Poole Hospital NHS Foundation Trust

Annual Report and Accounts 2017/18

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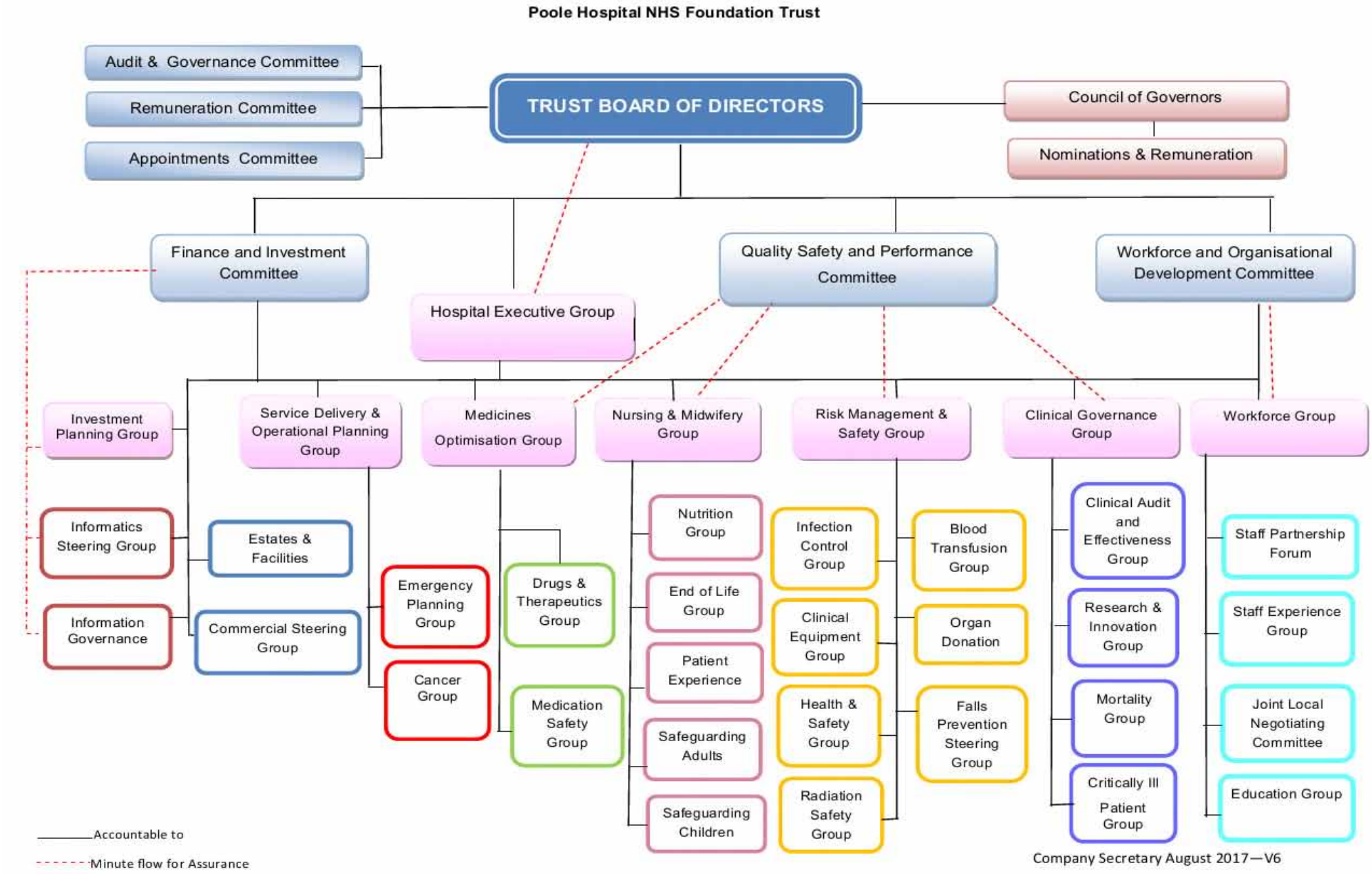

