



The Royal Bournemouth and  
Christchurch Hospitals



*"putting patients first"*

NHS Foundation Trust

# Annual Report and Accounts 2005/6

Presented to Parliament pursuant to Schedule 1, paragraph 25(4) of the Health and Social Care  
(Community Health and Standards) Act 2003.

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## 1. Chairman's Statement



**Sheila Collins**

On 1st April 2005, The Royal Bournemouth and Christchurch Hospitals NHS Trust became a Foundation Trust.

By being licensed as a Foundation Trust we were joining an elite group of, what was then, 31 Trusts in the entire country to be given this accolade. To be awarded this we had to be able to show that the Trust had a strong financial history of balancing its books year on year and that this financial strength would continue in the future.

We also had to demonstrate that we had met all of our health related targets and that our governance arrangements were strong. The application process is not designed to be easy making the ultimate gaining of Foundation Trust status that much more of an achievement. I am very proud that the Trust has been successful in this respect and I hope that those we serve will feel likewise.

As part of the Foundation Trust arrangements we now have a Council of Governors drawn from our staff, members of the public from the various areas we serve and members nominated from partner organisations. The Governors inform the Trust of the views of the community. They are currently involved in groups looking at topics such as car parking, patient and public involvement and the patient journey. They have brought valuable local knowledge to these areas. The Governors have also been involved in our annual planning process and as they become more established in their role we would look to their contribution in this area expanding.

In the year from April 2005 to March 2006, the Foundation Trust has again performed strongly, achieving and in some cases overachieving, all of its financial and operational targets. This has been done in very difficult circumstances in that our commissioner, the Bournemouth Teaching Primary Care Trust (PCT), while not managing the demand of its patients for our services, has refused to pay us for the patients we have treated over and above the indicative sum they contracted to pay us at the beginning of the year. This stance has caused anxiety to local people who want to be treated at their local hospital and caused the Foundation Trust to expend much energy and many additional hours in trying to resolve the situation. The current position is that the Foundation Trust and the PCT are moving towards mediation and, if unsuccessful, arbitration, to try to settle the differences, which in monetary terms amount to £6.3 million.

Looking forward into 2006/7, the Foundation Trust is well placed with its dedicated staff, well equipped departments and efficient ways of working, to offer treatment to more patients while reducing its waiting times. In order to do this the Trust will need to come to an agreement with the Bournemouth Teaching PCT so that it will be paid for the patients it treats as envisaged by the Payment by Results regime. Without such an agreement in the early stages of the fiscal year the Foundation Trust will be forced to cut back on the work it does and thus the patients it treats. The situation will need very careful handling by the Foundation Trust to make sure that its end of year position is as robust as that at the end of 2005/6.

A handwritten signature in blue ink that reads "Sheila Collins". The signature is stylized and cursive.

**Sheila Collins**  
Chairman

## 2. Chief Executive's Statement



**Tony Spotswood**

Our first year as a Foundation Trust has been characterised by sustained success in continuing to provide high quality patient care in the context of increased demand for secondary care intervention and treatment.

I would firstly like to acknowledge the unstinting efforts and contribution made by our staff, often under difficult circumstances, who are central to all that we do in responding to the needs of our local catchment population. The Foundation Trust enjoys high quality primary care referrals and offers services within the locality with a significantly higher density of residents aged over 75 than the national average.

Significant numbers of patients therefore often present at our hospitals in Bournemouth and Christchurch with high levels of co-morbidity and complex social care needs requiring intensive nursing interventions. The Foundation Trust continues to enjoy a flourishing reputation within the local community and the advances we've been able to make in services such as cardiology, orthopaedics, surgery, diabetes, emergency medicine, radiology, ophthalmology and rehabilitation stand favourably in comparison with any hospital in England.

The Foundation Trust has maintained its reputation as well managed with strong financial control and is reporting a surplus at the end of its first year of £1.6m. This will be reinvested to ensure the maintenance of services for our local population in the future.

Of the many successes we can point to during the last year, the following examples offer an illustration of the advances being made in providing services to our local population.

- The opening of a new Cardiac Intervention Unit providing facilities for patients to undergo angioplasty procedures to correct a narrowing of the main blood vessels thus obviating the need for patients to travel further afield (see page 17).
- The development of an electrophysiology service providing complex ablations to correct disturbed heart rhythms and the fitting of ICDs (Implantable Cardioverter Defibrillator). This is the only such unit outside of a teaching hospital in England.
- The continued reformation and improvement of our processes to enable the speedy admission and treatment of emergency patients avoiding unnecessary delay whilst facilitating early and appropriate discharge. The Trust saw an increase in emergency admissions during 2005/6 of 7% compared to the previous year.
- The provision of radiological investigations and examinations for a broad range of conditions including PET (Positron Emission Tomography) scanning, the latter funded through a charitable donation from the Macmillan Cancer Trust, providing among the shortest waiting times in England for such investigations (see page 8 and 11).
- Increased sub-specialisation in many surgical fields spanning urology, general surgery, vascular surgery, ophthalmology, orthopaedics and gynaecology, offering excellent treatment and outcomes to patients with a continued emphasis on short waiting times and the facility for

patients to choose their own appointment time.

An excellent record with regard to the control of infection to minimise the spread of MRSA and clostridium difficile. The Foundation Trust is the third safest when it comes to MRSA with a rate of 0.08 per 1,000 bed days and has a comparably low rate for Clostridium difficile of 0.42 episodes per 1,000 bed days.

- Investment to improve acute stroke services for patients, aiding their rehabilitation from stroke.

The operating environment for Foundation Trusts such as our own, in being rewarded for treating more patients and being able to attract those patients in the first instance through the high quality services we provide, is an important vehicle to drive up standards and encourage increased efficiency. It is therefore vitally important that local PCTs work within the Payment by Results system and that the Department of Health continues to ensure this occurs in order to protect services for local people, while fostering an environment of both joint working and success.

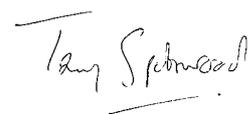
The Foundation Trust is engaged in a long-standing contractual dispute with its main commissioner, Bournemouth Teaching Primary Care Trust, concerning payment for elective treatment provided during 2005/6. The Foundation Trust believes that it should be paid in accordance with the principles of Payment by Results, that has been universally adopted by the NHS, which means it should receive payment for the work carried out. The PCT is seeking to limit payments to the treatment volumes estimated at the start of the financial year. The Trust is seeking resolution for the £6.3 million that is owed through mediation and/or arbitration during 2006/7. While the Foundation Trust, having taken legal advice, believes the full sum will be found to be due and payable, it has prudentially made a full provision against the entire sum in its 2005/6 accounts.

To ensure that we can continue to respond to the needs of local people it is vital that funding allocated by the Department of Health to our local PCTs is spent on the care of patients locally. The local community will need to work with its hospitals and the Primary Care Trust to ensure that this continues to be achieved. Much play is made of NHS targets and critically they have continued to help drive up standards and improve waiting times for patients. The Foundation Trust met all of the targets required.

We remain proud of the services that we are able to offer and look forward to the continued support of our local community to ensure that waiting times continue to fall and that national standards and targets are not just met but exceeded, because this is what local patients want and deserve. For this to be achieved our local PCT must ensure it complies fully with the rules that the Department of Health has established to support Payment by Results.

The year ahead will see more work carried out by local clinicians in planning changes to and development in the services we provide as we seek to exploit new technology and offer further advances in the care that is available locally. Through the continued support and encouragement of our Governors and our expanding membership base, it is important that we are able to continue to provide first class services to our population.

It is my privilege to present and sign off the accounts for 2005/6 as a correct record of the year.



**Tony Spotswood**  
Chief Executive

## 3. Operating and Financial Review

### Our Trust

The Royal Bournemouth and Christchurch Hospitals NHS Trust was formed on 1 April 1992 and was authorised as a Foundation Trust on 1 April 2005 by Monitor, the Independent Regulator of Foundation Trusts, pursuant to Section 6 of the Health and Social Care (Community Health and Standards) Act 2003.

### The Royal Bournemouth Hospital

The Royal Bournemouth Hospital opened in 1992 and is purpose built on two levels situated on a large green field site close to the main routes that link with the New Forest, Southampton, Salisbury, Winchester, Christchurch and Poole.



It is a 690 acute bed site, which includes 272 medical beds, six Coronary Care Unit beds, seven Intensive Treatment Unit beds and six on the High Dependency Unit. There is a 24-hour Accident and Emergency Department, which sees around 60,000 patients a year, and a large Day Theatre Unit. A new purpose built 18-bed (four paediatric) Ophthalmic Unit is also located on site as well as a state-of-the-art cardiology unit.

