.uk](http://www.uhd.nhs.uk).

## **9.9 Lunch club for Dementia patients**

A new lunch club has been set up on Lilliput ward every Friday that aims to improve the nutritional and hydration intake of dementia patients. It is also open to other patients on the ward who are well enough to sit around the dining table. The initiative gives patients a change from their daily routine on the ward and it brings patients together in a social setting encouraging interaction and can support part of their rehabilitation – the walk to the dayroom improves their mobility and eases the symptoms of pressure sores, deep vein thrombosis etc. family members are actively encouraged to attend and bring their sandwiches and get involved. The club is run by dietitians, nurse specialists and the multi-disciplinary team.

## **9.10 Continuing Red Cross Partnership**

The Guardian newspaper recently spent a day with our elderly medicine team, finding out about our innovative partnership working with the British Red Cross. The assisted discharge service supports elderly patients once they've left hospital by providing practical and emotional support.

Patients are accompanied home, settled in, made a cup of tea, sort some shopping, check their home is safe by doing a risk assessment and then leave them once they're sure everything is ok. By 72 hours the majority of people are up and coping and Red Cross staff can see a difference over 3 days, where patients are beginning to get their confidence back and are proud to have been able to help.

## **9.11 New diabetes service for students**

Poole Hospital has launched a new service offering additional support for students with diabetes. The service is provided by the diabetes centre at the hospital with specialist trained nurses running clinics every week at the North Road campus at Poole College.

The facility is provided by the Young People's Diabetes Service, based at the diabetes centre at Poole Hospital. This service is designed to support young adults by developing their confidence and skills whilst taking greater responsibility for positive self-care ideas and strategies for their own diabetes and managing it safely and effectively.

## **9.12 Trust and individual staff recognition**

During 2015-2016 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.

## **9.13 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.

## **10. 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
- Health Watch Dorset

The following comments have been made:

### **10.1 Dorset Clinical Commissioning Group**

In 2015/16 Poole Hospital NHS Foundation Trust pursued achievement of key quality priorities identified in last year's Quality Account. The CCG can confirm that it has no reason to believe this Quality Account is not an accurate representation of the performance of the organisation during 2015/16. The information contained within this Quality Account is consistent with information supplied to commissioners throughout the year and the CCG recognises the areas of strength described in the Quality Account and the areas which require further progress whilst awaiting the outcome of the recent Care Quality Commission (CQC) inspection.

The CCG were asked to comment on the quality priorities for 2016/17 and is supportive of the areas identified particularly in relation to handover of care at the point of discharge. The CCG recognises that progress in achieving the quality priorities in 2016/17 faces a challenging backdrop and remain committed to work with Poole Hospital NHS Foundation Trust over the coming year to ensure all quality standards are monitored as set out in the reporting requirements of the NHS Contract and local quality schedules.

## **10.2 People Overview and Scrutiny Committee (Health and Social Care) response to Poole Hospital NHS Foundation Trust's Quality Account 2015/16**

Members of Borough of Poole's People Overview and Scrutiny Committee (Health and Social Care) would like to thank Poole Hospital NHS Foundation Trust for their professional and open approach to meeting with members throughout the year. Some very productive discussions have been held around the progress made in key quality improvement areas. We would like to thank the hospital for allowing members the opportunity to comment on this account regarding the achievements and areas for improvement detailed in the Quality Report for 2015/16. The Report gives a clear outline of how Poole Hospital is meeting its requirements for delivering high quality healthcare.

The POSC(HSC) are pleased that the Vanguard application submitted jointly with Dorset County and Royal Bournemouth Hospitals has been successful and will be interested to understand how this will benefit the residents of Poole in the long term.

The POSC(HSC) were delighted to read that CQC had rated the Trust as a very "low risk" organisation and had retained the band 6 status under the old ratings regime.

It is also fascinating to hear of the two donations you have received from patients and how this money will be used to improve services. The Committee were particularly impressed to read about the satellite radiotherapy unit enabling cancer patients to receive cancer treatment closer to home, and would be interested to understand if this will have a positive impact on alleviating pressures on cancer services within the Trust that has been detailed in the account.

It is also encouraging to note that all staff were enabled to respond to the staff survey and that on the whole staff feel involved, valued and supported in their work.

We are encouraged that the Trust set out some challenging priority areas for improvement during 15/16 and what it has achieved regarding improving performance around 5 of its key quality improvement measures:

**Handover at discharge-** the Committee are fully aware of the complex and multifactorial issues that lead to a good discharge. Members are encouraged by the work that has been undertaken over the year especially in relation to the "There's No Place Like Home" initiative. It is appreciated that discharge is interdependent on all parts of the system including working with partners operating in a well co-ordinated way and are pleased that the Trust will be continuing to prioritise discharge as a quality improvement area over the coming year.

**Deterioration of patients-** Members were pleased to hear about the success of the electronic early warning system (VitalPAC) during a meeting with key staff in February and that you are taking action to improve escalation of concerns for high and critical risk patients. It would be useful for the Committee to receive an update on this during their next scheduled visit to the hospital.

**Medication errors-**the Committee note that a new electronic prescribing system has been implemented and that the trust has appointed a chief pharmacist. What is unclear from reading the report is what difference this has made to reduce medication errors. It would be very helpful to receive some further information outlining what difference these measures have made.

**Sepsis-** As with medication errors it is difficult to understand if early identification of sepsis has improved. Again the Committee would appreciate gaining more of an insight into this area.



**Patient involvement and feedback**- the Committee are heartened to hear about the work that has gone on in this area. A fall in complaints because concerns are being managed well at an earlier stage through the PALS system is very positive and on the whole must lead to earlier resolution for patients and their loved ones. The Committee also welcome the Council becoming involved in the patient experience group and will be interested to hear about the work of the group.

Moving forward we are pleased to note that three quality improvement areas for the coming year are continuing themes around effective **discharge planning**, **deterioration of patients** and **medication errors**. The Committee recognise that making system changes takes time to implement and that not all priority improvements areas can necessarily be fully in place within a year.

The Committee are encouraged to see that the Trust are acting on concerns regarding the increase in **hospital acquired pressure ulcers** and that transferring patients from the community into hospital means that some of these can be inherited. The Committee will be interested to understand performance in this area over the coming year.

The Committee are encouraged that **nursing patient assessments** will be closely monitored with specific focus around learning disability patients, where at times such patients may be disadvantaged through not undertaking a thorough assessment.

The Trust must be very honoured to be one of ten selected to take part in a new national programme to **improve end of life care** and the Committee are keen to receive updates on progress on this as a priority improvement area.

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 12<sup>th</sup> April 2016.

### **10.3 Borough of Bournemouth, Overview and Scrutiny Committee**

The quality account looks at the targets and performance of Poole Hospital over the previous 12 months. It was unusual in being more readable by those without medical expertise than some others we have seen.

Whilst there is potential to improve on the targeting and reporting to make it a little clearer, it is obvious that the hospital acknowledges areas of improvement as well as identifying areas where further action needs to be addressed. In some cases it would have been helpful to have some explanation for "negative data" (like the increase in Clostridium Difficile Infections) where there may be a good explanation for the increase that might not be obvious to the general public reader.

It is encouraging to see the range of research the hospital is involved in, helping to drive forward wider medical research and understanding.

It was particularly pleasing to read the positive responses from the staff survey, surveying those at the very heart of the trust who see everything that is really happening, and read such positive results.

Finally recognition must be given to some of the award winning/recognised achievements such as the alcohol work which is both truly innovative and hugely effective.

#### **10.4 Healthwatch Dorset comment for Poole Hospital NHS Foundation Trust Quality Account 2015/16**

In our comment last year we referred to the number of concerns patients/relatives had raised with us about issues relating to discharge. We are pleased to note that improving discharge remains a priority for 2016/17 as it is something that continues to be a concern.

We continue to receive negative comments about the quality of care for elderly and more vulnerable patients with carers and relatives telling us they have concerns about basic care such as helping with false teeth, hearing aids and glasses and access to fluids, food and toileting. We have also received more comments recently about patient falls on wards. We hope the Trust will be looking at these issues.

Positive experiences of the Trust are mainly due to when staff have taken the time to discuss and liaise with patients and relatives and kept them well informed. People tell us this makes “all the difference” to their time in hospital.

We welcome the work the Trust has been doing around patient engagement and involvement and would like to see more information in the account about the role of the Patient Experience Facilitators next year and actions from the Patient Engagement & Learning from Experience work.

We look forward to continue working with the Trust to ensure that peoples experience of the Trusts services, both good and bad, are listened to and learned from.

#### **11. Governor Response to the 2015/2016 Quality Report as prepared and agreed by the Council of Governor’s Quality Reference Group**

“The Council of Governors is grateful for the opportunity to comment on the Trust’s quality report which is both comprehensive and reflects the considerable achievements in delivering high quality care. The governors also welcome the report’s transparency in highlighting areas requiring further monitoring and development, and the assurance this provides.

Over the last year the Trust has continued to face significant challenges around increased patient activity and financial pressures. The Board and Governors await the preliminary proposals from the Clinical Services Review which the Trust will embrace and continue to work in close collaboration with the CCG and partner organisations to ensure all healthcare providers deliver a sustainable and first class service to the people of Dorset. The Trust is also waiting on the CQC feedback and recommendations will be shared across the organisation and action plans will be captured within the Quality report for next year.

There are many notable achievements within the report including:

- NHS Staff Survey published in February 2016: Poole Hospital received its strongest ever endorsement as a great place to work by staff. Findings from the survey placed Poole Hospital in the top 20 per cent of all Trusts nationally in almost half of the 32 question areas.

Significant improvement and achievements:

- Monitoring and responding to the deteriorating patient.
- Screening and treatment of Sepsis and the appointment of a Sepsis Nurse Specialist
- Decrease in complaints and real time patient feedback with the Picker Institute ‘After Francis research project’ in July 2015.
- Increased support for patients returning home.
- Care of the Dying Pathway - Poole Hospital is one of ten hospitals nationally to be selected to take part in a new national programme to improve end of life care, Building on the Best.

- Outreach Alcohol Team

The Governors also welcome the transparency within the report around areas of concern, and feel reassured that the Board are working with staff to address these:

- Increase in the number of grade 2/3 pressure sores.
- Increase in reported C.Difficile cases (National Trend)
- Challenges around the 4 hour ED target, 18 week wait and 62 day Cancer Wait Times.
- Increase in staff working extra hours.

The governors have been involved in discussions during the drafting of this report and as governors have been able to put forward our recommendations on the priorities going forward. These have been included in this report.

In conclusion, the Council of Governors has reviewed this comprehensive report and would like to endorse the progress and achievements outlined and the recommendations recorded to ensure the Trust continues to deliver first class care.”