Poole Hospital NHS Foundation Trust
Audit & Governance Committee
Remuneration Committee
Appointments Committee
TRUST BOARD OF DIRECTORS
Council of Governors
Nominations & Remuneration
Finance and Investment Committee
Hospital Executive Group
Quality Safety and Performance Committee
Workforce and Organisational Development Committee
Investment Planning Group
Service Delivery & Operational Planning Group
Medicines Optimisation Group
Nursing & Midwifery Group
Risk Management & Safety Group
Clinical Governance Group
Workforce Group
Informatics Steering Group
Information Governance
Estates & Facilities
Commercial Steering Group
Emergency Planning Group
Cancer Group
Drugs & Therapeutics Group
Medication Safety Group
Nutrition Group
End of Life Group
Patient Experience
Safeguarding Adults
Safeguarding Children
Infection Control Group
Clinical Equipment Group
Health & Safety Group
Radiation Safety Group
Blood Transfusion Group
Organ Donation
Falls Prevention Steering Group
Clinical Audit and Effectiveness Group
Research & Innovation Group
Mortality Group
Critically Ill Patient Group
Staff Partnership Forum
Staff Experience Group
Joint Local Negotiating Committee
Education Group
Accountable to
Minute flow for Assurance
Company Secretary August 2017—V6

SECTION A: PERFORMANCE REPORT

This overview aims to give a short summary of the organisation and its activities, key risks around the delivery of its objectives and how it has performed during the year. A more detailed summary of performance will follow in the Performance Analysis further on in this report.

1.1 Welcome to our Annual Report

Whilst there is no doubt that increasing demand for our services and on-going financial pressures have impacted on the Trust during 2017/18, we are once again very proud of what our teams have achieved over the past 12 months. Delivering excellent patient care centred around the core values of "the Poole Approach" has remained at the heart of everything we do and as a consequence, despite these challenges, the organisation continues to drive improvements.

This approach was exemplified when the fantastic efforts of our staff kept our services going during the snowy weather conditions in March. Colleagues truly went the 'extra mile', as they sought to maintain services for their patients. Many staff struggled bravely to get into the hospital, whilst their colleagues stayed late until they could be safely relieved. Some staff even slept in the hospital to ensure that they could be on duty in the morning. We are so fortunate that Poole Hospital has such dedicated people – and of course, such wonderful volunteers – that they will do whatever it takes to maintain high quality patient care.

In January, the Care Quality Commission (CQC) confirmed that the hospital had been awarded a rating of 'good', following their inspection in the autumn. This was great news, and reflects all the hard work that has been undertaken across the Trust since the time of the last CQC visit, when we were assessed as "requiring improvement". As part of the new inspection process, the Trust was one of the first in the country to be assessed for the way in which it makes use of its resources. Again, we were delighted to be issued a rating of 'good' – which shows that we use our resources well in meeting the needs of our patients. These reports each represent a very significant achievement in their own right, and taken together, they reinforce the feedback that we receive everyday – that is, that our patients really value Poole Hospital, and feel well-served by the Trust.

During the course of the year, the 2017 NHS Staff Survey placed Poole Hospital in the top five acute trusts nationally for staff recommending it as a place to receive treatment. This is a very important measure, and speaks volumes for the standard of care that is routinely delivered within the hospital. We were also pleased to be placed in the best 20% of acute trusts across a total of fourteen key findings. To achieve such positive results at a time of such significant change and challenge across the NHS – both nationally and locally - is really encouraging. Poole Hospital continues to be a great place to work!

Looking back over the year, we are proud of the fact that we have maintained safe, high quality services; but with one of the busiest winter period that we have ever known we were not able to achieve all the national performance standards. Like the majority of hospitals across the country, we were unable to achieve the 95% waiting time target in the Accident & Emergency Department at the end of March. Similarly, with a significant increase in the number of patients presenting with more challenging medical conditions by ambulance to our Emergency Department, coupled with the disruption of the snow, we could not carry out as many routine operations as we would have liked, and did not achieve the national waiting times standard this year. However, we are very pleased to have once again performed extremely well in respect of waiting times for cancer services, which means that our sickest patients have continued to receive swift access to care.

All this has been achieved within the financial control total agreed with our regulator, and we are very pleased that once again Poole Hospital has met its financial targets. Throughout the year, we have continued to use our resources well, something that has never been more important at a time when the NHS is under such pressure. We are very proud of our staff across the whole organisation who have worked so hard together to deliver this position.

Looking ahead to 2018/19 and despite further significant planned efficiencies above nationally assumed minimum levels, the Trust expects to receive cash support from the Department of Health and Social Care. This is consistent with the Trust's operational and strategic plans agreed with the regulator, and will continue until such time that a financially sustainable plan is implemented, and the associated efficiency benefits realised, as part of the Dorset Clinical Services Review. Given this dependency on external cash funding, we have limited scope for investment beyond that prioritised as being both urgent and essential for securing ongoing safety and service continuity. Further detail is provided within the Annual Report.