The Royal Bournemouth Hospital also provides district-wide services for orthopaedic surgery, vascular surgery and urology. Outpatient clinics are provided for oral surgery, paediatrics, plastic surgery and cardiothoracic.

### Christchurch Hospital



Two miles from The Royal Bournemouth Hospital, Christchurch Hospital provides a pleasant environment for rehabilitation. An all-age rehabilitation service has been developed, though most patients are elderly.

There is an excellent infrastructure to support rehabilitation with superb physiotherapy and occupational therapy facilities. There are 218 beds and a 45-place Day Hospital. Other units include beds for the young disabled, Dermatology Resource Unit, Rheumatology Unit, and Macmillan Unit (palliative care).

Christchurch Hospital has several outpatient services based at the hospital. For a number of years our strategy has been to steadily develop Christchurch Hospital as a specialised rehabilitation centre.

On 1st October 2005, Christchurch Hospital became known as the Rehabilitation Directorate, which also includes a number of wards at The Royal Bournemouth Hospital. This ensures a seamless, timely care pathway from the acute through to the rehabilitation services for the patient.

The Foundation Trust is run by a Board of Directors, which is made up of Executive and Non-Executive Directors. Together they are responsible for the day-to-day running of the organisation and the delivery of its objectives and wider strategy. Much of this work is done by the Executive Directors who work closely with consultants, clinical leaders and managers throughout the Foundation Trust. You can find out more about the Board of Directors in Section 6 *Governance and Membership*.

## The people we serve

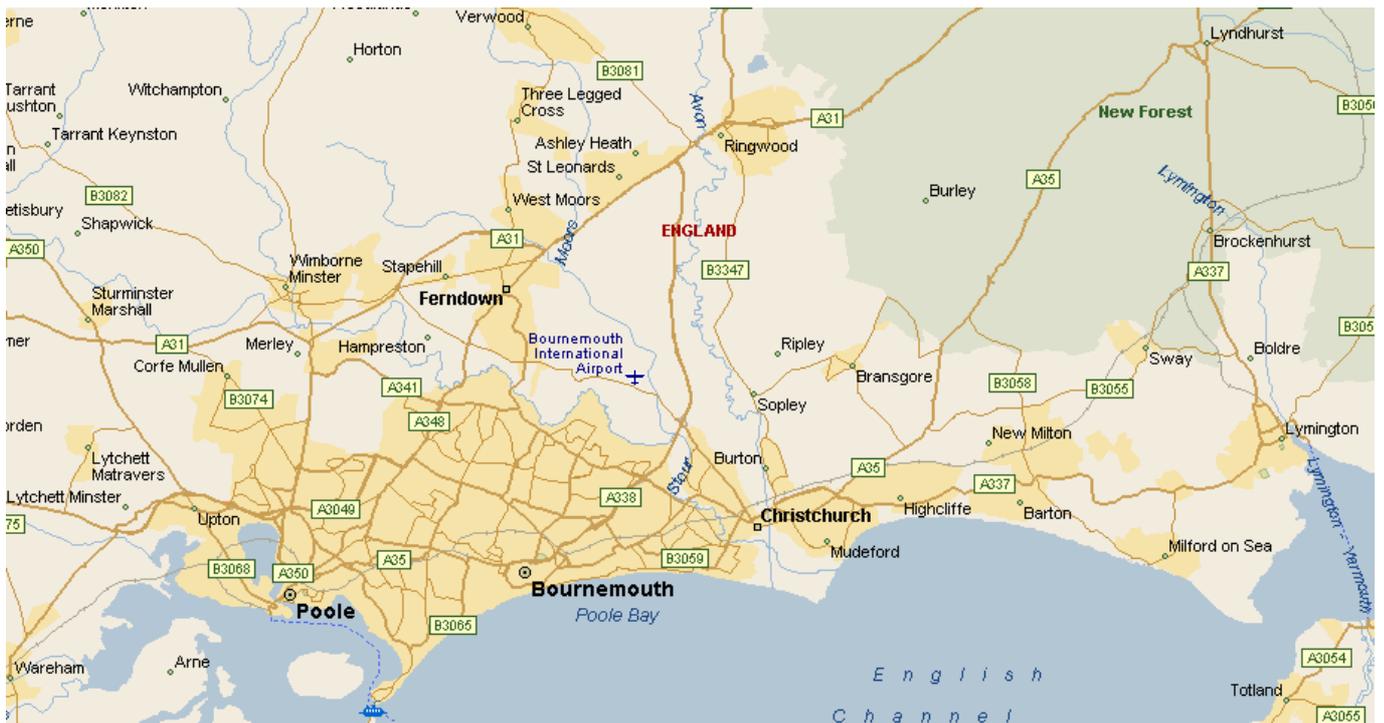
The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust provides healthcare for the residents of Bournemouth, Christchurch, East Dorset and parts of the New Forest with a total population of over 550,000. This rises during the summer months with a substantial number of tourists.

Our main catchment population is covered by four primary care trusts (PCTs):

- South East Dorset PCT
- Poole PCT
- Bournemouth Teaching PCT
- New Forest PCT

With a budget of £162 million in 2005/6, the Foundation Trust saw a total of:

- 113,688 new outpatient attendances
- 136,779 follow up attendances
- 41,926 day case operations
- 13,229 inpatients
- 23,811 emergency admissions
- 44,566 people seen in the Accident and Emergency Department
- 15,369 emergency eye appointments



**Our catchment population for a range of services**

## Year end highlights

### Three star rating for third consecutive year

The Foundation Trust retained its top three-star performance rating for the third year running.

Director of Service Development, Richard Renaut, said: “We are absolutely delighted that in our first year of becoming a Foundation Trust we have retained a three-star rating for the third year running.

“The rating not only reflects the level of service that is provided to our patients but also the expertise and commitment shown by all staff.”

The Foundation Trust was placed in the top band of performance for clinical focus, patient focus and capacity and capability.

Maximum good performance ratings were also received for MRSA, stroke care, and the administration of thrombolysis drugs to patients who have had a heart attack.

### Trust accredited to carry out IOSH safety course

The Foundation Trust received its license to deliver the IOSH (Institute of Safety and Health) accredited risk and safety training course – ‘Healthcare: risk and safety management.’

It is one of only nine in the UK to have met stringent criteria set by IOSH which allows it to provide this health and safety course to staff.

The comprehensive programme helps staff understand their health and safety responsibilities and the role played by proactive risk management in healthcare.

“Receiving accreditation to provide this course is a prestigious achievement as there are only a handful of trusts in the UK that IOSH has granted a licence to,” explains Jane Purser, Health and Safety Risk Adviser.

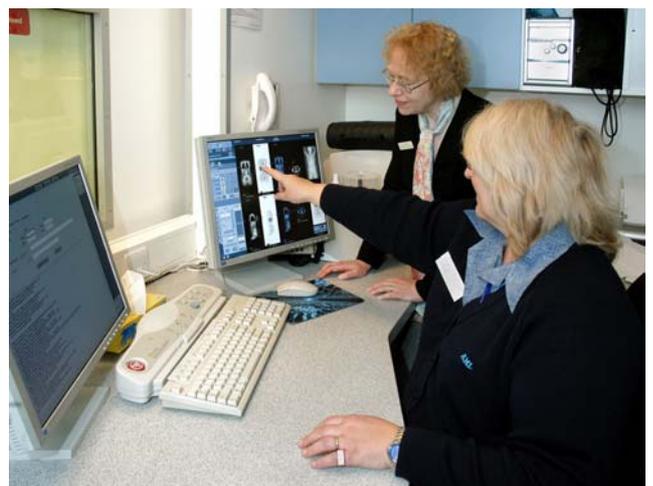
The course was developed to meet the increasing demands of modern healthcare and is tailored specifically to meet the needs of healthcare professionals. It ensures standardisation of core knowledge across the whole healthcare sector.

The course is just one example of how the Foundation Trust is developing and implementing a proactive approach to risk management and health and safety.

### £2 million funding for cancer patients

£2 million in funding from the Christchurch-based Macmillan Cancer Trust secured six specialist cancer posts and use of a PET scanner for the Foundation Trust.

The additional posts will further improve the level of care and treatment received by cancer patients at The Royal Bournemouth and Christchurch hospitals. Use of a PET scanner locally means that patients will no longer have to travel to London for their scan. The PET scanner will be available for patients across the Dorset Cancer Network.