## **ANNEX 1 to QUALITY REPORT 2015-2016**

### **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 NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

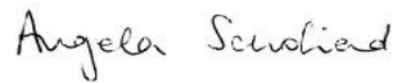
In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015-2016;
- 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 2015 to March 2016
  - papers relating to Quality reported to the board over the period April 2015 to March 2016
  - feedback from commissioners dated 09/05/2016
  - feedback from governors dated 28/04/2016
  - feedback from local Health watch organisations dated 06/05/2016
  - feedback from Poole Overview and Scrutiny Committee dated 06/05/2016
  - feedback from the Bournemouth Overview and Scrutiny Committee dated 12/05/2016
  - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 30/07/2015
  - the national patient survey 2015
  - the national staff survey 2015
  - the Head of Internal Audit's annual opinion over the trust's control environment dated May 2016
  - CQC Intelligent Monitoring Report dated May 2015
- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting guidance (which incorporates the Quality Accounts regulations) (published at [www.monitor.gov.uk/annualreportingmanual](http://www.monitor.gov.uk/annualreportingmanual)) as well as the standards to support data quality for the preparation of the Quality Report (available at [www.monitor.gov.uk/annualreportingmanual](http://www.monitor.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

Signed by:

A handwritten signature in dark ink that reads "Angela Schofield". The script is cursive and fluid.

Angela Schofield  
Chairman  
25 May 2016

A handwritten signature in dark ink that reads "Debbie Fleming". The script is cursive and fluid.

Debbie Fleming  
Chief Executive  
25 May 2016

## **ANNEX 2 to QUALITY REPORT 2015-2016**

### **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 2016 (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 2016, 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 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- Percentage of incomplete pathways within L8 weeks for patients on incomplete pathways; and
- Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.

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

#### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by Monitor.

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the Monitor 20151L6 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual', and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with

- board minutes for the period April 2015 to May 2015;
- papers relating to quality reported to the board over the period April 2015 to May 2015;
- feedback from the Commissioners dated 9th May 2016;
- feedback from the governors dated 28th April 2016;
- feedback from local Healthwatch organisations, dated 6th May 2015;
- feedback from Poole Overview and Scrutiny Committee, dated 6th May 2016;
- feedback from the Bournemouth Overview and Scrutiny Committee dated 12th May 2016;
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 30th July 2015;
- the 2015 national patient survey;
- the 2015 national staff survey;
- CQC Intelligent Monitoring Report dated May 2015;
- Care Quality Commission reports; and
- the Head of Internal Audit's annual opinion over the trust's control environment dated 11th May 2016.

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.

## Basis for Qualified Conclusion

The "Percentage of patients with a total time in A&E of four hours or less from arrival to admission ,transfer or discharge" indicator requires that the Trust accurately records the start and end times of each patient's stay in A&E in accordance with detailed requirements set out in the national guidance. From our analysis of the overall data and our testing of a sample of 32 items we identified:

- Two cases where the A&E staff did not notice that the system had defaulted the date to the current day when recording the arrival time of a patient who had arrived the previous day (in these cases the patients arrival and the arrival being recorded straddled midnight), causing the arrival date to be incorrectly recorded; and
- Three cases where the departure time was incorrect in the overall data. To analyse further;
  - In two of these cases, the "symphony" system shows treatment in A&E past the point of discharge. We understand that in these cases the cause of the error was that A&E staff selected the wrong item from a drop down menu when the patient was moved to a waiting area, causing a departure to be recorded.
  - In the other case a user error meant the departure time was recorded incorrectly.

Our procedures involved testing a risk-focussed sample from the year to 31 March 2016, and therefore the error rates disclosed above should not be extrapolated to the population as a whole.

Based on the observations above, and the lack of availability of a suitable source of corroborating evidence, we have concluded that there are errors in the calculation of the "Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge" indicator for the year ended 31 March 2016. We are unable to quantify the effect of these errors on the reported indicator.



**Qualified conclusion**

Based on the results of our procedures, with the exception of the matter reported in the basis for qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that,

- for the year ended 31 March 2016: . 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 2.1 of the Monitor 2015/16 Detailed guidance for external assurance on quality reports; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual'.



Deloitte LLP  
Chartered Accountants  
Reading, UK  
25th May 2016

## SECTION D: ANNUAL ACCOUNTS



# Independent auditor's report to the Board of Governors and Board of Directors of Poole Hospital NHS Foundation Trust

<p><b>Opinion on financial statements of Poole Hospital NHS Foundation Trust</b></p>	<p><b>In our opinion the financial statements:</b></p> <ul style="list-style-type: none"> <li>• give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2016 and of its income and expenditure for the year then ended;</li> <li>• have been properly prepared in accordance with the accounting policies directed by Monitor– Independent Regulator of NHS Foundation Trusts; and</li> <li>• have been prepared in accordance with the requirements of the National Health Service Act 2006.</li> </ul> <p>The financial statements comprise the Group and Trust Statement of Comprehensive Income, the Group and Trust Statement of Financial Position, the Group and Trust Statement of Changes in Taxpayers' Equity and the Group and Trust Statement of Cash Flows 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.</p>
<p><b>Emphasis of matter – Going concern</b></p>	<p>We have reviewed the directors' statement in Note 1 Section 1.1 of the financial statements in respect of the Group's ability to continue as a going concern.</p> <p>The Trust recorded a deficit of £4.1m in the year to 31 March 2016, forecasts an increased deficit of £9.7m in 2016/17, and without further funding will have exhausted its cash supply by December 2016. The Trust considers itself unlikely to receive a potential £7.9m from the Sustainability Transformation Fund (STF), as this requires the Trust to plan a surplus, which the Trust does not consider possible. Therefore the Trust is preparing to apply for a loan from the DoH to enable the Trust to continue to provide its services.</p> <p>Whilst we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate, these conditions indicate the existence of a material uncertainty which may give rise to significant doubt over the Group's ability to continue as a going concern. We describe below how the scope of our audit has responded to this risk. The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.</p> <p>Our opinion is not modified in respect of this matter.</p>
<p><b>Certificate</b></p>	<p>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 Audit Code for NHS Foundation Trusts.</p>



<b>Independence</b>	We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.
<b>Our assessment of risks of material misstatement</b>	<p>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.</p> <p>The risks identified in the current year are the same risks as identified in the prior year.</p> <p>The Audit &amp; Governance Committee has requested that, while not currently required under International Standards on Auditing (UK and Ireland), we include in our report any key observations in respect of these assessed risks of material misstatement.</p>

<b>Going Concern</b>	
<b>Risk description</b>	<p>The Trust operates in an increasingly financially constrained environment, with significant ongoing cost pressures from Cost Improvement Plan (CIP) requirements. The Trust recorded a deficit of £4.1m in the year to 31 March 2016, forecasts an increased deficit of £9.7m in 2016/17, and without further funding will have exhausted its cash supply by December 2016. The Trust considers itself unlikely to receive a potential £7.9m of STF funding, as this requires the Trust to plan a surplus, which the Trust does not consider possible. Therefore the Trust is preparing to apply for a loan from the DoH to enable the Trust to continue to provide its services. There is a risk that the amount received will not be sufficiently flexible to deal with unforeseen circumstances.</p> <p>The Group's disclosures related to Going Concern can be found in Note 1 to the accounts, and on page 24 of the annual report.</p>
<b>How the scope of our audit responded to the risk</b>	<p>We have reviewed the Trust's high level forecasts and CIP plans, including challenging key judgements. As part of this exercise we have considered the historical accuracy of the budgeting process used by the Trust</p> <p>We considered the sources of funding available to the Trust, and the likelihood of the Trust receiving such funding.</p> <p>We reviewed the Trust's communications with Monitor relevant to its financial position and risk rating.</p>
<b>Key observations</b>	<p>As described in the financial statements there is uncertainty over:</p> <ul style="list-style-type: none"> <li>• Whether the Trust will receive the loan or other funding required to meet its financial obligations as they fall due; and</li> <li>• Whether any funding received will be sufficiently flexible to deal with unforeseen circumstances such as a significant change in activity or failure to obtain the forecast CQUIN payment in full.</li> </ul>

This has led to us drawing attention to the Trust's uncertainties in the "emphasis of matter" paragraph included above.

#### **NHS revenue and provisions**

##### **Risk description**

We have identified recognition of NHS revenue as a key risk due to:

- CQUIN revenue to recognise from the main commissioner, Dorset Clinical Commissioning Group (CCG);
- the judgemental nature of provisions for disputes with commissioners, including in respect of outstanding over performance 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.

Details of the Trust's income, including £196m of Commissioner Requested Services, are shown in note 2.3 to the financial statements and disclosed as a critical accounting judgment in note 1.20. NHS debtors, of £4.1m, are shown in note 11.1 to the financial statements.

The majority of the Trust's income comes from key commissioners, increasing the significance of associated judgements.

##### **How the scope of our audit responded to the risk**

We tested recoverability of overperformance income and adequacy of provisioning for underperformance through the year, and evaluated the results of the agreement of balances exercise.

We obtained an understanding of the nature of each provision, the basis for the position adopted, and evidence of the historical accuracy of provisions made for disputes with commissioners. We considered this track record in evaluating year-end provisions.

We reviewed with management the key changes and any open areas in setting 2016/17 contracts and considered whether, taken together with the settlement of current year disputes, there were any indicators of inappropriate adjustments in revenue recognised between periods.

Additionally, we reviewed the key contracts in place, and ensured that any changes in contracts agreed through the year were properly supported by signed contract amendments.

##### **Key observations**

All significant balances were agreed to contracts and the agreement of balances exercise.

Management's judgements considered to be within a reasonable range.

There was an error of £140k noted in the recognition of the income and expenditure in relation to the Trust's Vanguard project. This was primarily owing to timing of the recognition whereby both income and expenditure had been recognised early. This has a negligible net income statement effect.