We shall be working even more closely with our colleagues within The Royal Bournemouth & Christchurch Hospitals NHS Foundation Trust, as we seek to merge our two organisations. This work is going extremely well and will accelerate during 2018/19. Both boards are clear that merging will be the best way of realising the ambition embodied in the Dorset Clinical Services Review, and will enable us to work even more effectively with other partners across Dorset to deliver more integrated services. We want to bring together the best from both our organisations, so that we can improve services and deliver better outcomes for patients. At the same time, we want to create a positive environment across our hospital sites, where all staff can give of their best.

We hope that you enjoy reading this Annual Report, and learning more about the work of our staff and the achievements of the Trust. We should like to take this opportunity to thank all those who have contributed to the success of Poole Hospital over the past year - our staff, our Governors, our volunteers, our fundraisers - and of course, our members. We are hugely grateful for your on-going contribution, and for all that you do to help make Poole Hospital a great place to work and a great place to receive care.

Steve Erskine, Chairman
Debbie Fleming, Chief Executive

1.2 Purpose and activities of the Foundation Trust

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

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

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

At the end of 2017/18, we employed an average 3,633 employees (including bank and agency staff). The hospital was also supported by over 250 volunteers, who provide invaluable support to both patients and staff.

Our annual turnover for the financial year was £249 million.

1.3 Brief history of the Foundation Trust

About Foundation Trusts

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

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

As a Foundation Trust, Poole Hospital is run by a Board of Directors, made up of non-executive and executive directors. The Board of Directors is held to account by the Council of Governors, who represent the local community through a membership base made up of local people from the Trust's catchment area and staff.

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

Full details on the Board of Directors and Council of Governors can be found in the Accountability Report from page 41.

Poole Hospital NHS Trust Foundation Trust is licensed by NHS Improvement, the healthcare regulator, as an acute hospital to provide health services to its local population. These services are commissioned by a number of different bodies – that is, local commissioners known as Clinical Commissioning Groups (CCGs), local authorities (for some public health services) and NHS England, which commissions all specialised services across the country.

The Trust is also registered with the Care Quality Commission (CQC), which has a specific interest in patient quality and safety issues. Both NHS Improvement and the CQC work closely together to ensure that the Trust is well regulated. The Trust's business is to provide excellent services to patients, in a way that is consistent with commissioner specifications and meets the standards of the CQC. Only in delivering all of the above can the Trust be assured that it will retain its licence to operate from NHS Improvement, formerly Monitor.

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

The Trust Board and Governors are responsible for establishing and maintaining effective systems and process (that is, our governance arrangements) to ensure the effective delivery of all the Trust's objectives. In particular, these governance arrangements must demonstrate that the Trust can successfully manage any principal risks, which if left unmanaged could adversely affect the future wellbeing of the organisation. Central to the evidencing of this is the Trust's Annual Governance Statement (see page 99) which is produced every year and summarises any key issues and concerns.

Our Vision

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

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

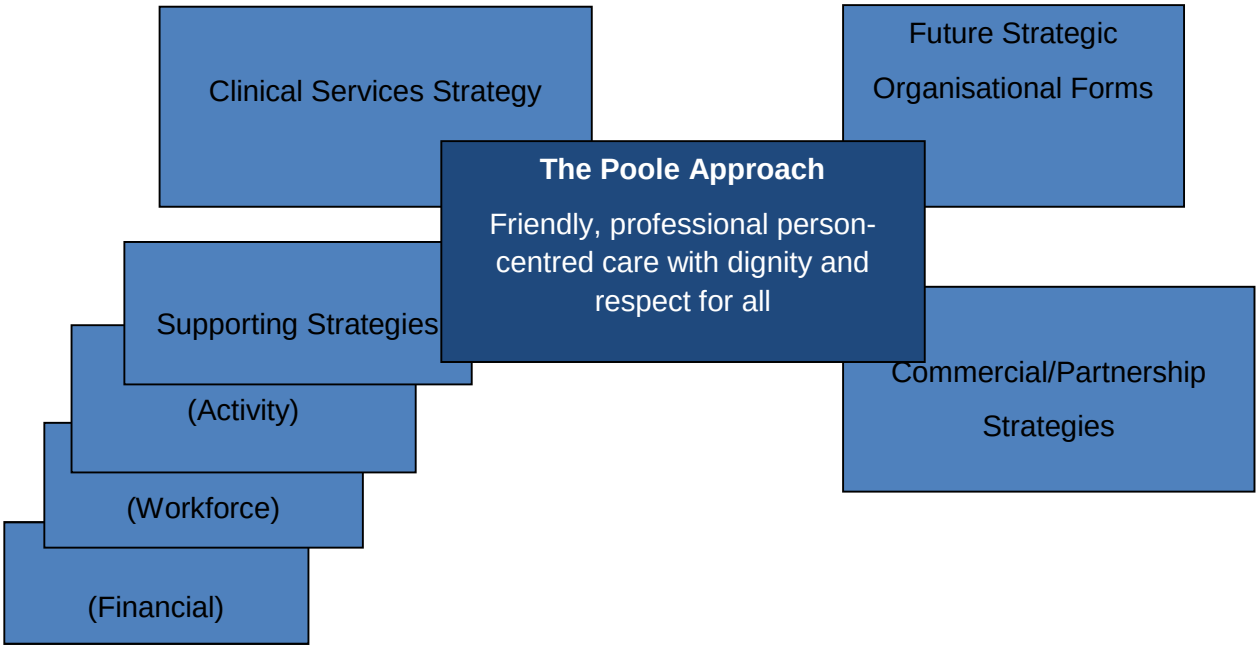
- Compassionate
- Open
- Respectful
- Accountable
- Safe