Using the equipment in the PET Scanner

Tony Spotswood, Chief Executive, said: "Although cancer patients in Bournemouth already receive excellent care, the additional funding for the next three years will significantly improve the treatment and care received by patients at The Royal Bournemouth and Christchurch hospitals."

Keith Lomas, Chairman of the Macmillan Cancer Trust, said: "I am delighted that funds provided by local people have been spent to improve the quality of care for local patients."

"We are pleased to be able to provide this funding without compromising our ongoing support for the Macmillan Unit based at Christchurch Hospital."

The six additional posts include the following specialist staff:

- Colorectal Nurse Specialist
- Consultant Medical Oncologist
- Haematology Specialist
- Haematology Consultant
- Breast Physician
- Haematology Specialist Nurse, Bone Marrow Transplantation

It is the first time in the Dorset Cancer Network that funding has been received for a Haematology Specialist Nurse for Bone Marrow Transplantation.

The funding will help gain European Accreditation in Bournemouth to continue to carry out bone marrow transplants.

### **FAST Track stroke initiative receives two awards**

Together with The Dorset Ambulance NHS Trust, the Foundation Trust scooped two awards at the Dorset and Somerset NHS Awards 2005 for its FAST Track stroke initiative.

The first award was for the category 'Team Award for Innovation.'

The team had to satisfy the judges that the initiative was innovative, centred on patients, flexible, adaptable, had involved patients or users of the service and that they had worked in partnership with others.

Jane Barrie OBE, Chairman of the Dorset and Somerset Strategic Health Authority also selected the FAST-Track initiative as overall winner. The team received a bursary of £3,000 to further the service through development and training.

On arrival at The Royal Bournemouth Hospital, patients are rapidly assessed for eligibility for treatment with thrombolysis (a clot-dissolving treatment), and undergo an urgent CT brain scan.



**The FAST Track team**

Thrombolysis improves long-term clinical outcomes for selected cases of acute stroke when administered within three hours of stroke onset.

Stroke Physician, Damien Jenkinson, said: "Early identification and fast-tracking of patients with acute stroke has increased the number of patients who arrive within the treatment window of three hours for thrombolysis."

"Importantly, the FAST-Track stroke initiative benefits all stroke patients, and not just those who are suitable for thrombolysis," he added.

**"I am delighted that funds provided by local people have been spent to improve the quality of care for local patients."**

**Keith Lomas, Macmillan Cancer Trust**

## The hospital of choice

The Foundation Trust provides high quality services and works within a strong local health community. Its vision is to continue to be the provider of choice for local patients and GPs, to meet and exceed all healthcare performance and quality standards and to build on the enthusiasm and commitment of our excellent staff.

In addition, the Foundation Trust has six key goals that are consistent throughout its strategic planning. These are set out below:

- **Provide patient centred services that reflect patient choice**  
As patients are given more power to choose their hospital so the Foundation Trust needs to step up its listening and responding mechanisms, for patient and their GPs. It also needs to reach and maintain excellence in all our services, and be able to prove this to the public.
- **Improve health and well-being**  
Improving health and well-being underpins the quality of care provided by the Foundation Trust and its work to help reduce illness. It is focusing on implementing the targets of the National Service Frameworks, the NHS Cancer Plan and in reducing inequalities in service provision within the local healthcare community. It has now become a fully non-smoking hospital and is also working to improve the health of staff.
- **Provide fast and convenient access**  
This goal builds upon the strength of the Foundation Trust's short waiting times, to provide a fast and convenient service as well as delivering a number of service developments. There is however a lot of work still to do to achieve the 18-week GP referral to treatment target by 2008.
- **Deliver high standards for better health**  
The Foundation Trust is committed to delivering high quality care, and being able to prove this. Its aim is to meet all of the Healthcare Commission's national standards as set out in 'Standards for Better Health'. It will develop local agreements to support high standards, recognising the importance of maintaining individualised care, dignity and privacy while offering the opportunity for informed decision making.
- **Further develop partnership working**  
It is clear that working with partner organisations can significantly improve the services provided to patients. Therefore partnerships, including clinical networks and relationships with GP practices, will be extended and further developed. The Foundation Trust is continuing to remain an integral partner and contributor to the local social and health economy and the Bournemouth Partnership.
- **Strong, patient-focused governance and risk management**  
Having systems in place so that the Foundation Trust can learn from patients, staff and partners, identify and manage risks, and can demonstrate quality improvement is all part of clinical governance and risk management. It will continue to strengthen these arrangements, with particular regard to patient forums.

The achievement of these goals will be measured against national and local performance indicators, which are reported on a monthly basis to the Board of Directors as well as at internal management forums on a weekly basis for discussion and management.

### **The Foundation Trust's mission:**

**The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust strives to provide high quality care through its professional, efficient and patient-focused approach.**

## Our performance

Gaining Foundation Status on the 1<sup>st</sup> April 2005 significantly changed the way in which the organisation operates granting greater freedoms than NHS trusts, including:

- Decision making at a local level
- Local ownership with supervision and regulation relinquished by the Department of Health

It is within this environment that the Foundation Trust has continued to develop. Once again it has performed extremely well against a wide range of indicators during 2005/6, meeting all of the key performance targets at the end of March 2006. These included:

- 100% of urgent cancer referrals seen within two weeks
- Achievement of the 31 and 62 day cancer standards
- Meeting the target of 98% patients waiting less than four hours in Accident and Emergency
- No patient waited more than six months for inpatient treatment
- No patient waited longer than 13 weeks for an outpatient appointment
- Achieving financial balance

In addition, during the past year the Foundation Trust has developed across a broad range of areas. Some of these include:

- Being the first Trust in the South to produce and distribute all x-rays and scans electronically via its Picture Archive Communication Solution (PACS),
- Establishing a new Rehabilitation Directorate aimed at improving rehabilitation and other services for older people,
- Becoming the first Trust in the Dorset and Somerset region to be given the 'Practice Plus' award – the highest within the Improving Working Lives (IWL) standard,
- Opening of the Cardiac Interventions Unit which has enabled invasive cardiology procedures to be undertaken locally. This Unit has recently been renamed as the Dorset Heart Centre in recognition of the specialist cardiology services it provides on a county-wide basis. You can read more about this on page 17,
- Becoming a pilot site for a new national Kitemark scheme which aims to recognise the excellent clinical governance practice which takes place within health care organisations. The Foundation Trust was chosen to participate due to the advances it has already made in this area,
- Undergoing National Peer Review of our cancer services, confirming the excellent services and facilities in place but also making recommendations to be taken forward.



**A scan using the PACS system**

## Providing high quality care

In relation to organisational strengths and resources, the Foundation Trust continues to be a provider of high quality clinical services with excellent facilities including a dedicated Day Treatment Centre, state-of-the-art CT and MRI scanners and the Dorset Heart Centre.

The Foundation Trust is also a progressive organisation, which has embraced modernisation and innovation through new treatment techniques and harnessing its workforce.

Links with the Workforce Development Confederation and universities has ensured clinical teams receive excellent training and extended roles have provided a more flexible and developed workforce. In addition, a strong relationship has been established with local GPs through the quality of clinical services. This continues to be built upon through joint events and education.

Maintaining financial balance has again been a key strength for the organisation during 2005/06 and the ability to retain any surplus for future investment in patient services, as this has enabled the Foundation Trust to continue to develop services in line with the needs of the local population.

## Trends and factors

Becoming a Foundation Trust has brought with it the benefits of financial relief and operating within the full Payment by Results (PbR) tariff. In addition, Patient Choice has been a key driver this year with the Foundation Trust endeavouring to react to patients' needs and re-focus services in line with what patients want. This work has just started in earnest, but will become even more important next year as this agenda moves forward.

This position does however need to be balanced with the current issue of the Foundation Trust's lead commissioner's inability to fund the increase in activity that Patient Choice and PbR have invoked. Unfortunately, this shortfall in funds has led to resolution being sought via mediation/arbitration, the outcome of which is not yet known. Whatever this is, it will have a significant impact on the way the Foundation Trust operates during the forthcoming financial year. Unfortunately it may mean that the organisation will have to consolidate services and manage demand rather than flourish in the PbR environment as was initially hoped.

This position has affected the business planning for the year ahead due to the lack of a signed agreement for the new levels of activity and income for Dorset patients, who cover 85% of our work.

