Annual Plan
2007/08

May 2007

Contents

Appendices:

1. Chief Executive's summary of the past year (2006-07)

1.1 Past year performance and achievements

The past year has been a very successful one for the Trust, being the second year of our foundation status. The Trust has been rated as one of the eight most successful foundation trusts in the country according to a recent Monitor report and is the only Trust in the South of England to make the top eight. This year has been one of consolidation, having settled our dispute with the PCT relating to payment for patients treated in 2005/06. Nevertheless important developments have occurred enabling the Trust to improve and extend services.

Once again we have performed extremely well against a wide range of indicators during 2006/07, meeting the key performance targets at the end of March 2007 as follows:

- Awarded 'excellent' by the Healthcare Commission for use of resources and met all of the 24 core standards.
- Achieved reductions in MRSA and Clostridium Difficile rates, the Trust has the second lowest rates in the South West of England.
- Achievement of the 31 and 62 day cancer waiting time standards and the two week wait standard for urgent GP referrals.
- Met the target of 98% patients waiting less than 4 hours in Accident and Emergency.
- Ensured no patient waited more than 20 weeks for inpatient treatment by year end.
- Confirmed no patient waited longer than 11 weeks for an outpatient appointment by year end.
- Reduced waits for most radiology investigations to a maximum of 11 weeks.
- Achieved an in year surplus of £3.4m (plus a further £2.9m relating to the settlement for 2005/06), which will be re-invested in patient care and facilities.

During the past year the Trust has seen a number of advances in patient treatment, examples of which are as follows:

- Opening of the new Acute Lung Unit which is the first in Dorset to offer respiratory patients high dependency facilities, enabling them to receive non invasive ventilation therapy within a respiratory ward setting.
- Finalising arrangements for the purchase of a private hospital facility which will be used to substantially expand primary hip and knee replacement surgery. The Trust already is the eighth largest joint replacement unit in England.
- The Trust's orthopaedic service has been rated as having one of the lowest rates of infection for hip and knee surgery according to the Surgical Site Infection Surveillance Service (SSIS)
- Substantially expanding PCI (angioplasty) and complex electrophysiology service. From its inception in April 2005, the Dorset Heart Centre has rapidly reached the 15th largest PCI unit in England. The Dorset Heart Centre services a population of 500,000 and means that patients no longer need to travel to London or

Southampton for interventional cardiac services. Staff working in the Trust's Dorset Heart Centre won 'Team of the Year' in the Hospital Doctor Awards 2006.

1.2 Finance and income

The Foundation Trust has continued to retain tight financial control of costs, and maintained income at a level appropriate for financial stability for our purchasing PCT's and the Foundation Trust itself.

In August 2006 we were successful in reaching a negotiated settlement for 2005/06 activity, as well as a contract for 2006/07, with our main purchasers, Bournemouth PCT. This ended months of uncertainty and has allowed both organisations to progress, in partnership, with meeting the needs of the public, and achieving financial stability.

Key to the agreement was recognition of the funding system "Payment by Results" and that the Foundation Trust is paid the nationally set rate for actual activity undertaken. From the PCT viewpoint the Foundation Trust has continued to reduce demand for services, especially in emergency care. This is freeing up millions of pounds to allow investment in intermediate care services, such as the Community and Assessment Rehabilitation Team (CART).

In 2006/07 the activity the Foundation Trust has undertaken for all NHS patients included the following, (the 2005/06 figures are also included for comparison).

	2006/07	**2005/06**
• New Outpatient Attendances	134,378	113,688
• Follow-up Attendances	163,618	136,779
• Day Case procedures	46,671	41,926
• Elective Inpatients	13,348	13,229
• Emergency Admissions	24,486	25,438

1.3 Partnership working

Through the strategy development work the Trust has recognised the need to further develop partnership working. Examples of this include the following:

- Development of a complete Consultation Policy, which is being held up as an example of good practice within the Foundation Trust Network.

- Contribution to the Bournemouth Strategic Partnership and the Local Area Agreement, especially in relation to reduced emergency bed days.

- Midwifery and child related services are increasingly placed in the community, including in the Boscombe and West Howe Children Centres.

- Integrated discharge planning service which combines care from the hospital, the PCT and Social Services to ensure no-one is discharged home without adequate support.

1.4 Other important issues

Quality measures

The star ratings system for NHS organisations was replaced in 2006 by the Annual Healthcheck. This assesses NHS organisations including hospitals, ambulance trusts, primary care trusts and mental health trusts on their quality of services and use of resources.