<b>Property valuations</b>	
<b>Risk description</b>	<p>The Group holds property assets within Property, Plant and Equipment at a modern equivalent use valuation of £95.5m, as shown in Note 8 to the Financial Statements and disclosed as a critical accounting judgment in note 1.20. The valuations are by nature significant estimates which are based on specialist and management assumptions (including the floor areas for a Modern Equivalent Asset, the basis for calculating build costs, the level of allowances for professional fees and contingency, and the remaining life of the assets) and which can be subject to material changes in value.</p> <p>The valuation movements on the Group's estate shown in Other Comprehensive Income are an upwards revaluation of £3.4m.</p>
<b>How the scope of our audit responded to the risk</b>	<p>We tested the accuracy and completeness of data provided by the Trust to the valuer.</p> <p>We used Deloitte internal valuation specialists to review and challenge the appropriateness of the key assumptions used in the valuation of the Trust's properties, including through benchmarking against revaluations performed by other Trusts at 31 March 2016.</p> <p>We have reviewed the disclosures in note 1 and evaluated whether these provide sufficient explanation of the basis of the valuation and the judgements made in preparing the valuation.</p> <p>We assessed whether the valuation and the accounting treatment of the impairment are compliant with the relevant accounting standards, and in particular whether impairments should be recognised in the Income Statement or in Other Comprehensive Income.</p>
<b>Key observations</b>	<p>We did not identify any misstatements or control weaknesses from our testing. The key assumptions were similar to in previous years and were within the reasonable range. The trust has adopted a hypothetical alternative site model for a number of its assets, which has resulted in a small increase in the valuation of those assets in the current year.</p>

The description of risks above should be read in conjunction with the significant issues considered by the Audit & Governance Committee discussed on page 54.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these 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 £2.1m (2014/15: £2.1m), which is below 1% of revenue (2014/15: below 1% of

	<p>revenue). Revenue was chosen as a benchmark as the Group is a non-profit organisation and revenue is a key measure of financial performance for users of the financial statements.</p> <p>We agreed with the Audit &amp; Governance Committee that we would report to the Committee all audit differences in excess of £105,000 (£105,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit &amp; Governance Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.</p>
<b>An overview of the scope of our audit</b>	<p>Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level.</p> <p>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.</p> <p>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.</p> <p>Our audit covered all of the entities within the Group, and account for 100% of the Group's net assets, revenue and surplus.</p> <p>Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality.</p> <p>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.</p> <p>The audit team included integrated Deloitte specialists bringing specific skills and experience in Information Technology systems and property valuations.</p>
<b>Opinion on other matters prescribed by the National Health Service Act 2006</b>	<p>In our opinion:</p> <ul style="list-style-type: none"> <li>the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the National Health Service Act 2006; and</li> <li>the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.</li> </ul>
<b>Matters on which we are required to report by exception</b>	
<i>Use of resources</i>	We are required to report whether in our opinion the NHS foundation

trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Group and Trust has described the following matters in its Annual Governance Statement which we consider to be relevant to the Group and Trust's arrangements to secure economy, efficiency and effectiveness: the Trust incurred a planned deficit of £4.1 million during the year ended 31 March 2016 and has set a budgeted deficit of £9.7m million for 2016/17. As referred to in our "emphasis of matter" paragraph in our audit opinion, the Trust is actively seeking financing options in order to allow it to meet its liabilities under the plan when they fall due. These issues, which are not wholly within the control of the Trust, affect its ability to plan effectively for the sustainable delivery of its service obligations.

These issues are evidence of weaknesses in proper arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

Except for the matter referred to above in relation to the ongoing financial sustainability of the Group, no other matters have come to our attention that indicate that the NHS foundation trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

*Annual Governance Statement, and compilation of financial statements*

Under the Code of Audit Practice, we are also 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;
- 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;
- 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 are required to consider 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 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 Code of Audit Practice and International Standards on Auditing (UK and Ireland). 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.

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 Group 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 and 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  
25<sup>th</sup> May 2016

## **FOREWORD TO THE ACCOUNTS**

### **Poole Hospital NHS Foundation Trust**

These accounts for the year ended 31 March 2016 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: 25 May 2016**

## 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

25 May 2016

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED**  
**31 March 2016**

		Group (see Note a)	Foundation Trust (see Note b)	Group	Foundation Trust
		2015/16	2015/16	2014/15	2014/15
	NOTE	£000	£000	£000	£000
<b>Operating income</b>	2	230,175	226,046	215,781	215,321
<b>Operating expenses</b>	3	<u>(227,890)</u>	<u>(227,330)</u>	<u>(218,011)</u>	<u>(217,452)</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>		2,285	(1,284)	(2,230)	(2,131)
<b>Finance Costs</b>					
Finance income	5	81	67	68	61
Finance costs - financial liabilities	6	(160)	(160)	(46)	(46)
Finance costs - interest expense - unwinding of discount	15	(11)	(11)	(10)	(10)
Public Dividend Capital dividends payable		<u>(2,755)</u>	<u>(2,755)</u>	<u>(2,814)</u>	<u>(2,814)</u>
<b>Net Finance Costs</b>		<u>(2,845)</u>	<u>(2,859)</u>	<u>(2,802)</u>	<u>(2,809)</u>
<b>DEFICIT FOR THE YEAR (See Note b below)</b>		(560)	(4,143)	(5,032)	(4,940)
<b>Other comprehensive income/(expense)</b>					
Impairments/Revaluations to Revaluation Reserve (Note c.)		3,416	3,405	3,440	3,435
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		<u>2,856</u>	<u>(738)</u>	<u>(1,592)</u>	<u>(1,505)</u>

Note a. Group figures include Poole Hospital NHSFT Charitable Fund (registered charity number 1058808).

<b>Note b. Foundation Trust deficit for the year:</b>		
	£000	£000
<b>Deficit for the year (above)</b>	(4,143)	(4,940)
Non-recurring charitable income	<u>(2,111)</u>	<u>(26)</u>
<b>Deficit from operations</b>	<u>(6,254)</u>	<u>(4,966)</u>
Impairment	(50)	1,504
<b>Deficit before non-recurring items</b>	<u>(6,304)</u>	<u>(3,462)</u>

Note c. The Impairments/Revaluation movement in the year relates to property, plant and equipment following the revaluation of the estate by the District Valuer as at 31 March 2016. This Impairment/Revaluation movement will not be reclassified subsequently to the Profit and Loss.

The notes on pages 5 to 38 form part of these accounts.

All income and expenditure is derived from continuing operations.

**STATEMENT OF FINANCIAL POSITION AS AT  
31 March 2016**

		Group	Foundation Trust	Group	Foundation Trust
		31 March 2016	31 March 2016	31 March 2015	31 March 2015
	NOTE	£000	£000	£000	£000
<b>NON CURRENT ASSETS</b>					
Intangible assets	7	2,911	2,911	3,179	3,179
Property, plant and equipment	8	114,621	114,444	109,603	109,431
Trade and other receivables	11	874	874	1,029	1,029
		<u>118,406</u>	<u>118,229</u>	<u>113,811</u>	<u>113,639</u>
<b>CURRENT ASSETS</b>					
Inventories	10	2,190	2,190	2,205	2,205
Trade and other receivables	11	9,482	9,519	8,011	8,044
Cash and cash equivalents	16	15,518	9,998	12,541	10,664
<b>TOTAL CURRENT ASSETS</b>		<u>27,190</u>	<u>21,707</u>	<u>22,757</u>	<u>20,913</u>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	12	(22,027)	(21,952)	(20,420)	(20,396)
Other liabilities	12	(657)	(657)	(566)	(566)
Borrowings	13	(1,172)	(1,172)	(335)	(335)
Provisions	15	(591)	(591)	(406)	(406)
<b>TOTAL CURRENT LIABILITIES</b>		<u>(24,447)</u>	<u>(24,372)</u>	<u>(21,727)</u>	<u>(21,703)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>121,149</u>	<u>115,564</u>	<u>114,841</u>	<u>112,849</u>
<b>NON CURRENT LIABILITIES</b>					
Borrowings	13	(8,115)	(8,115)	(4,732)	(4,732)
Provisions	15	(681)	(681)	(612)	(612)
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>(8,796)</u>	<u>(8,796)</u>	<u>(5,344)</u>	<u>(5,344)</u>
<b>TOTAL ASSETS EMPLOYED</b>		<u>112,353</u>	<u>106,768</u>	<u>109,497</u>	<u>107,505</u>
<b>FINANCED BY:</b>					
<b>TAXPAYERS' EQUITY</b>					
Public dividend capital		88,661	88,661	88,661	88,661
Revaluation reserve		24,887	24,887	22,716	22,716
Income and expenditure reserve		(6,780)	(6,780)	(3,871)	(3,872)
Charitable Funds reserves		5,585	0	1,991	0
<b>TOTAL TAXPAYERS' EQUITY</b>		<u>112,353</u>	<u>106,768</u>	<u>109,497</u>	<u>107,505</u>

The financial statements on pages 180-217 were approved and authorised for issue by the Board on 25 May 2016 and signed on its behalf by:



Signed: .....Chief Executive

Date: 25 May 2016

Name: Debbie Fleming



Signed: .....Director of Finance

Date: 25 May 2016

Name: Mark Orchard

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (GROUP)**

	Public dividend capital (PDC)	Revaluation reserve	Income and Expenditure Reserve	Charitable Fund Reserves	Total
	£000	£000	£000	£000	£000
<b>Balance at 31 March 2015</b>	<b>88,661</b>	<b>22,716</b>	<b>(3,871)</b>	<b>1,991</b>	<b>109,497</b>
<b>Changes in taxpayers' equity for 2015/16</b>					
Retained surplus/(deficit) for the year	0	0	(6,688)	6,128	(560)
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.1 and 8.2)	0	3,405	0	0	3,405
Revaluations and impairments- charitable funds	0	0	0	10	10
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(1,235)	1,235	0	0
Other reserve movements - charitable funds consolidation adjustment	0	0	2,544	(2,544)	0
Other reserve movements	0	1	0	0	1
<b>Balance at 31 March 2016</b>	<b>88,661</b>	<b>24,887</b>	<b>(6,780)</b>	<b>5,585</b>	<b>112,353</b>
<b>Balance at 1 April 2014</b>	<b>87,953</b>	<b>19,688</b>	<b>660</b>	<b>2,079</b>	<b>110,380</b>
<b>Changes in taxpayers' equity for 2014/15</b>					
Retained surplus/(deficit) for the year	0	0	(5,412)	380	(5,032)
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.3 and 8.4)	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
<b>Balance at 31 March 2015</b>	<b>88,661</b>	<b>22,716</b>	<b>(3,871)</b>	<b>1,991</b>	<b>109,497</b>

**STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (FOUNDATION TRUST)**

	Public dividend capital (PDC)	Revaluation reserve	Income and Expenditure Reserve	Total
	£000	£000	£000	£000
<b>Balance at 31 March 2015</b>	<b>88,661</b>	<b>22,716</b>	<b>(3,872)</b>	<b>107,505</b>
<b>Changes in taxpayers' equity for 2015/16</b>				
Retained surplus/(deficit) for the year	0	0	(4,143)	(4,143)
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.5 and 8.6)	0	3,405	0	3,405
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(1,235)	1,235	0
Other Reserve movements	0	1	0	1
<b>Balance at 31 March 2016</b>	<b>88,661</b>	<b>24,887</b>	<b>(6,780)</b>	<b>106,768</b>
<b>Balance at 1 April 2014</b>	<b>87,953</b>	<b>19,688</b>	<b>660</b>	<b>108,301</b>
<b>Changes in taxpayers' equity for 2014/15</b>				
Retained surplus for the year	0	0	(4,940)	(4,940)
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.7 and 8.8)	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
<b>Balance at 31 March 2015</b>	<b>88,661</b>	<b>22,716</b>	<b>(3,872)</b>	<b>107,505</b>