Clarity from Bournemouth Teaching PCT is still being sought, on two key points:

- Dorset PCTs' funding levels, and as a consequence which services they wish the Foundation Trust to reduce, by when and how patients affected will be managed
- Implementation of national policy such as "Payment by Results" and the Code of Conduct underpinning this

Resolution of both of these issues is critical to the future of patient services at the Foundation Trust. Currently there are a series of suggestions the PCT has made including significant reductions in the number of operations that the hospital undertakes - of at least 7,000 operations although the Foundation Trust estimates this to be nearer 10-12,000 operations. The PCT is also proposing significant reductions in expensive drug treatments for certain patients.

**"Patient Choice has been a key driver this year with the Foundation Trust endeavouring to react to patients needs and re-focus services in line with what patients want."**

While the Strategic Health Authority (SHA) has a large financial surplus, the Foundation Trust continues to request payment for work undertaken in 2005/6 and a reasonable settlement for 2006/7 to allow it to plan ahead for patient services. Work is underway within the organisation to plan the estimated £3.1m in service reductions if the Dorset PCTs are unable to recover funds allocated to them to purchase hospital services.

National policy dictates that patients sent to the Foundation Trust that require treatment will be paid for, at a nationally set price. Enforcement of this is important to avoid the organisation getting into serious financial difficulty. Refusal to pay on grounds of not wishing to exceed PCT planned budgets is not allowed.

Agreement with New Forest and Eastleigh PCTs is very close with estimates of required activity from both sides being very similar. There is also a mutual understanding that Payment by Result and the Code of Conduct are fundamental aspects of the relationship.

## **Future Developments**

Given the uncertainty over funding no decisions on service developments can be made. Resolution is needed with Bournemouth Teaching PCT as to the service levels it plans to commission from the Foundation Trust, and for the Foundation Trust to see the corresponding reduction in the work the PCT sends.

The Foundation Trust is developing plans to reduce services to ensure a break-even position is maintained, and to use the surplus from 2005/6 to cover the period until those changes take effect.

However if Bournemouth Teaching PCT apply the national rules on Payment by Result and either recover the £10m reduction in funding, or can access the reserves held by the SHA, then those service cuts will not be required.

The first call on any funds would be unavoidable cost pressures. The next would be the revenue consequences of the Capital Programme, if in fact the Foundation Trust could afford to allocate its £10m capital for equipment and buildings work. Next the consequences of NICE recommendations would require funding of £500,000 as a minimum.

In the light of the genuine demand for treatments covered by Payment by Results, and the quality improvements that need internal funding, two lists have been agreed by Trust Management Board. These are the top priorities should additional funding be made available.

This situation will also be affected by the introduction of Practice Based Commissioning (PBC), which will be a major factor during the coming year with GP practices incentivised to both consider the absolute necessity of an electronic referral and also being encouraged to search for the lowest cost options. Although this may help with demand management if taken on by a large proportion of practices, the Foundation Trust will also need to make sure it is competitive in key areas where potentially work could go elsewhere.

## **Constraints**

There are a number of potential constraints on the Foundation Trust's activities and these are as follows:

- A finite amount of funding within the system to meet potential growth in activity, which could mean assumptions regarding income need to be reconsidered and the reality of what is truly available to reinvest in services.
- Impact of future technological developments, NICE accredited drugs which will need to be funded and will again reduce the amount of funding available to support service developments.
- Patient choice – not competing successfully with other providers, including independent providers could result in a loss in demand for key services.

- Changes to the PbR tariff could potentially reduce the Foundation Trust's financial position and make some services uneconomic locally.
- Dependence on a highly skilled workforce – a significant percentage of which will reach retirement at the same time resulting in a deficiency in expertise and skill mix.

## **Relationships with key stakeholders**

The Trust has a number of key stakeholders which are integral to its development. These include the following:

- Staff employed by the Foundation Trust consulted via the Joint Consultative and Negotiating Committee
- Patients and carers consulted via the Independent Patient and Public Involvement (PPI) Forum,
- Primary Care Trusts,
- GPs,
- Strategic Health Authorities,
- Social Services,
- Voluntary sector,
- Foundation Trust members.

It is these groups that the Foundation Trust works hard to engage and communicate with in order to obtain their views and support in developing services which are in line with the needs of the local community.

## **Money Matters**

### **Investing for the future**

As stated elsewhere in this report, the year was a successful one in financial terms. The Foundation Trust met or exceeded all its financial targets set by Monitor and returned a financial surplus of £1.6 million. This represents less than 1% of total income but is still a substantial sum to carry forward for future investments in healthcare. As also explained elsewhere, the Foundation Trust is pursuing an amount of £6.3 million Payment by Results income for the treatment of extra Dorset patients in 2005/6.

The Foundation Trust's accounting policies are stated in the full Annual Accounts and new areas are:

- Accounting for income on partially completed spells of care
- Accounts completed as a 'going concern'
- Details of accounting treatment for disputed income

The Annual Accounts also contain a note on the post balance sheet events.

Surplus cash is currently invested in interest bearing bank accounts, which give instant access to funds. The future policy is to invest on a short-term basis, initially on three-month terms, to achieve higher returns and low risk. The policy is within the guidelines issues by Monitor for short-term investments.

During 2005/6, the Foundation Trust made no financial investments through joint ventures or subsidiary companies and gave no financial assistance to third parties.

The Foundation Trust has not required the committed facility agreed with the bank. The performance against Monitor's targets is set out in the financial statements but they were all positive.

The Foundation Trust achieved compliance with the Private Patient cap set by Monitor and our performance against the cap is set out in the financial statements.

The land of the Foundation Trust was valued by the District Valuer on 31<sup>st</sup> March, 2005 and represents a fair market value.

The Foundation Trust has the following non-healthcare activities:

- Leases of land for which it received an income of £273,788 during 2005/6
- Laundry service both NHS and non-NHS related for which it received an income of £2,343,853 during 2005/6

Any surplus income generated through these activities is invested back into providing healthcare for patients.

A review of expenditure and service development is carried out which forms the basis of an annual Cost Releasing Efficiency Savings (CRES) program. This program is then monitored and any savings held in reserve against other cost pressures. During 2005/6 the Trust made cash savings of nearly £1.3 million cash and £0.7m in non-cash savings.

The Foundation Trust's auditors for the financial year 2005/6 were the Audit Commission. Their fee for this year was £76,000, which was for the work required to form the Audit opinion.

There was no additional non-audited work carried out for the Trust during the year.

## **Charitable funds**

The Foundation Trust has the generous support of charitable funds. The main sources of funds being:

- The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust – Charitable Fund
- Macmillan Cancer Trust
- League of Friends – Bournemouth
- League of Friends – Christchurch
- Friends of the Eye Unit
- W.R.V.S (Women's Royal Voluntary Service)
- Tenovus

The Foundation Trust received a total of £1,580,093 from charities during 2005/6. These funds have mainly been used for the purchase of equipment and associated maintenance costs and specific staff support.

## Developing our services

### **Integrated Discharge and Admission Avoidance Team**

In August 2005, the Foundation Trust, along with other health and social care partners, established the Integrated Discharge and Admission Avoidance Team based at The Royal Bournemouth Hospital.

The team is a partnership of six agencies; The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust, Bournemouth Teaching Primary Care Trust, South & East Dorset Primary Care Trust, Bournemouth Social Services, Dorset Social Services and Help & Care.

The team brings together, both at The Royal Bournemouth and Christchurch hospitals, the staff involved in supporting patients' discharge. Previously, staff from a variety of agencies worked semi-independently in different locations. Now the team works at one location at The Royal Bournemouth Hospital and one at Christchurch Hospital. Since August 2005, staff have moved towards working in teams based on areas of the hospital rather than on organisational boundaries.

One of the primary objectives of the team was to reduce delayed transfers of care to 1% by the end of March 2006 and this objective has been achieved. Just as importantly the integration means that patients now get better and timelier support in terms of discharge arrangements.

As part of the integrated team there is a jointly commissioned arrangement for the Help and Care screening service. Patients on the wards who may have social service needs are now visited first by a Help and Care worker - a voluntary sector organisation that has a range of gateways to support services such as minor home alterations, meals on wheels, shopping etc. Patients often prefer to talk to a voluntary sector organisation than directly to a statutory social services organisation. Help and Care workers provide most of the support required at ward level. Where full social services assessment is required, Help and Care will initiate the single assessment process and follow this through with the Integrated Discharge and Admission Avoidance Team.

### **Community Assessment and Rehabilitation Team (CART)**

The Foundation Trust, along with health and social care partners, continues to develop the Community Assessment and Rehabilitation Team and, from March 2006, has established the Christchurch CART with South and East Dorset Primary Care Trust.