The Trust was only one of 3% of all NHS trusts to be awarded excellent by the Healthcare Commission for our use of resources. This means that we demonstrated:

- A strong level of financial performance
- Excellent management of the organisation
- That we represent value for money
- That we make good use of public money in the planning and delivery of services

For our Quality of Services we received a fair rating because we failed on some targets such as being a smoke free hospital. However we achieved a number of excellent scores within this. We were assessed in the following areas:

1. Compliance with core standards
We met all of the 24 core standards, which covered a wide range of quality issues.

2. Meeting existing national targets
We achieved 11 out of 13 of the existing national targets. Areas that we will continue to work on to improve include delayed transfers of care, where we are on track to meet this for 2006/07.

3. Meeting new national targets
We have made good progress towards meeting many of the new national targets. Areas that we will be working to improve further include reducing smoking.

4. We will also continue to manage a reduction in MRSA cases
The Health Protection Agency reports low MRSA rates of 1.25 per 10,000 bed days for our Trust, the second lowest in the South West of all medium acute trusts.

5. The Acute Hospital Portfolio
This included three reviews: the management of admissions, the management of medicines and diagnostic services.

We were also one of only 16 trusts to receive an excellent rating for our review of diagnostic services, with a maximum score for accessible imaging services (MRI, CT and ultrasound) and patient focused endoscopy services. We also scored highly in providing responsive imaging services and high clinical quality pathology services.

We received a good rating for both the management of admissions and medicines review areas.

Other quality indicators include the NHS Litigation Authority's standards where we were a first wave pilot for their updated risk reduction scheme. We passed their inspection comfortably and will be looking to progress to Level Two accreditation.

Within the NHSLA standards Maternity is a high risk area nationally, and it is pleasing to report we have been re-accredited for the Unit.

Staffing

The staffing complement within the Trust has remained fairly constant with no particular recruitment difficulties or turnover problems. Following the previous years targeting of sickness absence the reduction in the absence rate has been maintained during 2006/2007.

The Foundation Trust published its Disability Equality Scheme in December 2006 and has incorporated its Race and Disability Equality Schemes with its Gender Equality Scheme into a Single Equality Scheme. This was published in April 2007.

The Foundation Trust was part of the national roll out programme for the Electronic Staff Record which is a combined payroll and Human Resources system and is due to go live in 2007.

The annual NHS national staff survey took place in 2006 with a focus on a number of areas including work life balance, appraisal, learning and development, communication, safety at work and staff attitudes. The Foundation Trust had a 62% response rate, which was in the highest 20% of acute trusts in England. In relation to training 76% of staff said they had received training, learning or development in the last 12 months, which again was amongst the highest 20% of acute trusts.

The Trust also performed well in terms of staff job satisfaction and in relation to the numbers of staff who intended to leave their jobs, which was in the lowest 20% of acute trusts. In other areas the Trust remains average and in some areas was in the lowest 20% group. These issues will be addressed through a detailed action plan.

Service Changes

2006/07 began as a year with considerable uncertainty regarding income levels, but with this resolved the Foundation Trust has been able to progress the care provided on various fronts.

<u>Waiting times</u>
The Foundation Trust achieved the maximum wait time for a new outpatient appointment of 11 weeks, and considerably less for many patients. For daycase and inpatient treatment the Foundation Trust achieved the 20 week national maximum target, thanks in part to a considerable growth in activity towards the end of the year in Orthopaedics.

<u>Booking</u>

The Foundation Trust remains one of the highest performing Trusts for “Choose and Book” take up. This is the system for booking GP referrals into dates and locations most mutually convenient for the patient and hospital. This has required considerable work, and re-design of clinics and booking patterns.

<u>Gastroenterology</u>
The completion of the fourth examination room and appointment of an additional consultant and staff has allowed this service to improve to meet demand, as well as the additional requirements to take part in the national bowel screening programme.

Board appointments and resignations

Ian Metcalfe and Alex Pike joined the Board as Non Executive Directors in July 2006.

Colin Perry was appointed as Chief Operating officer (previously Director of Finance and IT) from October 2006. The post of Director of Finance and IT was substantively filled by Stuart Hunter in February 2007.

The following Directors resigned from the Board of Directors during 2006/07:

Peter Rawlins, Non Executive Director,
Bryan Carpenter, Director of Human Resources,
John Morton, Director of Service Delivery.