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

31 March 2016

	Group	Foundation Trust	Group	Foundation Trust
	2015/16	2015/16	2014/15	2014/15
	£000	£000	£000	£000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating surplus/(deficit) from continuing operations	2,285	(1,284)	(2,230)	(2,131)
<b>Non-cash income and expense:</b>				
Depreciation and amortisation	9,305	9,305	9,114	9,114
(Reversal of impairments)/impairments	(50)	(50)	1,504	1,504
Loss on Disposal	0	0	32	32
(Increase)/decrease in trade and other receivables	(1,315)	(1,320)	620	701
Decrease/(increase) in inventories	15	15	(522)	(522)
Increase/(decrease) in trade and other payables	1,332	1,332	189	191
Increase/(decrease) other liabilities	91	91	(113)	(113)
Increase in provisions	243	243	60	60
NHS Charitable Funds - net adjustment for working capital movements, non-cash transactions and non-operating cash flows	(44)	0	(115)	0
Other movements in operating cash flows	114	1	83	1
<b>Net cash generated from operations</b>	<b>11,976</b>	<b>8,333</b>	<b>8,622</b>	<b>8,837</b>
<b>Cash flows from investing activities</b>				
Interest received	67	67	61	61
Purchase of property, plant and equipment	(9,825)	(9,825)	(8,962)	(8,962)
Purchase of intangible assets	(556)	(556)	(1,916)	(1,916)
Sales of property, plant and equipment	0	0	7	7
NHS Charitable Funds - net cash flows from investing activities	0	0	7	0
<b>Net cash generated generated used in investing activities</b>	<b>(10,314)</b>	<b>(10,314)</b>	<b>(10,803)</b>	<b>(10,810)</b>
<b>Cash Flows from financing activities</b>				
Public dividend capital received	0	0	708	708
Loans received from the Department of Health	3,950	3,950	4,800	4,800
Other loans received	777	777	0	0
Loans repaid to the Department of Health	(439)	(439)	0	0
Capital element of finance lease rental payments	(69)	(69)	(127)	(127)
Interest paid to Department of Health on loans	(147)	(147)	(36)	(36)
Interest element of finance lease	(13)	(13)	(10)	(10)
PDC Dividend paid	(2,744)	(2,744)	(2,798)	(2,798)
<b>Net cash used in financing activities</b>	<b>1,315</b>	<b>1,315</b>	<b>2,537</b>	<b>2,537</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>2,977</b>	<b>(666)</b>	<b>356</b>	<b>564</b>
<b>Cash and Cash equivalents at 1 April</b>	<b>12,541</b>	<b>10,664</b>	<b>12,185</b>	<b>10,100</b>
<b>Cash and Cash equivalents at 31 March</b>	<b>15,518</b>	<b>9,998</b>	<b>12,541</b>	<b>10,664</b>

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

Monitor is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. 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 the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the FT ARM 2015/16 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, despite the Trust consistently reporting that from 2016/17 it will require Interim support funding in order to continue to operate. This Interim Support may take the form of a Department of Health revenue loan as is required from as early as Quarter 3, 2016/17.

The amount of Interim Support required during 2016/17 is projected to be £6.1million, reflecting an in-year cash shortfall of £4.9million, plus a further £1.2million to provide minimum working capital equivalent to two days operating expenses.

This dependency on Interim Support is consistent with Year 3 of the Trust's original planning trajectory agreed with the regulator, and will continue until such time that a financially sustainable plan is implemented, and the associated efficiency benefits realised, as part of the Dorset Clinical Services Review.

The Board of Directors therefore acknowledge that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Specifically, an uncertainty exists around whether the Trust will receive Interim Support or other funding to meet its financial obligations as they fall due, and whether any cash received will be sufficiently flexible to deal with unforeseen circumstances. However, these risks are well understood and action can and will be taken to ensure that the risks are managed.

The accounts do not contain the adjustments required should the Trust not be in a position to continue in operation.

Further detail is provided within 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 Financial Reporting Standard (FRS) 102. 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 2016 amounted to £4,558k. For consolidation purposes grants amounting to £1,027k awarded by the Charity to the Foundation Trust but unspent at 31 March 2016 have been added back to the Charity reserves in the Group Accounts. The Charity reserves shown in the Group Accounts therefore amount to £5,585k. These funds are comprised of restricted funds of £5,554k and unrestricted funds of £31k. 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 £1,896k. Consolidation adjustments amounted to £95k. The Charity reserves shown in the Group Accounts therefore amount to £1,991k.



## NOTES TO THE ACCOUNTS (continued)

### 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 Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are 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. They are 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, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

#### a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) 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 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 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 and are published annually. Copies can also be obtained from The Stationery Office.

## NOTES TO THE ACCOUNTS (continued)

### *Pension costs continued*

#### *NHS Pension Scheme*

##### 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 payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed 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 and is fully provided for in the Accounts.

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.

The Trust paid £14,161k employer contributions to the NHS Pension Scheme in 2015/16 and the contributions for 2016/17 are forecast to be approximately £14,844k.

## NOTES TO THE ACCOUNTS (continued)

### 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.

## NOTES TO THE ACCOUNTS (continued)

### 1.5 Property, Plant and Equipment continued

#### *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 valuation.

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, 31 March 2015 and 31 March 2016. See also Note 1.20 regarding critical estimates and key accounting judgements. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

##### *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

#### **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'.

## NOTES TO THE ACCOUNTS (continued)

### 1.5 Property, Plant and Equipment Continued

#### **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.

## NOTES TO THE ACCOUNTS (continued)

### 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 current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5. 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.

## NOTES TO THE ACCOUNTS (continued)

### 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. Loans from the Department of Health are not held for trading and are measured at historic cost with any unpaid interest accrued separately.

#### *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.

## NOTES TO THE ACCOUNTS (continued)

### 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.



## NOTES TO THE ACCOUNTS (continued)

### 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.

## NOTES TO THE ACCOUNTS (continued)

### 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  
IFRS 16 Leases  
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 2016 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 1.37% (2014/15 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 2015/16. This income is included in the Accounts.

## 2 Operating Income

2.1 Operating Income	Group		Foundation Trust	
	2015/16	2015/16	2014/15	2014/15
Income from Activities	£000	£000	£000	£000
Elective income	25,593	25,593	25,815	25,815
Non elective income	59,848	59,848	58,116	58,116
Outpatient income	26,428	26,428	26,137	26,137
A & E income	6,364	6,364	5,978	5,978
Other NHS Clinical Income	78,532	78,532	75,753	75,753
Additional income for delivery of healthcare services (Note 1)	1,479	1,479	0	0
Private patient income	2,415	2,415	2,302	2,302
Other types of activity income	1,330	1,330	1,461	1,461
	<b>201,988</b>	<b>201,988</b>	<b>195,562</b>	<b>195,562</b>
Other Operating Income	2015/16	2015/16	2014/15	2014/15
	£000	£000	£000	£000
Education and training	6,752	6,752	6,246	6,246
Charitable and other contributions to expenditure	506	3,050	856	1,329
Non-patient care services to other bodies	7,940	7,940	6,529	6,529
NHS income for staff costs accounted on a gross basis	2,350	2,350	2,375	2,375
Research income	292	292	261	261
Income generation (Note 2)	1,931	1,931	1,794	1,794
NHS Charitable Funds: Incoming Resources excluding Investment Income	6,673	0	933	0
Reversal of impairments of property, plant and equipment	50	50	-	0
Other income	1,693	1,693	1,225	1,225
	<b>28,187</b>	<b>24,058</b>	<b>20,219</b>	<b>19,759</b>
Total Operating Income	<b>230,175</b>	<b>226,046</b>	<b>215,781</b>	<b>215,321</b>

Note 1. This income relates to funding for the approved 'Developing One NHS in Dorset' (Vanguard Project) provided by the Department of Health via Dorset CCG.

Note 2. Income generation relates mainly to restaurant income and car park income received by the Trust

## 2.2 Mandatory and Non-Mandatory Income from Activities

	2015/16	2015/16	2014/15	2014/15
	£000	£000	£000	£000
Mandatory	198,243	198,243	191,799	191,799
Non-Mandatory	3,745	3,745	3,763	3,763
<b>Actual</b>	<b>201,988</b>	<b>201,988</b>	<b>195,562</b>	<b>195,562</b>

### 2.3 Income from Activities by Source

	Group	Foundation	Group	Foundation
	2015/16	Trust	2014/15	Trust
	£000	£000	£000	£000
CCGs and NHS England	196,211	196,211	190,248	190,248
Local Authorities (see Note 1)	120	120	194	194
NHS Other	2,032	2,032	1,422	1,422
Non NHS: Private patients	2,415	2,415	2,302	2,302
Non-NHS: Overseas patients non-reciprocal (Note 2)	136	136	128	128
NHS injury scheme (see Note 3)	985	985	1,041	1,041
Non NHS: Other	89	89	227	227
	<b>201,988</b>	<b>201,988</b>	<b>195,562</b>	<b>195,562</b>

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 £136k (2014/15 £128k). Cash received amounted to £95k (2014/15 £128k) 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 £12k (2014/15 £38k). The amounts written off in respect of current and prior years amounted to £22k (2014/15 £28k)

Note 3. NHS injury scheme income is subject to a provision for doubtful debts of 21.99% (2014/15 18.90%) to reflect expected rates of collection.

### 3 Operating Expenses and Operating Lease Costs

#### 3.1 Operating Expenses (by type):

	Group	Foundation Trust	Group	Foundation Trust
	2015/16	2015/16	2014/15	2014/15
	£000	£000	£000	£000
Services from other Foundation Trusts	5,593	5,593	4,889	4,889
Services from NHS trusts	140	140	128	128
Services from other NHS bodies	110	110	186	186
Purchase of healthcare from non NHS bodies	241	241	406	406
Employee Expenses - Executive Directors' costs (Note 4)	1,202	1,202	1,485	1,485
Employee Expenses - Non Executive Directors' costs	133	133	134	134
Employee Expenses - Staff (Note 4)	147,604	147,604	140,402	140,402
NHS Charitable funds - employee expenses (Note 4)	3	0	37	0
Redundancy - net charge after provisions (Note 4)	31	31	255	255
Supplies and services - clinical drugs	22,363	22,363	18,953	18,953
Supplies and services - clinical other	16,668	16,668	14,872	14,872
Supplies and services - general	5,499	5,499	5,326	5,326
Establishment	1,849	1,849	1,931	1,931
Transport	275	275	239	239
Rentals under operating leases - minimum lease payments	183	183	176	176
Premises	6,771	6,771	7,522	7,522
Increase in bad debt provision	292	292	168	168
Depreciation and amortisation	9,310	9,305	9,119	9,114
Impairment of property, plant and equipment	0	0	1,504	1,504
Audit fees - statutory audit (see Note a below)	90	85	89	84
Consultancy Costs	99	99	1,449	1,449
Internal Audit and Local Counter Fraud Services	94	94	102	102
Clinical negligence Insurance Costs	5,111	5,111	5,262	5,262
Other Services including External Payroll	1,854	1,854	1,303	1,303
Training and course fees etc.	618	618	662	662
Legal Fees	98	98	123	123
Loss on Disposal of Other Property, plant and Equipment	0	0	32	32
NHS Charitable Funds - Other resources expended	546	0	513	0
Other	1,113	1,112	744	745
	<b>227,890</b>	<b>227,330</b>	<b>218,011</b>	<b>217,452</b>

Note a. 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 2015/16 Audit of the Trust and Charity are as follows:

	2015/16	2014/15
	£000	£000
Financial Statement audit - Foundation Trust	46	43
Consolidation of Trust's Charitable Fund	3	3
Whole of Government Accounts	3	3
Quality Accounts work	13	13
Going Concern work/enhanced audit report	6	8
Charity Accounts	4	4
Vat	15	15
<b>Total Audit Fee</b>	<b>90</b>	<b>89</b>

#### 3.2 Arrangements containing an operating lease

	Group	Foundation Trust	Group	Foundation Trust
	2015/16	2015/16	2014/15	2014/15
	£000	£000	£000	£000
Minimum lease payments	183	183	176	176
	<b>183</b>	<b>183</b>	<b>176</b>	<b>176</b>

Future minimum lease payments due (see Note a and b below):

	2015/16	2015/16	2014/15	2014/15
	£000	£000	£000	£000
Not later than one year	146	146	127	127
Later than one year and not later than five years	439	439	461	461
Later than five years	0	0	40	40
	<b>585</b>	<b>585</b>	<b>628</b>	<b>628</b>

Note a.: The operating lease payments due after five years and reported in 2014/15 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 31<sup>st</sup> March 2016 and 31st March 2015 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 2015/16 as follows: Dorset CCG and NHS England - Wessex Local Area Team, representing 65% and 16% of its total income respectively.