The CART service helps in both avoiding hospital admissions where these are not necessary and in supporting people for early discharge from hospital. In terms of avoiding admission, members of the CART team including medical staff will, on the request of the General Practitioner or other professionals, visit the patient in their own home/residential or nursing home and undertake appropriate assessments. Where care can be provided in the home environment this is provided by the CART team and hence a hospital admission is avoided. Wherever a hospital admission is appropriate then this will be arranged.

CART also works in supporting early discharge and assesses patients on the wards to identify if they can be supported at home for a period of up to six weeks by the CART service. At any one time the CART service for Bournemouth will be supporting 30 or more patients in terms of early discharge, which effectively would require another ward.

### **Other intermediate care services**

A range of other intermediate care services are beginning to develop across health and social care. Among these is the Chronic Disease Management Service where primary care trusts are appointing community matrons with particular interest in chronic disease management. Community matrons will support a particular client group who have frequent admissions to hospital.

Through education and treatment the community matrons will support patients when their condition becomes exacerbated and are likely to help patients stay at home more often and for longer and to reduce hospital admissions.

The hospital is also working across a range of specific services such as palliative care, heart failure and respiratory disease and with social care partners to develop intermediate care facilities in the new Avon View Nursing Home in Christchurch, which opens in October 2006, and to continue development of the Broadwaters Care Home in Bournemouth.

## **State of the Heart**

In April 2005, the Foundation Trust opened a new state-of-the-art Cardiac Unit, which represented an investment of £6.5 million.

Three new catheter labs have expanded existing capacity for coronary angioplasty and provided two new services – coronary angioplasty and electrophysiology.

Angioplasty is the opening up of narrowed or blocked coronary arteries with balloons and then keeping them open with supporting stents. Electrophysiology is the use of advanced catheter and other techniques to identify rapid rhythm disturbances and then treat either by abolishing the rhythm by a procedure called ablation or the implantation of a defibrillator (shock box). Both services were previously only available in Southampton or London.

In January 2006, all cardiac services were officially renamed the Dorset Heart Centre by the Vice - Lord Lieutenant of Dorset and the Mayors of Bournemouth and Christchurch. The renaming was in recognition of the county-wide provision of specialist cardiology. HRH The Princess Royal officially opened the Unit in May 2006.



**HRH being introduced to staff on Ward 21 by Senior Clinical Leader, Carol Ferguson**

The rapidly growing Centre provides specialised cardiac services for a population of one million, including much of Dorset and parts of Wiltshire and Hampshire as well as general cardiology for the local population.

The Centre now includes the following: three wards; the Cardiac Department; the Cardiac Care Unit; the Pacing Service; a Rapid Access Chest Pain Unit and the Cardiac Intervention Unit. It is also closely linked to the well-established Bournemouth Heart Club for the rehabilitation of patients with heart disease.

Dr Adrian Rozkovec, Consultant Cardiologist, said: "With the opening of the Dorset Heart Centre we have been able to provide specialised services previously only available outside Dorset. Patients requiring coronary angioplasty or interventional therapy for rapid heart rhythm disorders can now be managed locally."

## Patient care – putting patients first

### Listening to our patients and the public

The Foundation Trust has encouraged patients, carers and the public to contribute their views on the provision and development of our services. To achieve this, various directorates and departments around the Trust regularly involve and consult patients and the public in a variety of ways. Patient representatives are included in a number of working groups that have been convened to develop specific services.

While there were no issues for consultation during 2005/6, the Foundation Trust anticipates there will be consultation exercises during 2006/7.

From a corporate perspective, the Director of Nursing and Midwifery is the Board lead for Patient and Public Involvement (PPI) and she and the Deputy Director of Nursing lead a range of initiatives.

These include bi-monthly meetings with the local Independent PPI Forum, based at Help and Care in Pokesdown; alternating the venues between the Forum's base and that of the Foundation Trust.

The Foundation Trust's PPI Steering Group meet quarterly, which involves Trust staff and governors, the Bournemouth Teaching PCT's PPI Manager and Independent PPI Forum members. Patient representatives are co-opted on to specific projects as appropriate. The work of this group has developed significantly since March 2005, and some examples of this are listed below:

- As a starting point for developing further work a baseline review was undertaken of all PPI activity occurring throughout the organisation.
- A Patient Information Group has been formed to audit and review all written information across the Foundation Trust and to formulate guidelines for producing patient information. This should ensure consistency in layout, content and language.
- PPI awareness sessions have been held in partnership with Bournemouth Teaching PCT for Trust staff and governors.
- The PALS Co-ordinator is leading a Patients Accelerating Change project concerned with access to services and facilities for those with special needs.
- A successful Patient and Public Open Day was held with involvement from a number of external stakeholders and voluntary organisation.



The Eye Unit at the Patient and Public open day

Current PPI activity is available on the Foundation Trust's website at [www.rbch.nhs.uk](http://www.rbch.nhs.uk) and is regularly updated.

The Foundation Trust has also engaged with subgroups of the Council of Governors to develop specific aspects of Patient and Public Involvement. Governors sit on the Trust PPI Steering Group and are actively being encouraged to seek the views of their constituents on a range of issues including clinical service aspects and information for patients and the public.

This work will be further developed on an on-going basis.

The Foundation Trust also has a good working relationship with its local Independent PPI Forum and a working agreement is in place. Members of the Forum have participated in a number of PPI activities and also in this year's Patient Environment Action Team (PEAT) self-assessment exercise. Their input has been, and continues to be, very valuable.

The PPI Steering Group has also led the development of the Foundation Trust's PPI Strategy and, following wide consultation; this will be submitted to the Board of Directors in Summer 2006.

There are a number of other groups that have been set up to involve and consult with the public and patients on the services provided. For example, the Patient Partnership Panel is involved in the development of cancer services across the Dorset Cancer Network and the Dorset Heart Centre involves former patients in regular team meetings and facilitates the Bournemouth Heart Club group for former patients.

The Phoenix Group comprises former patients and carers from the Stroke Rehabilitation Unit and Acute Stroke Unit who meet monthly for information exchange, education and support. The group is accessed regularly by the stroke service for comments on new services, any initiatives requiring feedback, involvement in project groups and has also been involved in the interview process for a clinical leader post for the unit.

**“I found all concerned extremely pleasant, helpful, food was excellent and plentiful and the ward kept very clean.”**

**Mr R Whittaker, Bournemouth**

## **Patient Satisfaction**

The Foundation Trust has participated in all the national patient survey exercises, which have been undertaken by the Picker Institute. It is pleasing that people have responded so well and provided useful feedback on the hospital's services.

Following the national outpatient and emergency department surveys in 2004/05, positive results were obtained and an action plan developed and implemented for those areas requiring attention. Results from the national inpatient survey for 2005 show that the Trust scored top marks (green) for hospital cleanliness, food and privacy and dignity. The survey also indicated that since the previous survey, the Trust had made improvements in patient's choice, privacy and dignity and providing information on patient discharge.

Members of the PPI Steering Group, PALS service and Independent PPI Forum have also carried out a number of surveys locally. These have considered areas such as the Accident and Emergency Department, the phlebotomy service, visiting hours and catering services. For all surveys detailed action plans are produced where appropriate following the results.

**“When we arrived at A&E Minors at The Royal Bournemouth Hospital we were again treated quickly, efficiently and with great sympathy by all the staff.”**

**Mr and Mrs F, Ringwood**

The Foundation Trust is currently engaged in the Patients Accelerating Change programme, which is considering access to our facilities and services for those with special needs. Those working on the project include a large number of patients and carers and local stakeholders.

All patient satisfaction surveys are brought to the attention of the Board of Directors and there is board level participation in patient satisfaction related activities within the organisation.

## Managing risk

The Foundation Trust has carried out a considerable amount of work in developing an active risk register, which is regularly reviewed by the Governance and Risk Management Committee and the Board of Directors. The Board of Directors has given a high priority to reducing risk and all risks on the register have been assigned a Board level lead. A 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 Foundation Trust's performance management framework.

The on-going management of risk is undertaken by the Governance and Risk Management Committee (GRMC), which meet 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. There is now a well-developed system for adverse incident reporting and regular reports are produced relating to lessons learned. A central database is used for adverse incident data entry and report production. Regular special reports and newsletters are produced by the Risk Management Team to aid the dissemination of information and learning.

The active risk register is divided into those risks that are soluble with resource allocation, those risks that are directly linked to the Foundation 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.