2. Summary of Financial Performance

2.1 Overview of 2006/07

The Trust was required to produce a financial plan without having a signed contract with the local PCT in place for 2006/07 and hence assumed a prudent approach in setting the income levels, particularly in Cardiology. A contract was signed during the year and the PCT agreed to a higher level of contracted income, resulting in significant favourable variances.

Through the above prudent planning assumptions and tight financial control within the directorates, the Trust achieved a £3.3m surplus in 2006/7, significantly exceeding the £0.3m forecast. This is about 3% of our turnover.

In addition, a successful outcome of a dispute relating to the 2005/06 accounting period resulted in the Trust securing an additional £2.9m. This income is shown as an exceptional item within the accounts to present a true and fair view of the operational surplus within the current year.

The following high level comparison highlights the historical plan and actual performance achieved during the year:

	Plan 2006/07	**Actual 2006/07**
Income	**£m**	**£m**
Clinical Income	160.25	166.78
Non-Clinical income	13.42	16.91
Total Income	173.67	183.69
Expenses		
Pay Costs	(109.28)	(110.18)
Non-Pay Costs	(52.84)	(59.13)
EBITDA	**11.55**	**14.38**
Interest/Depreciation	(11.22)	(11.01)
Net Surplus (before exceptional items)	**0.33**	**3.37**
Exceptional items	0.00	2.86
Net Surplus (after exceptional items)	**0.33**	**6.23**

2.2 Financial Plan 2007/08

The Trust adopted a different approach to setting the plan for 2007/08 rather than the traditional incremental budget setting methodology. A zero based approach is being employed and the Trust intends to complete this over a timeframe of three years. This

methodology matches expenditure budgets to activity levels and links in to the agreed contracts with the PCTs.

The plans cover full funding for the national proposed pay offers and a further £2.2m is included to meet the incremental nature of the Agenda for Change contracts. Non pay inflation is funded at 1.5%, in line with predictions with suppliers.

A £4.5m Cost Improvement Programme (CIP) has been developed in conjunction with senior managers from various directorates. Targeted savings were identified across both pay and non pay areas and a final outstanding balance of 0.5% of pay apportioned across the directorates with managers being tasked to secure the balance.

In total, £2.5m of commitments were funded within the plan including:

	£000
• 4th Gastroenterologist	500
• NICE drugs and technologies	560
• Risk Management	300
• Service Development Team (end of external funding)	372
• Winter swing beds	250
• Training budget (central reductions)	230

The Trust also agreed a priority list of quality developments as follows:

	£000
• CDU Resuscitation staff	165
• CDU Nursing staff	200
• Theatre nursing staff	300
• Radiology extended day	175
• Speech & language therapists	110
• ITU Outreach service	93

The year ahead presents all NHS organisations with a significant challenge in meeting the 18 week waiting target. Through successful negotiations with the PCT, the Trust has agreed a significant increase to activity levels in 2007/08 to tackle those patients where the wait is considerably above the 18 week target. Working with the PCT and running concurrently, the Trust is focusing on critical pathway redesign work to remove unnecessary blocks to the patient's journey. By establishing different ways of working the Trust should be able to achieve the target without all of the recurrent investment required in the year. In addition, the purchase of the private hospital within the grounds of the Royal Bournemouth Hospital will provide the opportunity to treat Orthopaedic patients in a more efficient and cost effective way.

NHS Clinical Income £m

	Plan 2006/07	Actual 2006/07	Plan 2007/08	Plan 2008/09	Plan 2009/10
Elective	52.75	53.76	65.60	64.16	64.80
Non-Elective	49.72	48.95	53.68	52.50	53.02

Outpatients	22.42	25.63	28.76	28.13	28.41
A&E	3.52	3.96	3.56	3.48	3.52
Other	33.83	36.18	28.36	27.74	28.01
Less PbR Clawback	(1.98)	(1.70)	0.00	0.00	0.00

Other Income £m

	Plan 2006/07	Actual 2006/07	Plan 2007/08	Plan 2008/09	Plan 2009/10
	13.41	16.91	15.64	15.66	15.83

Operating Expenses £m

	Plan 2006/07	Actual 2006/07	Plan 2007/08	Plan 2008/09	Plan 2009/10
Pay Costs	109.28	110.18	122.48	119.63	120.63
Drug Costs	13.36	12.70	13.60	13.85	14.52
Clinical Supplies & Services	24.05	27.47	26.64	26.03	26.24
Other Costs	15.43	18.96	20.26	19.45	19.05