The comparative figures for 2014/15 were as follows: Dorset CCG and NHS England - Wessex Local Area Team, representing 67% and 19% of its total income respectively.

#### Summary of Key Financial Information (Foundation Trust)

	Year to 31 March 2016		
	Actual	Original Plan	Variance
	£'000	£'000	£'000
Income	226,046	216,329	9,717
Operating Expenditure	218,025	210,667	(7,358)
EBITDA (Excl Charitable Income)	4,920	4,752	168
EBITDA % (Excl. Charitable Income)	2.21%	2.21%	
(Deficit)/Surplus before impairment	(4,193)	(6,722)	2,529
Impairment	50	0	50
(Deficit)/Surplus after impairment	(4,143)	(6,722)	2,579
Cost Improvement Savings	5,572	5,907	(335)
Cost Improvement Savings (Incl. income)	6,668	7,148	(480)
Cash Balance	9,998	7,099	2,899
Capital Expenditure	10,595	16,130	(5,535)
COSRR	2	2	

Year to 31 March 2015		
Actual	Original Plan	Variance
£'000	£'000	£'000
215,321	209,236	6,085
206,799	200,874	(5,925)
7,161	6,614	547
3.30%	3.30%	
(3,436)	(3,791)	355
(1,504)	0	(1,504)
(4,940)	(3,791)	(1,149)
6,095	6,314	(219)
6,629	6,578	51
10,664	9,506	1,158
8,655	13,664	(5,009)
3	3	

#### 4 Employee costs and numbers

##### 4.1 Employee Expenses

	Group	Foundation Trust	Group	Foundation Trust
	2015/16 Total	2015/16 Total	2014/15 Total	2014/15 Total
	£000	£000	£000	£000
Salaries and wages	119,605	119,605	114,408	114,408
Social Security Costs	9,043	9,043	8,592	8,592
Employer contributions to NHS Pension Scheme	14,161	14,161	13,292	13,292
Termination Payments	31	31	255	255
Agency/Contract Staff	5,997	5,997	5,595	5,595
NHS Charitable funds staff	3	0	37	0
	<b>148,840</b>	<b>148,837</b>	<b>142,179</b>	<b>142,142</b>

##### 4.2 Average Number of Employees

	Group	Foundation Trust	Group	Foundation Trust
	2015/16 Total Number	2015/16 Total Number	2014/15 Total Number	2014/15 Total Number
Medical and dental	380	380	378	378
Administration and estates	576	576	545	545
Healthcare assistants and other support staff	169	169	157	157
Nursing, midwifery and health visiting staff	1,377	1,377	1,312	1,312
Scientific, therapeutic and technical staff	284	284	275	275
Healthcare Scientists	30	30	28	28
Bank and Agency Staff (see Note 1)	318	318	304	304
Other	318	318	320	320
Total	<b>3,452</b>	<b>3,452</b>	<b>3,319</b>	<b>3,319</b>

Note 1. 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 2015/16 there were 5 (2014/15 one) early retirements on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £214k (2014/15 £90k). The cost of these ill-health retirements 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)**

	2015/16					2014/15				
Exit package cost band	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed	Cost of Other Departures Agreed £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	Total Number (see Note a)	Total Cost (see Note a) £000
Less than £10,000	3	10	14	54	17	64	17	64	16	43
Between £10,000 and £25,000	2	28	2	32	4	60	4	60	8	123
Between £25,001 and £50,000	0	0	0	0	0	0	0	0	1	27
Between £50,001 and £100,000	0	0	0	0	0	0	0	0	3	252
Between £150,001 and £200,000	0	0	0	0	0	0	0	0	0	0
Total	5	38	16	86	21	124	21	124	28	445

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)**

	2015/16				2014/15	
	Total	Benefits in Kind	Employer's Pension Contributions	Employer's National Insurance	Remuneration	Remuneration
	£000	£000	£000	£000	£000	£000
Executive Directors	1,202	0	74	125	1,003	1,315
Non Executive Directors	133	0	0	9	124	124
<b>Total</b>	<b>1,335</b>	<b>0</b>	<b>74</b>	<b>134</b>	<b>1,127</b>	<b>1,439</b>

	2014/15				2015/16	
	Total	Benefits in Kind	Employer's Pension Contributions	Employer's National Insurance	Remuneration	Remuneration
	£000	£000	£000	£000	£000	£000
Executive Directors	1,485	0	67	103	1,315	1,439
Non Executive Directors	134	0	0	10	124	124
<b>Total</b>	<b>1,619</b>	<b>0</b>	<b>67</b>	<b>113</b>	<b>1,439</b>	<b>1,439</b>

Note: The detail of the Directors' remuneration has been disclosed in the 2015/16 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.



<b>5 Finance Income</b>	<b>Group</b>	<b>Foundation</b>	<b>Group</b>	<b>Foundation</b>
	<b>2015/16</b>	<b>Trust</b>	<b>2014/15</b>	<b>Trust</b>
	<b>£000</b>	<b>2015/16</b>	<b>£000</b>	<b>2014/15</b>
		<b>£000</b>		<b>£000</b>
Interest on Loans and Receivables	67	67	61	61
NHS Charitable Funds Investment Income	14	0	7	0
	<u>81</u>	<u>67</u>	<u>68</u>	<u>61</u>

<b>6 Finance Costs - Interest Expense</b>	<b>Group</b>	<b>Foundation</b>	<b>Group</b>	<b>Foundation</b>
	<b>2015/16</b>	<b>Trust</b>	<b>2014/15</b>	<b>Trust</b>
	<b>£000</b>	<b>2015/16</b>	<b>£000</b>	<b>2014/15</b>
		<b>£000</b>		<b>£000</b>
Capital loans from the Department of Health	147	147	36	36
Finance Leases	13	13	10	10
	<u>160</u>	<u>160</u>	<u>46</u>	<u>46</u>

<b>7 Intangible Assets</b>	<b>Group</b>	<b>Foundation Trust</b>
	<b>2015/16</b>	<b>2015/16</b>
	<b>Software</b>	<b>Software</b>
	<b>licences</b>	<b>licences</b>
	<b>£000</b>	<b>£000</b>
Gross cost at 1 April 2015	4,574	4,574
Additions - Purchased	556	510
Additions - Donated	0	46
<b>Gross cost at 31 March 2016</b>	<b>5,130</b>	<b>5,130</b>
Amortisation at 1 April 2015	1,395	1,395
Charged during the year	824	824
<b>Amortisation at 31 March 2016</b>	<b>2,219</b>	<b>2,219</b>
<b>Net book value</b>		
- Purchased at 1 April 2015	2,840	2,840
- Donated at 1 April 2015	339	339
<b>- Total at 1 April 2015</b>	<b>3,179</b>	<b>3,179</b>
- Purchased at 31 March 2016	2,643	2,643
- Donated at 31 March 2016	268	268
<b>- Total at 31 March 2016</b>	<b>2,911</b>	<b>2,911</b>

Note: No intangible assets are held by the Charity and all the figures quoted relate to the Foundation Trust

<b>Intangible Assets</b>	<b>Group</b>	<b>Foundation Trust</b>
	<b>2014/15</b>	<b>2014/15</b>
	<b>Software</b>	<b>Software</b>
	<b>licences</b>	<b>licences</b>
	<b>£000</b>	<b>£000</b>
Gross cost at 1 April 2014	2,658	2,658
Additions - Purchased	1,916	1,894
Additions - Donated	0	22
Reclassification	0	0
<b>Gross cost at 31 March 2015</b>	<b>4,574</b>	<b>4,574</b>
Amortisation at 1 April 2014	874	874
Charged during the year	521	521
Reclassification	0	0
Revaluation	0	0
<b>Amortisation at 31 March 2015</b>	<b>1,395</b>	<b>1,395</b>
<b>Net book value</b>		
- Purchased at 1 April 2014	1,353	1,353
- Donated at 1 April 2014	431	431
<b>- Total at 1 April 2014</b>	<b>1,784</b>	<b>1,784</b>
- Purchased at 31 March 2015	2,840	2,840
- Donated at 31 March 2015	339	339
<b>- Total at 31 March 2015</b>	<b>3,179</b>	<b>3,179</b>

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 2015/16 Group

Property, Plant and Equipment 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
<b>Cost or valuation at 1 April 2015</b>	8,861	82,875	1,633	52	42,266	17	14,524	467	172	150,867
Additions purchased	0	2,969	0	1,256	4,761	0	1,053	0	0	10,039
Impairments	0	(3,404)	0	0	0	0	0	0	0	(3,404)
Reclassifications	0	46	0	(46)	0	0	0	0	0	0
Revaluations	94	2,363	74	0	0	0	0	0	5	2,536
<b>Cost or Valuation at 31 March 2016</b>	<b>8,955</b>	<b>84,849</b>	<b>1,707</b>	<b>1,262</b>	<b>47,027</b>	<b>17</b>	<b>15,577</b>	<b>467</b>	<b>177</b>	<b>160,038</b>
<b>Depreciation at 1 April 2015</b>	<b>0</b>	<b>546</b>	<b>0</b>	<b>0</b>	<b>30,548</b>	<b>17</b>	<b>9,702</b>	<b>451</b>	<b>0</b>	<b>41,264</b>
Charged during the year	0	3,716	66	0	3,374	0	1,316	9	5	8,486
Reversal of Impairments	0	(50)	0	0	0	0	0	0	0	(50)
Revaluations	0	(4,212)	(66)	0	0	0	0	0	(5)	(4,283)
<b>Depreciation at 31 March 2016</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,922</b>	<b>17</b>	<b>11,018</b>	<b>460</b>	<b>0</b>	<b>45,417</b>

### Net book value

- 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
<b>- Total at 31 March 2015</b>	<b>8,861</b>	<b>82,329</b>	<b>1,633</b>	<b>52</b>	<b>11,718</b>	<b>0</b>	<b>4,822</b>	<b>16</b>	<b>172</b>	<b>109,603</b>
- Purchased at 31 March 2016	8,955	78,169	1,707	1,262	9,203	0	4,537	7	177	104,017
- Donated at 31 March 2016	0	6,680	0	0	3,707	0	22	0	0	10,409
- Finance Lease at 31 March 2016	0	0	0	0	195	0	0	0	0	195
<b>- Total at 31 March 2016</b>	<b>8,955</b>	<b>84,849</b>	<b>1,707</b>	<b>1,262</b>	<b>13,105</b>	<b>0</b>	<b>4,559</b>	<b>7</b>	<b>177</b>	<b>114,621</b>

## 8.2 Analysis of Property, Plant and Equipment at 31 March 2016

### Net book value (Note 1)

- NBV - Protected assets at 31 March 2016	8,955	84,849	1,707	0	0	0	0	0	177	95,688
- NBV - Unprotected assets at 31 March 2016	0	0	0	1,262	13,105	0	4,559	7	0	18,933
<b>- Total at 31 March 2016</b>	<b>8,955</b>	<b>84,849</b>	<b>1,707</b>	<b>1,262</b>	<b>13,105</b>	<b>0</b>	<b>4,559</b>	<b>7</b>	<b>177</b>	<b>114,621</b>

Note 1. Of the totals at 31 March 2016, £791k related to land valued at open market value and £1,707k related to buildings valued at open market value.