Our Strategic Framework

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

The strategic framework is summarised in the five domains outlined below. The success of the Trust going forward is to align each domain in partnership with the other organisations that make up the Dorset Integrated Care System (ICS). The vision for the ICS is to change the system to provide services to meet the needs of local people and deliver better outcomes. The ambition is to see every person in Dorset stay healthy for longer and feel more confident and supported in managing their own health.

Poole Hospital NHS Foundation Trust Strategic Framework



Our Charitable Fund

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

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

A total of £2,178k was donated in 2017/18 (including total legacies of £1,300K).Thanks to the support of the local community; Poole Hospital's Charitable Fund has made a difference to the experience of thousands of patients, in wards and departments across the hospital.

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

1.4 Highlights of the year

The Trust is proud of its many achievements over the year, especially in improving the quality of patient care. Highlights include the plans for a new radiotherapy unit, investment in a new PET/CT scanner, developing significant charitable corporate partnerships, innovations in patient discharge and national recognition for our staff 'flu fighting' campaign. Further details on these can be found in section in the Quality Report from page 108.

2. PERFORMANCE ANALYSIS

2.1 How the Trust measures performance

Poole Hospital has a track record of strong performance against national and local standards and we are very proud of the performance indicators we have again achieved this year We continue to monitor performance against local targets and national standards through a balanced performance scorecard approach. The scorecard underpins the Integrated Quality and Performance Report that is submitted to the Trust Board each month and provides a rounded view of performance across the organisation so we can assure ourselves that we are meeting external standards. Where we are not, this consistent monitoring enables us to address and resolve issues as they arise, in particular in dealing with the exceptional winter pressures that all acute Trusts faced over the winter period.

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

2.2 Trust Approach To Risk

The Trust recognises that positive and managed risk-taking is essential for growth, development and innovation. 'Risk' should never be set as a barrier to change and improvement; instead risks should be recognised, considered and managed effectively as part of the continual improvement process.

The management of risk is led by the Board of Directors (BoD) and overseen by the key Board assurance committee; the Quality, Safety and Performance Committee which is chaired by a Non-Executive Director. More information on the Trust's approach to risk is included in the Annual Governance Statement (page 99).

2.3 Clinical Performance

The Trust (and the NHS as a whole) has faced a very challenging year with increases in non-elective demand, constraints in elective capacity in some areas and increased costs. The increase in attendances and admissions seen over the year, especially in recent months, has challenged our performance against a number of key targets. We are working closely with partner organisation to ensure we provide this activity in the right place at the right time and expand or redesign services where possible to meet this demand.

The Trust achieved all eight of the quarterly cancers standards in 2017/18, much better than the national position.

The Trust performance against the four hour access standard for the Emergency Department has been less than 95%, which is disappointing. Driving factors have included increased attendances and the demands of subsequent admissions, the general acuity of patients presenting as well as the availability of medical staffing during periods of high demand.

The Trust has performed well in comparison to other hospitals and the Trust met the expectation of the regulator for the agreed 2017/18 trajectory up to and including Quarter 3. The team implemented GP streaming at the end of October and work continues to further develop a service offer in conjunction with primary care.