Income & Expenditure Surplus £m

	Plan 2006/07	Actual 2006/07	Plan 2007/08	Plan 2008/09	Plan 2009/10
	0.33	3.34	1.92	0.76	0.33

Planning assumptions

Description	2007/08 %	2008/09 %	2009/10 %
Income Assumptions			
Tariff Income	2.50	1.50	1.00
Non-Tariff Income	2.50	2.50	2.50
Cost Assumptions			
Pay Inflation	1.85	2.00	2.00
Agenda for Change	2.30	1.20	0.06
Drug Costs Increase	4.00	3.50	3.50
Non-Pay Inflation	2.50	1.50	1.50
Activity Assumptions			
18 Week Specific Activity	4.30	(4.30)	0.00
Others	0.00	1.00	0.00

Balance Sheet

The Trust increased its cash equivalent holdings through both maintaining tight control over capital expenditure and delivering surpluses in the first two years of being a Foundation Trust. The capital plan for 2007/8, described below, demonstrates how the Trust is able to reinvest these surpluses into enhancing patient care through investment in infrastructure. The cash holding therefore falls during 2007/8 to an adequate level moving into 2008/9 and beyond.

Further work continues to monitor closely the working capital to optimise the interest receivable on the Trust investments.

Investments and Disposals

The Trust's high-level capital investment plan for 2007/8 to 2009/10 is shown below:

Capital Programme 2007/08 to 2009/10

Description	2007/08 £m	2008/09 £m	2009/10 £m
Infrastructure	7.82	4.84	4.33
Medical Equipment	3.38	2.25	2.10
IT	1.14	1.25	2.00
Minor Works	0.40	0.40	0.40
Total	12.74	8.74	8.83

As indicated above, the Trust is able to utilise surpluses previously achieved, to enhance patient care through higher levels of investment in infrastructure, medical equipment and IT. Through the strategic plan, the Trust is looking at how services are currently being delivered and the investment required in meeting its strategic aims. Capital expenditure levels in 2008/9 and 2009/10 are expected to return to the level of cash available via depreciation.

2.3 Key Financial Risks

A risk analysis was undertaken and the following risks identified during the year:

- 18 week activity forecasts over-estimated with investment made in staffing and infrastructure possibly above tariff income levels.
- Further demand management through the PCT and the inability to quickly down-size.
- Budget management and the need for continual improvement.
- Achievement of 2007/08 CIP.
- Future expansion of other Foundation Trusts.
- Unbundling of tariff in 2007/08.
- A new ISTC opening in Lymington with the potential loss of £2m of income.

2.4 Summary

The Annual Plan is based on sound and agreed local contracts with the host and neighbouring PCTs and relationships are developing with evidence of joint working to reduce annual growth. In addition, the budgets have been constructed with the directorates' full knowledge and engagement in an open and transparent way and linked to the above activity levels. The plans for 2007/08 include a significant development programme including many quality improvements across the Trust resulting in improved patient care.

3. Future Business Plans

3.1 Strategic overview

The Trust has undertaken considerable work during 2006/07 to develop a new five year strategic plan. This has involved revising the Trusts vision, strategic goals and values and these are set out below. Each of the Directorates have developed a strategic plan and this work, along with events held to gain the views of staff, the public, patients and external stakeholders has helped to shape our strategy.

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

The Trust also has seven key strategic goals, consistent throughout its strategic planning.

The **strategic goals** are:

- To offer patient centred services through the provision of high quality, responsive, safe, effective and timely care.
- To promote and improve the quality of life of our patients.
- To strive towards excellence in the services and care we provide.
- To be the provider of choice for local patients and GPs.
- To listen to, support, motivate and develop our staff.
- To work collaboratively with partner organisations to improve the health of local people.
- To maintain financial stability enabling the Trust to invest in and develop services for patients.

The Trust's **values** are that:

- The Trust will deal openly, honestly and sensitively with patients, the public and our staff.
- The Trust will respect the dignity of patients and ensure that services are organised to put patient's interests first.
- The Trust promotes a culture which motivates and enables staff to perform to their highest potential, encourages their contribution and values and respects them as individuals.
- The Trust will be a responsible steward of public money achieving the maximum benefit from available resources.
- The Trust will offer excellent service to patients, staff and visitors and those who work with us.