### 8.3 Property, Plant and Equipment 2014/15 Group

Property, Plant and Equipment 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
<b>Cost or valuation at 1 April 2014 as previously stated</b>	<b>8,548</b>	<b>77,709</b>	<b>1,560</b>	<b>5,679</b>	<b>42,244</b>	<b>17</b>	<b>12,322</b>	<b>467</b>	<b>172</b>	<b>148,718</b>
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
Impairments	0	(3,340)	0	0	0	0	0	0	0	(3,340)
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)
<b>Cost or Valuation at 31 March 2015</b>	<b>8,861</b>	<b>82,875</b>	<b>1,633</b>	<b>52</b>	<b>42,266</b>	<b>17</b>	<b>14,524</b>	<b>467</b>	<b>172</b>	<b>150,867</b>
<b>Depreciation at 1 April 2014</b>	<b>0</b>	<b>1,354</b>	<b>53</b>	<b>0</b>	<b>29,172</b>	<b>17</b>	<b>8,429</b>	<b>431</b>	<b>0</b>	<b>39,456</b>
Charged during the year	0	3,808	52	0	3,440	0	1,273	20	5	8,598
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)
<b>Depreciation at 31 March 2015</b>	<b>0</b>	<b>546</b>	<b>0</b>	<b>0</b>	<b>30,548</b>	<b>17</b>	<b>9,702</b>	<b>451</b>	<b>0</b>	<b>41,264</b>
<b>Net book value</b>										
- 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
<b>- Total at 31 March 2014</b>	<b>8,548</b>	<b>76,355</b>	<b>1,507</b>	<b>5,679</b>	<b>13,072</b>	<b>0</b>	<b>3,893</b>	<b>36</b>	<b>172</b>	<b>109,262</b>
- 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
<b>- Total at 31 March 2015</b>	<b>8,861</b>	<b>82,329</b>	<b>1,633</b>	<b>52</b>	<b>11,718</b>	<b>0</b>	<b>4,822</b>	<b>16</b>	<b>172</b>	<b>109,603</b>

### 8.4 Analysis of Property, Plant and Equipment at 31 March 2015

<b>Net book value (Note 1)</b>										
- NBV - Protected assets at 31 March 2015	8,861	82,329	1,633	0	0	0	0	0	172	92,995
- NBV - Unprotected assets at 31 March 2015	0	0	0	52	11,718	0	4,822	16	0	16,608
<b>- Total at 31 March 2015</b>	<b>8,861</b>	<b>82,329</b>	<b>1,633</b>	<b>52</b>	<b>11,718</b>	<b>0</b>	<b>4,822</b>	<b>16</b>	<b>172</b>	<b>109,603</b>

Note 1. 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.

# 8.5 Property, Plant and Equipment 2015/16 Foundation Trust

Property, Plant and Equipment 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
<b>Cost or valuation at 1 April 2015</b>	<b>8,861</b>	<b>82,875</b>	<b>1,633</b>	<b>52</b>	<b>42,266</b>	<b>17</b>	<b>14,524</b>	<b>467</b>	<b>150,695</b>
Additions purchased	0	2,969	0	1,256	2,521	0	1,053	0	7,799
Additions donated (Note 1)	0	0	0	0	2,240	0	0	0	2,240
Impairments	0	(3,404)	0	0	0	0	0	0	(3,404)
Reclassifications	0	46	0	(46)	0	0	0	0	0
Revaluations	94	2,363	74	0	0	0	0	0	2,531
<b>Cost or Valuation at 31 March 2016</b>	<b>8,955</b>	<b>84,849</b>	<b>1,707</b>	<b>1,262</b>	<b>47,027</b>	<b>17</b>	<b>15,577</b>	<b>467</b>	<b>159,861</b>
<b>Depreciation at 1 April 2015</b>	<b>0</b>	<b>546</b>	<b>0</b>	<b>0</b>	<b>30,548</b>	<b>17</b>	<b>9,702</b>	<b>451</b>	<b>41,264</b>
Charged during the year	0	3,716	66	0	3,374	0	1,316	9	8,481
Reversal of Impairments	0	(50)	0	0	0	0	0	0	(50)
Revaluations	0	(4,212)	(66)	0	0	0	0	0	(4,278)
<b>Depreciation at 31 March 2016</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>33,922</b>	<b>17</b>	<b>11,018</b>	<b>460</b>	<b>45,417</b>
<b>Net book value</b>									
- 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
<b>- Total at 31 March 2015</b>	<b>8,861</b>	<b>82,329</b>	<b>1,633</b>	<b>52</b>	<b>11,718</b>	<b>0</b>	<b>4,822</b>	<b>16</b>	<b>109,431</b>
- Purchased at 31 March 2016	8,955	78,169	1,707	1,262	9,203	0	4,537	7	103,840
- Donated at 31 March 2016	0	6,680	0	0	3,707	0	22	0	10,409
- Finance Lease at 31 March 2016	0	0	0	0	195	0	0	0	195
<b>- Total at 31 March 2016</b>	<b>8,955</b>	<b>84,849</b>	<b>1,707</b>	<b>1,262</b>	<b>13,105</b>	<b>0</b>	<b>4,559</b>	<b>7</b>	<b>114,444</b>
<b>8.6 Analysis of Property, Plant and Equipment at 31 March 2016</b>									
<b>Net book value (Note 2)</b>									
- NBV - Protected assets at 31 March 2016	8,955	84,849	1,707	0	0	0	0	0	95,511
- NBV - Unprotected assets at 31 March 2016	0	0	0	1,262	13,105	0	4,559	7	18,933
<b>- Total at 31 March 2016</b>	<b>8,955</b>	<b>84,849</b>	<b>1,707</b>	<b>1,262</b>	<b>13,105</b>	<b>0</b>	<b>4,559</b>	<b>7</b>	<b>114,444</b>

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 2016, £791k related to land valued at open market value and £1,707k related to buildings valued at open market value.

# 8.7 Property, Plant and Equipment 2014/15 Foundation Trust

Property, Plant and Equipment 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
<b>Cost or valuation at 1 April 2014</b>	<b>8,548</b>	<b>77,709</b>	<b>1,560</b>	<b>5,679</b>	<b>42,244</b>	<b>17</b>	<b>12,322</b>	<b>467</b>	<b>148,546</b>
Additions purchased	0	3,458	0	52	1,592	0	1,381	0	6,483
Additions donated (Note 1)	0	0	0	0	303	0	0	0	303
Impairments	0	26	0	0	230	0	0	0	256
Reclassifications	0	(3,340)	0	0	0	0	0	0	(3,340)
Revaluations	0	4,858	0	(5,679)	0	0	821	0	0
Disposals	313	164	73	0	0	0	0	0	550
<b>Cost or Valuation at 31 March 2015</b>	<b>8,861</b>	<b>82,875</b>	<b>1,633</b>	<b>52</b>	<b>42,266</b>	<b>17</b>	<b>14,524</b>	<b>467</b>	<b>150,695</b>
<b>Depreciation at 1 April 2014</b>	<b>0</b>	<b>1,354</b>	<b>53</b>	<b>0</b>	<b>29,172</b>	<b>17</b>	<b>8,429</b>	<b>431</b>	<b>39,456</b>
Charged during the year	0	3,808	52	0	3,440	0	1,273	20	8,593
Revaluations	0	(4,616)	(105)	0	0	0	0	0	(4,721)
Disposals	0	0	0	0	(2,064)	0	0	0	(2,064)
<b>Depreciation at 31 March 2015</b>	<b>0</b>	<b>546</b>	<b>0</b>	<b>0</b>	<b>30,548</b>	<b>17</b>	<b>9,702</b>	<b>451</b>	<b>41,264</b>
<b>Net book value</b>									
- 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
<b>- Total at 31 March 2014</b>	<b>8,548</b>	<b>76,355</b>	<b>1,507</b>	<b>5,679</b>	<b>13,072</b>	<b>0</b>	<b>3,893</b>	<b>36</b>	<b>109,090</b>
- 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
<b>- Total at 31 March 2015</b>	<b>8,861</b>	<b>82,329</b>	<b>1,633</b>	<b>52</b>	<b>11,718</b>	<b>0</b>	<b>4,822</b>	<b>16</b>	<b>109,431</b>
<b>8.8 Analysis of Property, Plant and Equipment at 31 March 2015</b>									
<b>Net book value</b>									
- NBV - Protected assets at 31 March 2015	8,861	82,329	1,633	0	0	0	0	0	92,823
- NBV - Unprotected assets at 31 March 2015	0	0	0	52	11,718	0	4,822	16	16,608
<b>- Total at 31 March 2015</b>	<b>8,861</b>	<b>82,329</b>	<b>1,633</b>	<b>52</b>	<b>11,718</b>	<b>0</b>	<b>4,822</b>	<b>16</b>	<b>109,431</b>

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.

**8.9 The net book value of Property, Plant and Equipment at 31 March 2016 comprises:**

	Group 31 March 2016	Foundation Trust 31 March 2016	Group 31 March 2015	Foundation Trust 31 March 2015
	£000	£000	£000	£000
<b>Freehold</b>				
Protected	95,688	95,511	92,995	92,823
Unprotected	18,933	18,933	16,608	16,608
<b>TOTAL</b>	<b>114,621</b>	<b>114,444</b>	<b>109,603</b>	<b>109,431</b>

**9 Net book value of assets held under finance leases - Group and Foundation Trust**

**Property, Plant and Equipment at the Statement of Financial Position date held under finance leases:**

	Plant and machinery	Total
	£000	£000
Cost or valuation at 1 April 2015	303	303
<b>Cost or Valuation at 31 March 2016</b>	<b>303</b>	<b>303</b>
Depreciation at 1 April 2015	36	36
Charged during the year	72	72
<b>Depreciation at 31 March 2016</b>	<b>108</b>	<b>108</b>
<b>Net book value</b>		
- Purchased at 1 April 2015	267	267
<b>- Total at 1 April 2015</b>	<b>267</b>	<b>267</b>
- Purchased at 31 March 2016	195	195
<b>- Total at 31 March 2016</b>	<b>195</b>	<b>195</b>

Finance leases relate to medical equipment assets. All finance leases relate to the Foundation Trust.