The Referral to Treatment (RTT) 18 week standard has not been achieved since August 2017 as a result of constraints in capacity due to staffing and compounded by winter pressures in recent months. Work continues to improve speciality level delivery with remedial action plans (RAPS) in place but this indicator remains a concern.

Our Values, Behaviours and Standards

How we serve patients and their families and how we work with colleagues in the Trust and beyond

Safety is our priority	Respect and dignity	Learn from experience	Working together and everyone counts
Keeping people safe Taking personal responsibility Leading with care Delivering the best outcomes	Compassion and kindness Going the extra mile Valuing diversity Protecting dignity	Giving and receiving feedback Always improving Championing learning and education Innovation and research	Promoting teamwork Working in partnership Involving and engaging Active listening

Patient Activity

In 2017/18 patient activity was as follows:

- 34,524 day case patients compared to 34,849 last year
- 37,487 non-elective patients compared to 37,025 last year
- 87,148 new outpatients compared to 92,905 last year
- 68,070 *(85,235 including MIU)* patients in A&E compared to 66, 833 last year

Table 1: Patient activity summary

Patient Activity	2017/18	2016/17	2015/16	2014/15
Number of inpatients and day cases treated (spells)				
Elective inpatients	3,326	3,593	3,560	3,677
Day cases (including RDAs)	34,524	34,846	32,734	30,090
Non-elective inpatients	37,478	37,025	35,198	33,005
Accident and Emergency Attendances	68,070	66,833	65,888	66,118
Minor Injuries Unit (1)	17,165	+5,926		
Births	4,424	4,554	4,654	4,599
Number of outpatients seen				
New appointments	87,148	92,890	88,835	75,929
Follow-up appointments	139,632	147,837	138169	131292
Requests for medical imaging	200,413	19,8237	185814	178565
Radiotherapy attendances (2)	29,936	31,284	33,984	35,183
Operations				
Cancelled at short notice (within 1 day of TCI as % of admissions)	4.1%	4.2%	5.0%	4.3%
Not re-arranged within the target time of 28 days	12	9	5	8

Note (1): Blandford, Swanage and Wimborne Minor injury units are reported through Poole Hospital from 1st November 2016

Note (2) The drop in attendances is a little down on the previous year due to the change in prostate fractionation.

Access to Cancer Care

The Trust is one of the country's leading Trusts for the proportion of cancer patients seen and treated within the expected time frames, based on figures from April 2016 to March 2017. The 2017/18 data will not be released until June 2018, however performance against targets for Q1-3 has been good.

By providing high-quality cancer services we are ensuring our patients receive the care they need, and all staff involved in the delivery of cancer pathways are dedicated to meeting all national cancer standards, as shown by the national cancer patient experience survey (NCPES) results. Examples from the Executive summaries from NCPES rating PHFT and National Average can be seen in table 2. These results represent the dedication and hard work that that all staff have contributed to ensure that cancer services at Poole Hospital continue to develop and improve in ensuring patients across Dorset receive safe, high quality care.

Table 2: Samples from the National Cancer Patient Experience Survey results

Executive summary	PHFT rating 2016	PHFT rating 2015	National rating 2016
Patients asked to rate their care on a scale of zero (very poor) to 10 (very good),	8.9	8.9	8.7
Respondents said that they were definitely involved as much as they wanted to be in decisions about their care and treatment	78%	80%	78%
Respondents said that they were given the name of a Clinical Nurse Specialist who would support them through their treatment	94%	94%	90%
When asked how easy or difficult it had been to contact their Clinical Nurse Specialist respondents said that it had been 'quite easy' or 'very easy	91%	91%	86%
Respondents said that, overall, they were always treated with dignity and respect while they were in hospital	90%	90%	88%
Respondents said that hospital staff told them who to contact if they were worried about their condition or treatment after they left hospital	95%	97%	94%

Overview

The Trust maintained achievement against all national cancer standards for Q1, Q2, Q3 and Q4 2017/18.