## Complaint handling – always room for improvement

Complaints continued to be responded to in line with the NHS complaints procedure with 264 formal complaints being recorded during this year, a slight reduction on the previous year. This is set against 13,229 people who were seen as an inpatient. Each of these were investigated and a response provided with the aim of providing explanation, apologising where appropriate and initiating change to prevent recurrence of the concerns raised.

Examples of changes brought about through complaints include:

- Review of transfer policy from Poole Hospital for trauma patients
- Reminder to staff about documentation accompanying the patient on discharge to nursing home
- Reminder to check venflons prior to discharge and to follow discharge list
- Review of pathways for urology patients presenting at A&E
- Review of GP referrals to code appropriately for consultants with the same name
- Prophylactic anticoagulation therapy to be written on post-op notes
- Review of signage in Eye Unit for evening and weekend service
- Measures put in place to highlight thoracic patients self-managing chest drainage to ensure regular assessment and optimum treatment.
- Visitor comments shared with housekeeping staff so that they are aware of how their cleaning techniques can be perceived.

After receiving a response from the Foundation Trust, 10 people chose to refer their concerns onward to the Healthcare Commission requesting an independent review.

Two investigations by the Health Service Ombudsman were completed during the year. The Ombudsman did not uphold one complaint and made a single recommendation, which the Foundation Trust agreed to implement, in relation to the other investigation.

## Monitoring improvements

The Foundation Trust has completed the final declaration for the Healthcare Commission Annual Health Check in April 2006. The Director of Nursing and Midwifery is the Board Lead for the Annual Health Check. Following approval by the Board of Directors, the Foundation Trust has declared full compliance across all the core standards and the full Board supported the declaration. Significant work has gone into producing an evidence base for the standards which has been used as the basis for board assurance. This is viewed as a dynamic document and will be updated and reviewed on an ongoing basis.

The Foundation Trust has made good progress towards the new national targets – particularly in the areas of becoming a smoke free hospital, smoking in pregnancy and breastfeeding. Action plans are in progress for the remaining areas of these. The Foundation Trust participated in the Acute Hospital Portfolio Reviews for the Management of Emergency Admission, Medicine Management and Diagnostics. No major areas of concern have been identified and action plans will be developed to address those areas where improvement can be made.



**Smoke free by the end of 2006**

The Foundation Trust did not participate in the Healthcare Commission Improvement Review of Children's Services due to the activity level being below the required threshold. However, an audit tool has been designed and is in use for those children's services which are provided. The Foundation Trust also participated as one of the pilot sites in the recent

Joint Area Review of Children and Young Peoples Services with local partners and received a very satisfactory score of three out of four overall.

Locally, the Foundation Trust carries out a number of surveys to assess progress with services which are overseen by the PALS service and the PPI Steering Group. Reports of these are presented to the Board of Directors within the quarterly governance reports. It also operates a comments box system and the comments received are analysed by the PALS coordinator and reach the Board through the same report.

The Foundation Trust has participated in a quarterly quality monitoring group with Bournemouth Teaching Primary Care Trust in order to address the service quality issues of the legally binding contract. Representatives include the Directors of Nursing, Public Health and Medical Director together with risk, governance and infection control colleagues. This has proved to be a useful forum to assure the quality aspects of the contract and a wide range of topics have been discussed.

To date two surveys have been commissioned, concerned with the patient experience in the Accident and Emergency Department. These have recently been completed and the relevant findings will be discussed and actioned by the group.

## Improving our service even further

Examples of service quality improvements that have occurred as a result of patient surveys or comments include:

- Better information to patients on waiting times in the Accident and Emergency Department.
- Better information to patients if their appointment is delayed in Outpatients.

- Improvements in directional signage in the Accident and Emergency Department for the visually impaired.
- Changes to ward visiting arrangements.
- Comments from patients assisted in the decision to offer pregnant women the choice of knowing the sex of their baby.
- Comments have assisted in understanding the worries patients have about infection control and have led to better information for patients and the public on infection.

## **Improvements in patient and carer information**

The Foundation Trust has formed a Patient Information Group as a subgroup of our main PPI Steering Group, which is coordinated by the Governance Manager.

Initiatives in progress include:

- Policies and protocols to assure the quality and consistency of information provided to patients.
- An organisation wide audit of patient information to assess the quality and how up to date the information is.
- Preparation of a new bedside information folder for patients.
- Consideration of touch screen information systems.
- Consideration of information for those groups with special needs.
- Development of information on specific aspects of care e.g. infection control.

## **Our staff**

### **Training**

The Foundation Trust has a good relationship with Bournemouth University, both for graduate and post-graduate courses, and a wide range of programmes are available to staff – who also participate actively in the design and delivery of many of these programmes. The University has recently been successful in re-securing the contract for post-registration education in Dorset and Somerset and the Foundation Trust supported this application in the bidding process.

The organisation is a major source of clinical placements for students in training with the University and there is a high rate of recruitment on completion of all training. Well-developed mentorship and preceptorship programmes are also in place.

There is a wide range of post-registration training programmes available for staff of all disciplines and a good uptake of local opportunities available. Many staff have completed undergraduate and postgraduate programmes.

The Foundation Trust has an active NVQ (National Vocational Qualification) Programme and many staff participate in this. The success rate for completion is high, and an awards ceremony is held twice a year to recognise the achievements of staff. As a sequel to this, the Trust has developed a widening access programme in conjunction with Bournemouth University to encourage entry of those who have completed NVQ training in care to go on to nurse training.

## Working in partnership

The Foundation Trust meets with staff side organisations on a regular basis for the purposes of consultation and exchange of information. Partnership working has been developed beyond the implementation of Agenda for Change with a joint Partnership Agreement being entered into and a Partnership Forum established.



Staff awarded for their achievements in 2005

## Valuing our staff

The Foundation Trust is committed to equal opportunities and has reviewed its Race Equality Scheme and retained the two tick symbol for the employment of disabled persons. It has an established Diversity group which is chaired by a Non-Executive Director and includes staff representatives. The Foundation Trust has a jointly agreed Equal Opportunities Policy and a management policy on the redeployment of staff on grounds of ill health. During 2005/2006 the Trust revised and jointly agreed a policy on the management of sickness absence and jointly developed a new Capability Policy. The Trust provides an Occupational Health service to its staff which includes pre-employment screening, health assessment following injury or illness and counselling.

Following the success of partnership working during the implementation of Agenda for Change it was jointly agreed that the Foundation Trust's existing joint consultative and negotiating arrangements (the JCNC) should become a Partnership Forum. During 2005/2006 a Partnership Agreement was entered into and a new constitution agreed. Staff representatives were fully involved with the Improving Working Lives initiative, smoke free hospitals initiative and participated on the staff survey group and Diversity group.

## Controlling and preventing infection

Everyone in the Foundation Trust accepts that controlling infection is their responsibility. In the fight against hospital infection there is strong and effective support from the very top extending right across the organisation to include clinical, domestic, catering and other staff.

The Foundation Trust's infection control team provides specialist advice to staff across both hospitals to prevent and control infection.

Resource staff have been appointed in each ward and department to act as a resource for controlling and preventing infection. Mainly nurses, these staff receive special training in infection prevention and control and become an important continuing link between the wards and the infection control team. They help to monitor and improve many aspects of hygiene on the wards, carrying out

audits facilitated by the infection control nurses who also support the education carried out by the resource staff on the wards and in departments.

A study day was organised for 100 members of resource staff with the theme of 'Public & Patient Involvement - Restoring Confidence.' Speakers were invited and workshops examined approaches to infection control, influences upon practice and the confidence of both patients and staff. The workshops provided discussion and action planning for future management of these key personnel.

Housekeeping assistants are also allocated to specific wards and clinical areas where they work as part of the ward team with senior nursing staff agreeing cleaning schedules. Extra resources to allow 'deep cleans' of areas are also available.

**“On each and every visit the housekeeping of all public areas and Ward 8 was 100%. The Trust should feel proud of its high achievements which obviously is its standard operating procedure.”**

**Mrs B, Poole**

There has always been continued rigorous and effective control of antibiotic prescribing within the Trust which is important in preventing the development of 'superbugs', such as Clostridium Difficile.

## **Good hand hygiene**

A high visibility poster campaign across the Foundation Trust raised the profile and importance of hand hygiene. Not only did it encourage staff to wash their hands but also encouraged patients to challenge staff if they saw that standards were not being maintained.