10 Inventories	Group 31 March 2016 £000	Foundation Trust 31 March 2016 £000	Group 31 March 2015 £000	Foundation Trust 31 March 2015 £000
Materials	2,190	2,190	2,205	2,205
<b>TOTAL</b>	<b>2,190</b>	<b>2,190</b>	<b>2,205</b>	<b>2,205</b>

Note: all inventories relate to the Foundation Trust

#### 11 Trade receivables and other receivables (Group)

	Total 31 March 2016 £000	Financial assets at 31 March 2016 £000	Non- financial assets at 31 March 2016 £000	Total 31 March 2015 £000	Financial assets at 31 March 2015 Note a. £000	Non- financial assets at 31 March 2015 Note a. £000
<b>11.1 Current</b>						
NHS Receivables	4,159	4,159	0	3,796	3,796	0
Other receivables with related parties	26	26	0	20	20	0
Provision for impaired receivables	(620)	(255)	(365)	(447)	(177)	(270)
Prepayments	1,575	0	1,575	1,599	0	1,599
Accrued income	1,229	1,229	0	283	283	0
NHS Charitable Funds: Trade and other receivables	5	5	0	4	4	0
Other receivables	3,108	1,250	1,858	2,756	1,128	1,628
<b>Total Current Trade and Other Receivables</b>	<b>9,482</b>	<b>6,414</b>	<b>3,068</b>	<b>8,011</b>	<b>5,054</b>	<b>2,957</b>
<b>11.2 Non-Current</b>						
Provision for impaired receivables	(247)	0	(247)	(240)	0	(240)
Other receivables	1,121	0	1,121	1,269	0	1,269
<b>Total Non Current Trade and Other Receivables</b>	<b>874</b>	<b>0</b>	<b>874</b>	<b>1,029</b>	<b>0</b>	<b>1,029</b>

Note a. For comparative purposes Financial and Non-financial assets have been restated for 2014/15.

#### 11.3 Provision for impaired receivables

	2015/16 £000	2014/15 £000
<b>At 1 April</b>	<b>687</b>	<b>564</b>
Increase in provision	292	168
Amounts utilised	(112)	(45)
Unused amounts reversed	0	0
<b>At 31 March</b>	<b>867</b>	<b>687</b>

#### 11.4 Analysis of receivables by age:

Ageing of impaired receivables:	2015/16 £000	2014/15 £000
0-30 Days	0	0
30-60 Days	0	0
60-90 Days	0	0
90-180 Days	0	0
Over 180 Days	3,188	2,964
<b>At 31 March</b>	<b>3,188</b>	<b>2,964</b>
<b>Ageing of non impaired receivables:</b>	<b>2015/16 £000</b>	<b>2014/15 £000</b>
0-30 Days	7,231	5,799
30-60 Days	273	413
60-90 Days	231	157
90-180 Days	193	272
Over 180 Days	107	122
<b>At 31 March</b>	<b>8,035</b>	<b>6,763</b>

# 11.5 Trade receivables and other receivables (Foundation Trust)

	Total 31 March 2016 £000	Financial assets at 31 March 2016 £000	Non- financial assets at 31 March 2016 £000	Total 31 March 2015 £000	Financial assets at 31 March 2015 Note a. £000	Non- financial assets at 31 March 2015 Note a. £000
<b>Current</b>						
NHS Receivables - revenue	4,159	4,159	0	3,796	3,796	0
Other receivables with related parties	68	68	0	57	57	0
Provision for impaired receivables	(620)	(255)	(365)	(447)	(177)	(270)
Prepayments	1,575	0	1,575	1,599	0	1,599
Accrued income	1,229	1,229	0	283	283	0
Other receivables	3,108	1,250	1,858	2,756	1,128	1,628
<b>Total Current Trade and Other Receivables</b>	<b>9,519</b>	<b>6,451</b>	<b>3,068</b>	<b>8,044</b>	<b>5,087</b>	<b>2,957</b>
<b>Non-Current</b>						
Provision for impaired receivables	(247)	0	(247)	(240)	0	(240)
Other receivables	1,121	0	1,121	1,269	0	1,269
<b>Total Non Current Trade and Other Receivables</b>	<b>874</b>	<b>0</b>	<b>874</b>	<b>1,029</b>	<b>0</b>	<b>1,029</b>

Note a. For comparative purposes Financial and Non-financial assets have been restated for 2014/15.

## 11.6 Provision for impaired receivables

	2015/16 £000	2014/15 £000
<b>At 1 April</b>	<b>687</b>	<b>564</b>
Increase in provision	292	168
Amounts utilised	(112)	(45)
Unused amounts reversed	0	0
<b>At 31 March</b>	<b>867</b>	<b>687</b>

## 11.7 Analysis of receivables by age:

<b>Ageing of impaired receivables:</b>	<b>2015/16 £000</b>	<b>2014/15 £000</b>
0-30 Days	0	0
30-60 Days	0	0
60-90 Days	0	0
90-180 Days	0	0
Over 180 Days	3,188	2,964
<b>At 31 March</b>	<b>3,188</b>	<b>2,964</b>

<b>Ageing of non impaired receivables:</b>	<b>2015/16 £000</b>	<b>2014/15 £000</b>
0-30 Days	7,268	5,832
30-60 Days	273	413
60-90 Days	231	157
90-180 Days	193	272
Over 180 Days	107	122
<b>At 31 March</b>	<b>8,072</b>	<b>6,796</b>



## 12 Current and Non Current Liabilities

### 12.1 Trade and other payables (Group)

	Total 31 March 2016 £000	Financial liabilities at 31 March 2016 £000	Non- financial liabilities at 31 March 2016 £000	Total 31 March 2015 £000	Financial liabilities at 31 March 2015 - Note a. £000	Non-financial liabilities at 31 March 2015 - Note a. £000
<b>Current</b>						
Receipts in advance	776	0	776	724	0	724
NHS payables - capital	400	400	0	75	75	0
NHS payables - revenue	2,136	2,136	0	1,309	1,309	0
PDC payable	25	0	25	14	0	14
Amounts due to other related parties	2,001	2,001	0	1,878	1,878	0
Trade payables - capital	711	711	0	822	822	0
Other trade payables	6,505	6,505	0	6,706	6,706	0
Taxes payable	2,883	0	2,883	2,767	0	2,767
Other payables	1,224	1,224	0	1,253	1,253	0
Accruals	5,291	5,291	0	4,847	4,847	0
NHS Charitable Funds - trade and other payables	75	75	0	25	25	0
<b>Total Current Trade and Other Payables</b>	<b>22,027</b>	<b>18,343</b>	<b>3,684</b>	<b>20,420</b>	<b>16,915</b>	<b>3,505</b>

### 12.2 Trade and other payables (Foundation Trust)

	Total 31 March 2016 £000	Financial liabilities at 31 March 2016 £000	Non- financial liabilities at 31 March 2016 £000	Total 31 March 2015 £000	Financial liabilities at 31 March 2015 - Note a £000	Non-financial liabilities at 31 March 2015 £000
<b>Current</b>						
Receipts in advance	776	0	776	724	0	724
NHS payables - capital	400	400	0	75	75	0
NHS payables - revenue	2,136	2,136	0	1,309	1,309	0
PDC payable	25	0	25	14	0	14
Amounts due to other related parties	2,001	2,001	0	1,878	1,878	0
Trade payables - capital	711	711	0	822	822	0
Other trade payables	6,505	6,505	0	6,706	6,706	0
Taxes payable	2,883	0	2,883	2,767	0	2,767
Other payables	1,224	1,224	0	1,253	1,253	0
Accruals	5,291	5,291	0	4,848	4,848	0
<b>Total Current Trade and Other Payables</b>	<b>21,952</b>	<b>18,268</b>	<b>3,684</b>	<b>20,396</b>	<b>16,891</b>	<b>3,505</b>

Note a. For comparative purposes Financial and Non- financial liabilities have been restated for 2014/15

### 12.3 Other Liabilities (Group and Foundation Trust)

	Group 31 March 2016 £000	Foundation Trust 31 March 2015 £000	Group 31 March 2015 £000	Foundation Trust 31 March 2015 £000
Deferred Income	657	657	566	566
<b>TOTAL</b>	<b>657</b>	<b>657</b>	<b>566</b>	<b>566</b>

### 13 Borrowings

	Group	Foundation Trust	Group	Foundation Trust
	at 31 March	at 31 March	at 31 March	at 31 March
	2016	2016	2015	2015
	£000	£000	£000	£000
<b>Current</b>				
Capital loans from Department of Health (Note a.)	923	923	267	267
Other loans (Note b.)	180	180	0	0
Obligations under finance leases	69	69	68	68
<b>Total Other Current Liabilities</b>	<b>1,172</b>	<b>1,172</b>	<b>335</b>	<b>335</b>
<b>Non-current</b>				
Capital loans from Department of Health (Note a.)	7,388	7,388	4,533	4,533
Other loans	597	597	0	0
Obligations under finance leases	130	130	199	199
<b>Total Other Non- Current Liabilities</b>	<b>8,115</b>	<b>8,115</b>	<b>4,732</b>	<b>4,732</b>

Note a. During 2014/15 the Trust agreed a loan facility of £20 million with the Department of Health to fund capital schemes over a three year period. £3.95 million (2014/15 £4.8 million) of this facility was drawn down during the year to fund 2015/16 capital schemes. £439k of this loan facility was repaid in 2015/16 (2014/15 Nil).

Note b. During 2015/16 the Trust agreed an interest free loan facility of £1,442k with Salix, which is capital available to the public sector to fund energy efficient schemes, such as lighting upgrades, CHP etc. The loan is repayable over a four year period. £777k of this facility was drawn down during the year to fund 2015/16 capital schemes.

Details of the phasing of repayments on borrowings shown above are as follows: due within one year £1,172k; due within two to five years £4,420k; over five years £3,695k

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	At 31 March	At 31 March	At 31 March
	2016	2015	2016	2015
	£000	£000	£000	£000
<b>Gross lease liabilities</b>				
<b>of which liabilities are due:</b>				
not later than one year;	82	82	82	82
later than one year and not later than five years;	135	216	135	216
later than five years;	0	0	0	0
Finance charges allocated to future periods	(18)	(31)	(18)	(31)
<b>Total Gross Lease Liabilities</b>	<b>199</b>	<b>267</b>	<b>199</b>	<b>267</b>
<b>Net lease liabilities</b>				
not later than one year;	69	68	69	68
later than one year and not later than five years;	130	199	130	199
later than five years;	0	0	0	0
<b>Total net lease liabilities</b>	<b>199</b>	<b>267</b>	<b>199</b>	<b>267</b>

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 2016 £000	Foundation Trust Total 31 March 2016 £000	Group Total 31 March 2015 £000	Foundation Trust Total 31 March 2015 £000
<b>Current</b>				
Pensions relating to other staff	44	44	39	39
Other legal claims	119	119	67	67
Redundancy	278	278	300	300
Other	150	150	0	0
<b>Total Current Provisions for Liabilities and Charges</b>	<b>591</b>	<b>591</b>	<b>406</b>	<b>406</b>
<b>Non-current</b>				
Pensions relating to other staff	681	681	612	612
<b>Total Non-current Provisions for Liabilities and Charges</b>	<b>681</b>	<b>681</b>	<b>612</b>	<b>612</b>

Note: All provisions relate to the Foundation Trust and the Charity had no provisions in its accounts.