Our strategic plan will ensure the values are embraced and delivered.

As a consequence of the work that has been undertaken in relation to developing a strategic plan for the Trust, a series of strategic options are now being researched for wider consultation and evaluation. These areas include:

- The integration of rehabilitation and acute inpatient services and the subsequent development of the services at Christchurch Hospital site,
- A review of maternity service provision, particularly focusing on the positioning of the midwife delivered maternity service in the area,

- A detailed assessment of services that could be better provided in the community setting rather than in an acute hospital, including assessment of how such services would be managed so as to minimise any harmful impact on other services provided by this Trust,
- Cancer and palliative care service provision, particularly to ensure a high quality environment.

Additionally detailed work is also underway to understand which clinical services are costing more or less than the tariff to provide. As part of our strategic considerations, the Trust will need to address those issues which lead to some services being provided at a higher cost than the tariff, whilst recognising that they may well remain a vital part of the overall service portfolio that needs to be provided to the local community. The development of “service line reporting” will help provide this information.

Detailed work is also underway to progress a number of important changes in working practice designed to provide:

- Additional capacity.
- Better use of expensive assets.
- Improved patient care.

These changes which include the establishment of 3 session theatre days, some routine elective weekend operating and outpatient clinic consulting. In Radiology an expansion of the working day to 5, two hour sessions, (currently running 4 session days) and the working week to 6 days is also underway. These are introduced as part of an agreed plan to increase patient activity and achieve the 18 weeks target.

As part of the programme to achieve the 18 weeks target, the Trust has reached agreement with the Nuffield Hospital Group to purchase the empty private hospital (the Derwent) which is sited within the Trust’s grounds. In addition to this there has also been a recognised need to address infrastructure deficiencies at the Royal Bournemouth site and two specific capital projects have been identified, these are:

- An expansion in the outpatients facilities,
- Improvement to cancer ward facilities.

3.2 Potential Service Development Plans

The Directorate submissions for the strategic plan contained a significant number of proposals to improve the model of care and the care pathway for both elective and emergency patients. Some of these proposed changes will be developed over 2007/08 and subject to PCT funding, and resolution of practicalities may be established in the forthcoming year:

- the expansion of primary angioplasty progressing towards provision of this service on a 24/7 basis,
- the introduction of capsule enteroscopy for certain patients requiring endoscopy procedures,
- Expansion in thrombolysis treatment for patients following a stroke,
- Provision of alternative models of care for patients undergoing rehabilitation,
- The introduction of specialist intestinal, lung disease, respiratory failure and one stop COPD (Chronic Obstructive Pulmonary Disease) clinics,

- Improvements in the care pathway for the prevention and management of obesity,
- A proposed integration of the emergency care pathway to achieve closer links between the accident and emergency department and the GP out of hours service.

In addition to these a number of specific opportunities have been highlighted aimed at extending our catchment or offering services or new lines of provision. Examples include:

- The potential to establish a sleep apnoea service,
- Opportunities to develop plastic surgery on site at Royal Bournemouth Hospital,
- An extension of outpatient based services into areas such as Ringwood, New Milton and Highcliffe,
- The development of closer links with Salisbury in areas such as the provision of interventional cardiology and electrophysiology,
- The expansion of the maternity catchment area to include a significant proportion of the New Forest,
- Bariatric surgery for Jersey patients, such as stomach stapling, which combined with appropriate diatetic counselling advice can manage obesity. This might also be extended to treat local Dorset patients.

During the summer of 2007 the Trust is carrying out an extensive public consultation on its 5 year strategy. The proposed strategy refers to a number of additional developments, including addressing the issues of access to and parking at the hospital.

3.3 Contract Negotiations for 2007/08

The Foundation Trust continues to improve on our excellent relationships with our two lead purchasers, Bournemouth and Poole PCT and Hampshire PCT. Both have been re-organised in 2006 but we are fortunate many of the key personnel have remained the same. Both organisations have undergone fitness for purpose assessments and are developing strong commissioning strategies and teams.

By agreeing realistic plans, payment for activity undertaken, and focussing on win-win situations, local patients are measurably benefiting. Joint work to reduce emergency admissions and length of stay has allowed resources to be shifted to prevention and supportive discharge.

In Cardiology demand for services continues to increase, in line with similar cardiac units. This is saving lives and in accordance with the national service framework for heart diseases. However for low volume, high cost procedures in cardiology it has been agreed a prior approval process will operate for the PCT.