The Foundation Trust took part in the National Patient Safety Agency's national campaign to improve compliance with hand hygiene. Throughout the year resource staff audited hand hygiene within their working areas which was supported by posters and educational sessions. PALS volunteers carried

out two independent audits from a patients perspective, the results of which were displayed in the atrium.

The Foundation Trust also has a new hospital wide audit system to assess staff adherence to stringent standards of hygiene. Overall, its hospitals are 83-92% compliant - with many areas achieving 100% compliance.

The Patient Environment Action Team (PEAT) survey, which includes members of the public who inspect the hospitals, classifies the Trust's cleanliness as "good".

The Foundation Trust was also accepted as a phase two implementer of the National Patient Safety Agency's 'Clean Your Hands' campaign.

## **Low infection rates**

The Foundation Trust has an extremely low rate of MRSA within its hospitals. The latest published figures are for 2004/5 which show a rate of 0.08 per 1,000 bed days – this is the third lowest in the South West and the Trust is continuing to work hard to maintain this.

Infection rates for Clostridium difficile are also one of the lowest among all acute Trusts. In 2004/5 the Trust had a rate of 0.42 episodes per 1,000 bed days.

## **Hip and knee infection**

The Royal Bournemouth and Christchurch hospitals also have a lower than average rate of infection for hip and knee surgery. Official figures from the Surgical Site Infection Surveillance for January to

December 2005 (latest figures available) show knee infection rates at the Trust are just 0.2% - compared to 1% nationally.

The chances of a hip infection are also very low with a rate of 0.3% - compared to the national figure of 1.7%.

## Playing our part for the environment

Climate change is emerging as one of the great challenges for modern society. Despite decades of research, important things remain uncertain, but much is now established beyond reasonable doubt. The basic mechanics of climate change are well understood; the world is warming, much of the warming is due to human emissions of greenhouse gases, and the changes are set to accelerate in the future, bringing many and varied impacts around the world.

The Foundation Trust is a major consumer of all utilities, and uses enough electrical energy to light a small town. This, combined with the proliferation of electrically powered equipment *and* the exponential rises in energy prices, is a considerable issue for the organisation.

From 1999 to the present day the energy consumed by The Royal Bournemouth Hospital site has increased year on year. The built area within the site has increased by 9.71%. During the same period the percentage of electricity and gas consumed have increased by 54.41% and 35.6% respectively. Electricity consumption in 1999-2000 was 10,569,090Kwh, the expected out turn for 2005-2006 is estimated to be in the region of 16,343,420Kwh.

During the same period costs have risen from £495K to an estimated £1.04M for this current financial year - a rise of 110%. In 1999/2000, 21,140,047Kwhs of gas was used and this is expected to be 28,662,011Kwhs for 2005/2006. The cost in 1999/2000 was £140K; estimated costs for 2005/2006 are expected to be in the region of £816K - an increase of 481%.

As a public body, the Foundation Trust has invested considerable technical and management effort in managing energy with the aim of both reducing cost and carbon emissions into the atmosphere. There have been some notable successes.

For instance, if electricity consumption for March 2005 - 1,312,416Kwh – is compared with March 2006 - 1,283,935Kwh - we see a significant reduction. This is made all the more impressive with the addition of the new Dorset Heart Centre making the building 1,000 square metres larger in 2006.

Some savings can be attributed to good control via the building control system and some to capital investment (e.g. 'intelligent' corridor lighting'), but there remains significant savings to be realised by 'good housekeeping' - for example, staff turning off lights, computers and heating when not needed.

**“If electricity consumption for March 05 - 1,312,416Kwh – is compared with March 06 - 1,283,935Kwh - we see a significant reduction. This is made all the more impressive with the addition of the new Dorset Heart Centre making the building 1,000 square meters larger in 2006!”**

It is estimated that most businesses and public sector organisations could quickly cut their heating, lighting and power bills by 10% or more *without any capital investment*.

There is an ongoing campaign within the Foundation Trust to encourage all staff (and in particular, groups like cleaning teams) to switch off non-essential or idle electrical equipment.

The Foundation Trust has also taken steps to reduce its water bill – 181,600,000 litres of fresh water is used each year. In partnership with Peninsula Water, it has commissioned a bore hole which will shortly be able to supply all of the capacity for the Bournemouth site with high quality fresh water, at a considerably reduced cost. This has been achieved at no capital cost to the organisation.

## 4. Governance and Membership

### Board of Directors 2005/6

The Board of Directors is made up of a Non- Executive Chairman, six Non Executive Directors and seven Executive Directors (including the Chief Executive). Together they are legally responsible and accountable for the management, direction and leadership of the Foundation Trust.

The Non Executive Directors were appointed for a period of four years by a committee of the Council of Governors and approved at a general meeting of the Council. Arrangements for the termination of appointment of a Non Executive Director are set out in the Foundation Trust's constitution.

Each Director has declared their interests at a meeting in public. The register of interests is held by the Trust Secretary and is available for inspection by arrangement.

#### Non-Executive Directors

The Non Executive Directors are appointed by the Council of Governors and provide support and challenge to the Executive Directors.

##### **Sheila Collins, Chairman**

Sheila has twelve years' of experience on the Board, firstly as a Non Executive Director and for the last eight and a half years as Chairman. Sheila has practiced for many years as a solicitor in the Bournemouth area and has worked with several charities. She is currently a non-executive for Care South, providing rest home and domiciliary care in Dorset and surrounding counties.

##### **Ken Tullett, Non Executive Director**

As Vice Chair of the Trust, Ken has seven years' experience as Non Executive Director of the Trust. He was previously a senior officer in the Royal Navy and has experience at a senior level within industry in UK and overseas, and familiar with commercial practices and marketing.

##### **Lindsey Dedden, Non Executive Director**

Lindsey was appointed in December 1997 and her appointment renewed 2001. She has held human resource management posts in Aerospace Industry, Local Government, Water Industry (UK) and Insurance Industry (USA). Town Councillor from 1990, Mayor of Verwood 2003/04, Deputy Mayor 2004/05, District Councillor 1995-1999 and active in a variety of local voluntary and political organisations.

##### **John Millward, Non Executive Director (until 30/06/05)**

John was appointed as a Non-Executive Director in December 1997 and reappointed in 2001. He retired from the Board in June 2005. John is a retired GP, a local councillor and was previously leader of Bournemouth Borough Council.

##### **Andrew Marchington Non Executive Director (1/7/05 to 31/12/05)**

Andrew was appointed as Non Executive Director in June 2005, with a background in financial services and consumer marketing. He resigned in December 2005 for personal reasons.

##### **Ian Birch, Non Executive Director (01/07/05 to 15/08/05)**

Ian was appointed as Non Executive Director in June 2005, with a background in banking at Deputy Regional Director level. He resigned in August 2005 for personal reasons.

##### **Peter Rawlins, Non Executive Director**

Peter was appointed as a Non Executive Director in June 2005. He practiced as a Chartered Accountant from 1972 to 1984 before moving into Chief Executive roles in the Lloyd's insurance market and the London Stock Exchange. Since 1993 he has worked as a non-executive director and as a consultant in business and organizational strategy and development.

**Frances Outram, Non Executive Director (from 01/10/05)**

Frances was appointed as Non Executive Director in October 2005 and has a background in human resources and consultancy. She has also previously held a non-executive director post within the public sector.

**Brian Ford, Non Executive Director**

Brian was appointed as a Non-Executive Director in December 2001. He practiced as a Chartered Accountant from 1973 to 1992 and since 1992 has worked as a Non-Executive Director, consultant and expert witness.

**Executive Directors**

The Executive team is experienced and cohesive with a strong track record of financial and service performance.

**Tony Spotswood, Chief Executive**

Previously Chief Executive of Leicester General Hospital between 1998 and 2000, Tony has been Chief Executive of The Royal Bournemouth & Christchurch hospitals for five years. A Trust Director for 14 years, he has extensive experience of leading organisations through strategic change including service reconfiguration and merger.

**Colin Perry, Director of Finance and IT**

Colin has been Director of Finance at the Trust since 1987. Five years ago he also assumed responsibility for Information Technology, Procurement, Pharmacy, Fundraising, and Deputy Chief Executive.

**Keith Walker Director of Service Development**

Keith spent twelve years in his current role, primarily leading the Trust's business planning, contracting and performance agendas. For the past four years has had lead responsibility for the modernisation agenda, and is a Modernisation Agency Associate. Keith Retired in April 2006.