## Provisions for liabilities and charges

	31 March 2016 Pensions relating to other staff £000	Other legal claims Note 1 £000	Redundancy £000	Other £000	Total £000
<b>At 1 April 2015</b>	<b>651</b>	<b>67</b>	<b>300</b>	<b>0</b>	<b>1,018</b>
Change in the discount rate	29	0	0	0	29
Arising during the period	77	99	278	150	604
Utilised during the period	(43)	(34)	(31)	0	(108)
Reversed unused	0	(13)	(269)	0	(282)
Unwinding of discount	11	0	0	0	11
<b>At 31 March 2016</b>	<b>725</b>	<b>119</b>	<b>278</b>	<b>150</b>	<b>1,272</b>
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
<b>At 31 March 2015</b>	<b>651</b>	<b>67</b>	<b>300</b>	<b>0</b>	<b>1,018</b>

## Expected timing of cashflows at 31 March 2016:

Not later than one year	44	119	278	150	591
Later than one year and not later than five years	177	0	0	0	177
Later than five years	504	0	0	0	504
<b>Total</b>	<b>725</b>	<b>119</b>	<b>278</b>	<b>150</b>	<b>1,272</b>

Note 1. Legal claims relate to employer and third party liability claims against the Trust.

## Clinical Negligence Liabilities:

£93,610k is included in the provisions of the NHS Litigation Authority at 31 March 2016 in respect of clinical negligence liabilities of the NHS Trust (31 March 2015 £51,540k).

## Non Clinical Liabilities

Refer to Note 19 re Contingent Liabilities for Non Clinical claims.

## 16 Cash and Cash Equivalents

	Group 31 March 2016 £000	Foundation Trust 31 March 2016 £000	Group 31 March 2015 £000	Foundation Trust 31 March 2015 £000
<b>Balance at 1 April</b>	<b>12,541</b>	<b>10,664</b>	<b>12,185</b>	<b>10,100</b>
Net change in year - Foundation Trust	(666)	(666)	564	564
Net change in year - Charitable Funds	3,643	0	(208)	0
<b>Balance at 31 March</b>	<b>15,518</b>	<b>9,998</b>	<b>12,541</b>	<b>10,664</b>
<b>Broken down into:</b>				
Cash at commercial banks and in hand - Foundation Trust	298	298	122	122
Cash at commercial banks and in hand - Charitable Funds	5,520	0	1,877	0
Cash with the Government Banking Service - Foundation Trust	9,700	9,700	10,542	10,542
<b>Cash and Cash Equivalents as in SoFP and SoCF at 31 March</b>	<b>15,518</b>	<b>9,998</b>	<b>12,541</b>	<b>10,664</b>

## 17 Contractual Capital Commitments

	Group 2015/16 £000	Foundation Trust 2015/16 £000	Group 2014/15 £000	Foundation Trust 2014/15 £000
Property, Plant and Equipment	1,070	1,070	2,713	2,713
<b>Total at 31 March</b>	<b>1,070</b>	<b>1,070</b>	<b>2,713</b>	<b>2,713</b>

## 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 2015/16 £000	Foundation Trust 2015/16 £000	Group 2014/15 £000	Foundation Trust 2014/15 £000
Gross value of contingent liabilities	(67)	(67)	(29)	(29)
<b>Total Contingent Liabilities</b>	<b>(67)</b>	<b>(67)</b>	<b>(29)</b>	<b>(29)</b>

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 19 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 2016/17 and would expect to carry out similar services for this level of income.

There were no significant transactions or debtor/creditor balances between the Poole Hospital Charity and the related parties of the Foundation Trust.

	2015/16		2014/15	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
<b>20.1 Value of Transactions with Other Related Parties (Foundation Trust)</b>				
NHS Dorset CCG	147,273	181	145,083	13
NHS England	45,913	4	40,990	3
Royal Bournemouth and Christchurch NHS FT	5,549	4,711	5,175	5,240
Dorset County Hospital FT	1,038	831	1,010	318
Dorset Healthcare FT	2,370	487	2,282	367
West Hampshire CCG	2,818	0	2,676	0
Public Health England	893	161	292	115
Health Education England	6,916	10	6,469	10
University Hospital Bristol FT	9	18	0	20
University Hospital Southampton FT	2,264	638	2,380	404
NHS Litigation Authority	0	5,111	0	5,263
Dept. of Health	157	6	0	23
NHS Blood and Transport	0	0	0	971
NHS Pension Scheme	0	14,161	0	13,292
HM Revenue & Customs - Employer NI Contributions	0	9,043	0	8,592
Other NHS/WGA Bodies	2,359	1,099	2,151	1,178
<b>Total Value of Transactions with Other Related Parties</b>	<b>217,559</b>	<b>36,461</b>	<b>208,508</b>	<b>35,809</b>

Note: The Trust paid income tax on behalf of its employees to HMRC amounting to £16,815k (2014/15 £16,588k) and recovered net VAT amounting to £2,923k (2014/2015 £2,784k). 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.

	At 31 March 2016		At 31 March 2015	
	Receivables £000	Payables £000	Receivables £000	Payables £000
<b>20.2 Balances with Other Related Parties (Foundation Trust)</b>				
Royal Bournemouth and Christchurch NHS FT	1,105	1,485	1,150	790
NHS Dorset CCG	322	676	371	571
NHS England	1,138	67	801	3
Dorset County Hospital NHS FT	85	122	16	22
Dorset Healthcare NHS FT	397	248	213	27
University Hospital Southampton NHS FT	485	336	776	296
NHS Pension Scheme	0	2,001	0	1,878
Dept. of Health	0	13	10	14
Charitable Funds	42	0	37	0
HM Revenue & Customs - National Insurance and Income Tax	0	2,883	0	2,767
HM Revenue & Customs - VAT	199	0	202	0
Other NHS/WGA Bodies	841	234	459	241
<b>Total Balances with Other Related Parties</b>	<b>4,614</b>	<b>8,065</b>	<b>4,035</b>	<b>6,609</b>

## **21 Private Finance Transactions**

### **PFI schemes deemed to be off-SoFP**

#### **Staff Residences**

£126k (£97k 2014/15) is included within operating expenses in respect of PFI transactions deemed to be off SoFP.

The Trust is committed to make a payment of £116k (during the next year) and £396k (later than one year but not later than five years) in respect of a PFI scheme that is expected to expire in approximately 5 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 2014/15) 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) and £43k (later than one year but not later than five years) in respect of a PFI scheme that is expected to expire in approximately 3 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 - £9,700k (31 March 2015 £10,542k) 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 (2014/15: £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 21.99% (2014/2015 18.9%) 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 in addition to loans from the Department of Health and Salix (see Note 16). Capital commitments at 31 March 2016 amounted to £1,070k (£2,713k at 31 March 2015) - see Note 17 and Finance Lease commitments amounted to £199k (£267k at 31 March 2015) - 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 2016. There are no material differences between the book value and fair value.

Loans and Receivables				
	Group 31 March 2016 £000	Foundation Trust 31 March 2016 £000	Group 31 March 2015 £000	Foundation Trust 31 March 2015 £000
<b>Financial assets</b>				
Cash	15,518	9,998	12,541	10,664
NHS Receivables	4,159	4,159	3,796	3,796
Accrued Income	1,229	1,229	283	283
Other Receivables - see note a.	1,021	1,063	971	1,008
Other Receivables - Charitable Funds	5	0	4	0
<b>Total</b>	<b>21,932</b>	<b>16,449</b>	<b>17,595</b>	<b>15,751</b>

Note a. For comparative purposes Other Receivables have been restated for 2014/15.

Note b. 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 £2,779k (2014/15 £2,695k).
- Prepayments amounting to £1,329k (2014/15 £1,533k).
- Vat recoverable amounting to £200k (2014/15 £202k).

Other Financial Liabilities				
	31 March 2016 Group £000	31 March 2016 Foundation Trust £000	31 March 2015 Group £000	31 March 2015 Foundation Trust £000
<b>Financial liabilities</b>				
<b>Trade and Other Payables</b>				
NHS Payables	2,136	2,136	1,309	1,309
Accruals	5,291	5,291	4,847	4,848
Capital Payables	1,111	1,111	897	897
Other Payables	9,730	9,730	9,837	9,837
Other Payables - Charitable Funds	75	0	25	0
<b>Total Trade and Other Payables</b>	<b>18,343</b>	<b>18,268</b>	<b>16,915</b>	<b>16,891</b>
<b>Other Financial Liabilities</b>				
Finance Lease obligations (Note 1)	199	199	267	267
Provisions under contract (Note 2)	725	725	651	651
<b>Total Other Financial Liabilities</b>	<b>924</b>	<b>924</b>	<b>918</b>	<b>918</b>
<b>Total</b>	<b>19,267</b>	<b>19,192</b>	<b>17,833</b>	<b>17,809</b>

The following are not considered to be financial instruments and therefore have been excluded from the above table:

- Other Tax Payables amounting to £2,883k (2014/15 £2,767k).
- Provisions not under contract amounting to £547k (2014/15 £367k).
- Receipts in Advance amounting to £777k (2014/15 £724k).
- Deferred Income amounting to £657k (2014/15 £568k).
- PDC Payable amounting to £25k (2014/15 £14k).

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 1.37% (2014/15 1.8%) in real terms.



## 24 Third Party Assets

The Trust held £1k cash at bank and in hand at 31 March 2016 (£2k - at 31 March 2015) 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

	2015/16 Total number of cases Number	2015/16 Total value of cases £000's	2014/15 Total number of cases Number	2014/15 Total value of cases £000's
<b>1. LOSSES:</b>				
<i>Losses of cash due to:</i>				
Overpayment of salaries etc.	0	0	0	0
<i>Bad debts and claims abandoned in relation to:</i>				
Private patients	0	0	88	14
Overseas visitors	28	22	39	28
Other	210	19	23	3
<i>Damage to buildings, property etc. (including stores losses) due to:</i>				
Stores losses	1	57	1	34
Other	0	0	0	0
<b>TOTAL LOSSES</b>	<b>239</b>	<b>98</b>	<b>151</b>	<b>79</b>
<b>2. SPECIAL PAYMENTS:</b>				
<i>Ex gratia payments in respect of:</i>				
Loss of personal effects	25	9	40	15
Personal injury with advice	7	55	13	61
<b>TOTAL SPECIAL PAYMENTS</b>	<b>32</b>	<b>64</b>	<b>53</b>	<b>76</b>
<b>TOTAL LOSSES AND SPECIAL PAYMENTS</b>	<b>271</b>	<b>162</b>	<b>204</b>	<b>155</b>

There were no cases exceeding £300k in the current year (2014/15 no cases).

These amounts are included on an accruals basis and exclude provisions for future losses.