Additional PCT investment in high cost drugs is welcomed, especially for AIDS/HIV, rheumatoid conditions and for liver disease patients.

Agreement of funding for an outreach team for the Intensive Care Unit (ITU) is a quality driven improvement, as this will save lives and reduce time in intensive care.

4. Assurance and Risk Analysis

4.1 Governance risk

4.1.1 Effective risk and performance management

The Trust has an active risk register that is regularly reviewed by the Governance and Risk Management Committee and the Board of Directors. The Board of Directors gives a high priority to risk management and all risks on the register are assigned a Board level lead. A standard risk scoring system is utilised and all significant risks, based on this scoring system, are presented to the board on a monthly basis as part of the Trust's performance management framework.

The on-going management of risk is undertaken by the Governance and Risk Management Committee, which meets on a monthly basis and reports directly to the Board of Directors. The GRMC consists of key stakeholders in the organisation and both executive and non-executive directors represent the Board, as well as Governor representatives.

The active risk register is divided into those risks that are soluble with resource allocation, those risks that are directly linked to the Trust's Assurance Framework, and those risks that are present in the system continuously. The register addresses general and clinical risk, financial risk and mandatory service risk. Detailed reports can be produced for individual risks and this is done on a regular basis for all significant risks.

The Board of Directors assigned a budget of £300k for risk register issues in 2006/7 and a similar amount has been set for 2007/08. Management of the budget and decisions on expenditure were devolved to the Governance & Risk Management Committee. The Committee discussed risk priorities on a monthly basis.

The Trust's Audit Committee meets quarterly and is authorised by the Board to:

- Investigate any activity within its terms of reference
- Seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee
- Obtain outside legal independent advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary

Funded risk register issues in 2006/07 included:

£70 k	For Manual Handling Equipment to reduce staff and patient safety risks
£50 k	For a monitoring system to reduce risks related to wandering patients
£25 K	For new Endoscopy Sterilising Equipment to reduce infection control and staff safety risks
£16K	For standardisation of MS16 Syringe drivers across the Trust thus reducing patient safety risks and ensuring compliance with Medicines & Healthcare Regulatory Agency (MHRA) recommendations
£15K	For development of a medical devices database and training needs analysis to support staff training and compliance with Healthcare Commission, Health & Safety Executive and NHS Litigation Authority standards.
£25K	For Stress Management training for all staff and ensure compliance with new HSE Stress Management Standards
£22K	For disposable laryngoscope blades for Theatres and Cardiac Arrest Trolleys to ensure compliance with HCC Decontamination standards and improve infection control and patient safety.

Patient or staff safety objectives related to these funded risks have been set for 2007/8 and will be monitored by the Governance & Risk Management Committee.

During 2006/7 the Trust was a pilot site for the new NHS Litigation Authority Risk Management Standards in acute trusts (previously referred to as CNST standards). The Trust was only 1 of 18 acute trusts to achieve the new Level 1 standards. In the coming year, we will be preparing for Level 2 accreditation.

4.1.2 Significant risks

The Trust Risk Register contains no significant risks relating to Governance.

The Trust completed the final declaration for the Healthcare Commission Annual Health Check in April 2006. Following approval by the Board of Directors, the Trust declared full compliance across all the core standards and the full Board supported the declaration.

The Trust produced a detailed Governance Development Plan for 2006/7 to further improve arrangements in place for compliance with the Healthcare Commission core standards. The plan included action plans for progress on implementation of the patient safety and clinical and cost effectiveness developmental standards. This work will be continued in 2007/8.

A robust Annual Audit Programme that includes both internal and external reviews further supports implementation of the Plan.

4.2 Mandatory service risk

4.2.1 Significant risks

The Trust has a small number of significant mandatory service risks relating to either clinical, service delivery or service development risk on the Trust Risk Register. Such risks and actions to resolve these include:

- Managing delayed discharges – development of the integrated discharge team and investment in the Day Hospital services has allowed supported discharge, and other actions resulting in the Foundation Trust achieving the Monitor key performance indicator.
- Reducing MRSA rates in line with National targets – there is a detailed infection control action plan in place and the development of a supporting communication strategy.
- Ensuring the effective implementation of patient choice – work is taking place to make “Choose and Book” access to outpatient appointments amongst the best in the country, to reduce waiting times and provide patient information to support patients choosing the Foundation Trust.
- Maintaining an efficient power capacity for essential services – investment in an additional plant is under negotiation.
- Managing capacity for oncology services and ensuring compliance with Cancer Peer Review recommendations for improvements to accommodation and staff and patient safety – the Foundation Trust has performed well throughout the Peer Review process and work is underway to fund expansion of the oncology/haematology wards.