**John Morton, Director of Service Delivery**

Appointed in 2005 as Director of Service Delivery, John works with Clinical Directorates to provide day-to-day management of the hospitals. In 1993 he was appointed Director of Operations, leading the Facilities, Estates and Capital Services for 11 years.

**Bryan Carpenter, Director of Human Resources**

Bryan was appointed Director of HR in March 2004. He has extensive experience as an Executive Director (Human Resources) and over the last 10 years has been appointed to posts including lead director for the management and implementation of the workforce modernisation agenda within a Strategic Health Authority area, and as a Chief Executive Officer to commission a new large tertiary care hospital overseas.

**Belinda Atkinson, Director of Nursing**

Previously Deputy Director of Nursing in a large University Teaching Trust, Belinda was appointed Director of Nursing in July 2004. She has over 30 years NHS experience in a variety of organisations and including both clinical nursing and general management roles in a large and complex clinical directorate.

**Simon Parvin, Medical Director**

Simon was appointed as Medical Director in April 2005. He is a consultant vascular surgeon and in the past has held the position of Clinical Director for the Surgical Directorate.

Each director has declared his or her interests at a meeting in public. The register of interests is held with the Trust Secretary and is available for inspection by arrangement.

## Our Council of Governors

The Council of Governors is responsible for representing the interests of the Foundation Trust **public members**. There are also **staff governors** who represent all staff members and **appointed governors** who represent local organisations, such as voluntary groups, local authorities and other health organisations.

Governors are consulted on local health issues and provide feedback about the Foundation Trust to the constituency he or she represents. They also have powers to appoint the Chair and Non-Executive Directors of the Trust and attend Council of Governors meetings throughout the year.

There are 36 members of the Council of Governors. The Council of Governors is made up as follows:

### Council of Governors 2005/6

#### Christchurch, East Dorset and Purbeck public governors (elected)

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

#### Poole public governors (elected)

Mervyn Richardson  
Ben Hurley  
Helen Holland

#### Staff public governors (elected)

Alan McCoy  
Jean Davis  
Pauline Kimpton  
Dily Ruffer  
Jonathan Turner

#### New Forest public governors (elected)

Celia Fern  
John Hempstead

#### Bournemouth public governors (elected)

Ernest Everett  
Colin Feltham  
Leon Kaufman  
David Lyons  
Sharon Carr-Brown  
Christopher Weyell  
Keith Mitchell  
Lee Foord  
David Barron  
Ann Bengé

#### Nominated (appointed by their respective organisations)

Bill Mason, Bournemouth Borough Council  
Joy Reynolds, Bournemouth Teaching PCT  
Ann Warman, Dorset County Council  
Chris Williams, External Voluntary Organisations  
Patricia Banks, Hampshire County Council  
Dennis Hasted, Hospital Volunteers  
Guy Montrose, Borough of Poole  
Michael Preston, South & East Dorset PCT  
Vacancy, Poole PCT  
Vacancy, New Forest PCT  
Geoff Upton, Dorset and Somerset SHA

During their first year, the governors spent time understanding their role, getting to know the Foundation Trust and the services it provides – one way was through organised tours of the hospital and its clinical areas where governors were able to meet and talk to staff.

A maternity art project gave one of the governors for East Dorset, Sue Bungey, the opportunity to have a say on some artwork produced by local art students. A short list of ten designs was voted on by staff and mums-to-be to produce three winning designs, which were transferred to a corridor within the maternity unit.



**Governor Sue Bungey with one of the art students**

The governors are now in the process of writing a membership strategy and deciding how best to reach the Foundation Trust members within their constituencies.

Public governors were 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.

Equivalent arrangements apply to the staff governors, but with two governors' terms of office ending at the conclusion of the annual members meeting in 2007, two with terms of office ending at the conclusion of the annual members meeting in 2006 and one term of office ending at the conclusion of the annual members meeting in 2005. The staff governor whose term ended in 2005 was re-elected unopposed.

A register of Governors' interests is held by the Foundation Trust Secretary and may be inspected by arrangement.

## **Our membership**

Public membership of the Foundation Trust is open to those people over the age of 16 years who live in one of the following local authority areas:

- Bournemouth
- Poole
- Christchurch, East Dorset and Purbeck (combined)
- New Forest

Staff membership is open to individuals employed by the Foundation Trust under a contract of employment or who exercise the functions of someone so employed for at least 12 months.

### **Public members**

As of 31 March 2006 there were 13,995 public members in the following constituencies:

Bournemouth	10,003
Poole	1,237
Christchurch, East Dorset and Purbeck	2,223
New Forest	532

## Staff members

And 995 members within the staff constituency in the following classes:

Administrative and Clerical	255
Allied Health Professional and Scientific and Technical	174
Estates and Ancillary	84
Medical	87
Nursing and midwifery	395

The Membership Strategy is currently under review by the Council of Governors.

## Remuneration Report

### Remuneration Committee

The Foundation Trust operates two separate committees to make recommendations with regard to the remuneration of Executive and Non Executive Directors.

A committee consisting of three Non Executive Directors considers the remuneration of Executive Directors:

- Sheila Collins
- Brian Ford
- Ken Tullett

Its recommendations are put before the Board of Directors for approval.

The remuneration of Non-Executive Directors is considered by a committee made up of Governors elected by their colleague Governors for this purpose. In 2005/06, the membership of this remuneration committee was:

- James Watts-Phillips (Deputy Chairman of the Council of Governors)
- Sue Bungey (Public governor, Christchurch, East Dorset and Purbeck)
- Dennis Hasted (Nominated Governor, Hospital Volunteers)
- David Lyons (Public Governor, Bournemouth)

### Statement of the Policy on the remuneration of Senior Managers for current and future financial years.

The Foundation Trust's Remuneration Committee decides the remuneration of all Executive Directors on an annual basis. The Remuneration Committee is a sub-committee of the Trust's Board of Directors and comprises:

#### Part 1 Remuneration Committee Membership:

- Chairman
- Two Non-Executive Directors
- Chief Executive Officer
- Director of Human Resources

- Director of Finance
- Trust Secretary (is also in attendance)

## **Part 2 Remuneration Committee Membership:**

- Chairman
- Two Non-Executive Directors
- Trust Secretary (as Secretary)
- Chief Executive Officer (to give advice only).

The Committee is advised by the Chief Executive and the Director of Human Resources with regard to appropriate market rates and relativities, (based on research commissioned by the Trust and usually carried out and reported upon by NHS Partners), and by the Director of Finance with regard to overall affordability. No Executive Directors are present when the Committee determines the final salaries. The Foundation Trust Secretary is in attendance to record the proceedings.

All other senior managers remuneration arrangements are determined through job evaluation processes, (previously Hay, and currently through Agenda for Change). Details of directors pay and pension disclosures can be found within the Annual Accounts section on pages 5 and 6.

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

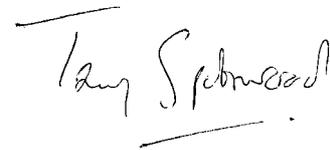
The current policy is that all Executive Directors are required to give/receive six months notice of termination – although in appropriate cases this could be varied through mutual agreement.

All contracts are 'permanent' in nature, (i.e. not fixed term), although there are plans to review this arrangement.

There are no provisions in place for termination payments, other than through legal compromise agreements. All other senior managers are appointed on 'permanent' contracts and are required to give/receive three months notice.

Details of the service contract for each senior manager who has served during the year 2005/6 can be found on the following page:

Name	Designation	Date Appointed	Date of Resignation	Current Period of Notice	Voting Rights
Mr A Spotswood	Chief Executive	04 Jan 2000	N/A	6 months	(Voting)
Mr B Carpenter	Director of Human Resources	10 Mar 2004	N/A	6 months	(Voting)
Mr C Perry	Director of Finance	01 Apr 1992	N/A	3 months	(Voting)
Mr J Morton	Director of Service Delivery	01 Apr 2004	N/A	6 months	(Voting)
Ms B Atkinson	Director of Nursing and Midwifery	05 Jul 2004	N/A	6 months	(Voting)
Mr K Walker	Director of Service Planning	01 Apr 1992	17 Apr 06	3 months	(Voting)
Mr R Renault	Director of Services Development	01 Apr 2006	N/A	6 months	(Voting)
Mr J Masters	Head of Facilities	08 Nov 2004	N/A	6 months	(Non voting)



Tony Spotswood  
Chief Executive

The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust

The Royal Bournemouth Hospital

Castle Lane East

Bournemouth

Dorset

BH7 7DW

Telephone: 01202 303626

[www.rbch.nhs.uk](http://www.rbch.nhs.uk)