- Ensuring sufficient Speech and Language Therapy Service provision to meet the clinical and safety needs of patients - £110k for additional Speech and Language Therapists has been agreed via internal funding as part of the 2007/08 budget.
- Investing in additional medical and nursing staff in the Accident and Emergency Department to improve the patient flows through the department, remodel the patient pathway, provide dedicated staffing for the resuscitation area and improve general patient care.

For the majority of these risks the level of risk relates to the potential severity of an adverse event if it did occur rather than the actual likelihood of occurrence. In each case mitigating strategies have been identified to either reduce the likelihood or mitigate the severity. For all identified risks the Board has been provided with assurances on the controls in place and regular monitoring is undertaken to ensure that any gaps in controls are immediately identified and resolved.

4.3 Financial risk

4.3.1 Significant risks

The Trust has a number of significant financial risk issues currently on the Trust Risk Register. See section 2.3 on page 12.

In each case mitigating strategies have been identified and assurances on controls and the monitoring of gaps in controls provided. The Director of Finance is the Board lead for all financial risks on the Trust Risk Register. Further details are covered within the finance section of this plan.

4.4 Risk of any other non-compliance with terms of authorisation

Following a failure to achieve Level 1 compliance with the Clinical Negligence Scheme for Trust (CNST) standards for Maternity the Trust identified this as a significant action plan for 2006/7 and placed this issue on the Trust Risk Register. The Trust regained Level 1 accreditation in March 2007 and will be considering actions required to achieve Level 2 in 2007/8.

There are no known significant risks of non-compliance that are expected in 2007/08 and as such we would currently expect to be issued with a green rating for governance and mandatory services.

4.5 Draft Assurance Framework

The Trust Board of Directors will be agreeing on the Assurance Framework for 2007/08 to assure itself that sufficiently robust processes are in place to achieve the strategic objectives, and to mitigate risks, attached at Appendix 1. Of note are the Foundation Trust's strategic goals and values, and the Healthcare Commissions domains for an effective healthcare organisation have been used to inform the seven main work streams. Within each of these are specific actions or plans, to either further a goal or address a risk. The Board's audit committee will oversee the Assurance Framework and reporting, along with regular reports to the full Board.

The Trust has a routine process for the dissemination and co-ordination of new NICE guidance. A database, managed by the Medical Director, is used to record receipt, dissemination and implementation of all NICE guidance. Issues of non compliance are reported formally to the Governance & Risk Management Committee and placed on the Trust Risk Register until compliance has been achieved. Details are also included within the Quarterly Clinical Governance Report to the Board of Directors.

5. Declaration of Self-Certification

5.1 Self certification

The Board confirms that the statements as set out in the Annual Plan Appendix 2 are true and accurate.

5.2 Board statements

As set out in Appendix 2.

6. Membership

6.1 Membership Report

Public constituency	**Last year**	**Next year (estimated)**
At year start (April 1)	13,707	13,287
New members	160	160
Members leaving	580	580
At year end (31 March)	13,287	12,867
Staff constituency	**Last year**	**Next year (estimated)**
At year start (April 1)	994	951
New members	36	36
Members leaving	79	79
At year end (31 March)	951	908

Analysis of current membership

Public constituency	**Number of members**
Age (years):	
0-16	1
17-21	35
22+	12,647
Not known	960
Ethnicity	
White	13,643
Mixed	39
Asian or Asian British	41
Black or Black British	29
Other	36
Not stated	309

6.2 Membership commentary

6.2.1 Constituencies

The constituencies of the Foundation Trust are:

Public:

- Bournemouth Borough - the electoral area covered by Bournemouth Borough Council
- East Dorset, Christchurch Borough and Purbeck District - the electoral areas covered by East Dorset District Council, Christchurch Borough Council, Purbeck District Council and Dorset County Council
- Borough of Poole - the electoral area covered by the Borough of Poole Council
- New Forest District - the electoral area covered by the New Forest District Council

Staff:

- Medical and dental - one Staff Governor
- Nursing and midwifery - one Staff Governor
- Hotel services and estates – one Staff Governor
- Allied health professionals – one Staff Governor
- Administrative and clerical/management – one Staff Governor

There is no patient or carer constituency.

As of 31 March 2007 there were 13,707 public members in the following constituencies.

- Bournemouth: 9,592
- Poole: 2,235
- Christchurch, East Dorset and Purbeck: 1,388
- New Forest: 492

The Governors have recruited 160 new public members during 2006/07, above the plan for the public constituency of 100 new public members. The number of public members leaving during the year has been higher than expected at 580. 74% of these resulted from members moving out of the area or moving without notifying a forwarding address.

The staff constituency has decreased by 43 against a planned increase for the year of 47. Deeper engagement of staff remains an area for development and while the option remains to adopt an opt-out system of membership, there continues to be a preference for voluntary sign up for staff as for public members.

6.3 Membership and engagement

In light of both the substantial public membership (in comparison with other Foundation Trusts) and the difficulty in recruiting beyond the opening staff membership on authorisation, the Council of Governors felt that their efforts in 2007/08 should focus on a better understanding of the extent to which the membership represent their communities rather than growing the numbers across the board. Effort is therefore devoted to substantially revising the membership development strategy to be more realistic and meaningful, particularly for Governors who have a prime role in taking this forward.

In January 2007 the first members seminar was held with a talk on rheumatology which attracted over 200 members and led to new members being recruited. Further events of a similar nature are planned for 2007/08.

Public meetings such as governor listening events have also been held, in particular to inform the Foundation Trust's strategy development work. These highly informative and useful events have fed into our "Putting Patients First" action plan, and are another example of the governors leading public engagement work.

6.4 Work plan for the year ahead

The Foundation Trust's Membership Development Committee has produced a Membership Development Strategy which sets out the objectives for the forthcoming year, these are:

- To make the membership representative of the community,
- Better co-ordination of recruitment activities,
- Each Governor to recruit 10 new members,
- Establish levels of members' participation,
- Raise the profile of Governors so people will apply to stand at the next elections,
- Consult with the public and staff over service changes,
- Increase partnership between the Council and the Board,
- Establish Governor training and induction programme,
- Expand Governors' community role with partnership organisations,
- Ensure the success of Governor led events.

To support this work a part time governor co-ordinator post is being recruited. The post will support events, information exchange and wider communication and consultation work.

6.5 Election of governors

The Trust held by-elections for two public governors and two staff governors during the year. These elections were held in accordance with the election rules, as stated in the constitution.

The Council of Governors is made up as follows:

Bournemouth public governors (elected)

- Ernest Everett
- Leon Kaufman
- David Lyons
- Sharon Carr-Brown
- Christopher Weyell
- Keith Mitchell
- Phil Carey
- Mollie Harwood
- Brian Newman

Christchurch, East Dorset and Purbeck public governors (elected)

- Sue Bungey
- James Watts-Phillips
- Michael Desforges
- Alf Hall
- Don Riggs
- Lee Foord

Poole public governors (elected)

- Mervyn Richardson
- Ben Hurley (removed July 2006)
- Peter Stebbing (resigned April 2007)
- Bernard Broderick (resigned April 2007)

New Forest public governors (elected)

- Celia Fern
- John Hempstead
-

Staff public governors (elected)

- Alan McCoy
- Mark Noble
- Pauline Kimpton
- Dily Ruffer
- Fiona Randall

Nominated (appointed by their respective organisations)

- Vacancy, Bournemouth Borough Council
- Ken Hockey, Bournemouth and Poole PCT
- David Fox, Dorset County Council
- Nigel Clarke, Hampshire County Council
- Dennis Hasted, Hospital Volunteers
- Elaine Atkinson, Borough of Poole
- Chris Williams, External Voluntary Organisations

Public governors were first elected in February 2005 by secret ballot of the public membership, using the single transferable vote system. In order to manage the period of transition, not less than half of the initial public governors in each constituency who polled the highest votes will serve a term of office ending at the conclusion of the annual members meeting in 2008; the remaining public governors serve a term of office ending at the conclusion of the annual members meeting in 2007.

7. Financial Projections

Monitor's Annual Risk Assessment Financial template is included as Appendix 3 and the Key Performance Indicator's (KPI's) template as Appendix 4.

8. Supporting Schedules

Schedule 2 is attached at Appendix 5 and the Mandatory Education Training Schedule 3 is Appendix 6.