Table 3: Performance against national cancer standards

Standard	Target	Quarter			
		Q1 17/18	Q2 17/18	Q3 17/18	Q4 17/18
2 WW - Fast Track referral to 1st appointment suspected cancer	93%	99.3%	99.3%	99.4%	98.2%
2 WW - GP referral to 1st outpatient - breast symptoms(non cancer)	93%	97.8%	96.3%	100.0%	98.3%
31 Day - Decision to Treat to 1st treatment	96%	100.0%	99.8%	98.8%	98.3%
31 Day - 2nd or subsequent treatment - Surgery	94%	100.0%	100.0%	99.2%	97.1%
31 Day - 2nd or subsequent treatment - Drugs	98%	100.0%	100.0%	100.0%	100.0%
31 Day - 2nd or subsequent treatment - Radiotherapy	94%	98.9%	100.0%	98.6%	97.1%
62 Day - Fast Track GP /GDP referral to treatment	85%	89.2%	87.6%	85.5%	87.6%
62 Day - Referral to treatment - Screening	90%	96.4%	95.1%	97.6%	97.3%
62 Day - Referral to treatment - Consultant Upgrade	90% **	98.1%	98.6%	94.8%	97.2%

The Trust did not achieve the 62 day referral to first treatment standard in September 2017 (83.8%) and December 2017 (80.5%). The main reasons for not achieving the target was largely due to late referrals from referring trusts, surgical capacity in head and neck as well as the availability of specialised staff in the radiotherapy team.

The Trust performed better than the national average for the percentage of patients who see a specialist within two weeks of an urgent GP referral (99.4% against a national average of 94.9% (Q3). The number of patients first seen following a 'Two Week Wait' (2WW) referral has increased year on year and the Trust continues to review the demand on diagnostic services, to ensure both demand and performance indicators are met.

Performance for the symptomatic breast referral target was maintained in 2017/18. The breaches have been minimal and all due to patient choice. The Trust has a process in place to ensure any patients not compliant against this target receive a telephone call from a nurse to encourage them to attend an appointment within two weeks of referral. In Q3 2017/18 the Trust achieved 100% against a national average of 95.1%.

The percentage of patients who begin their first definitive treatment within 31 days of receiving their diagnosis was 98.8% against a national average of 97.7% (Q3).

Waiting times from referral to treatment (RTT)

Part of the NHS pledge to put patients at the centre of everything we do involves making sure that patients are diagnosed and start treatment as soon as possible. The Trust has a strong track record of delivering the overall 18 week targets, with sustainable performance over the past five years however this has started to decline in 2017/18 with only five out of twelve months achieving the standard. The standard that we are required to meet is 92% of patients on our total waiting list being treated within 18 weeks.

Table 4: Performance against the referral to treatment (RTT) standard at 31 March 2018

	2017/18	2016/17	2015/16	2014/15	Target
Incomplete pathways %	87.2%	92.8%	92.3%	96.2%	92%
Waiting List Size	14,666	11,967	12,442	10,789	
No. of Patients waiting over 18 weeks	1872	888	954	410	
Average RTT Performance per year against the 92% standard (unweighted average)	90.8%	92.8%	94.4%	93.9%	

The Trust's performance against the RTT standard compares favourably with the national position, but there have been challenges during 2017/18 that have resulted in the backlog of 18+ week waiters reaching its highest (1,872 patients) in March 2018. The challenges have included:

- Backlog of cancelled treatments from winter of 2016-17 impacted on first three quarters of 2017-18
- Winter pressures have resulted in routine elective procedures being postponed. NHSE directed that no routine elective procedures would be undertaken during January 2018 to prioritise bed capacity for non-elective admissions. Winter continued to have an impact with high number of non-elective admission through February and March and as a result further routine elective admission were cancelled.
- Consultant vacancies that have been difficult to recruit to leading to reduced capacity in some specialties, this had a particular impact on Oral Surgery.
- Financial constraints have resulted in lost capacity not being backfilled at premium or waiting list initiate rates.

Actions taken to address challenges faced:

- Additional treatment clinics and theatre lists.
- Demand and Capacity planning in conjunction with consultant job planning to understand if there is sufficient capacity to deliver the 18 week Referral to Treatment Time (RTT) target on a sustainable basis.
- Weekly patient pathway reviews of long waits at specialty level and validation of waiting lists.

- Developing outpatient metrics and dashboard to improve clinic utilisation and reduce DNA rates.
- Education and training programme for A&C and operational management teams to understand RTT rules and patient pathways.
- New ways of working such as direct rapid access clinic for Dermatology which allows a high volume of routine work to be managed efficiently and effectively.
- Theatre capacity planning during winter to reduce cancellations, known as elective pacing – this was undertaken in conjunction with planning patient flow and bed management to reduce elective cancellations.

Consequently the target was achieved consistently throughout the year for the majority of specialities but not at aggregate basis. There remain certain specialties where it is not being achieved and these have action plans in place and progress is monitored weekly.

Care in our Emergency Department (ED)

2017/18 was another incredibly challenging year for the Emergency Department. Overall **x%** of patients were seen, treated, admitted or discharged within four hours as measured by the national four-hour standard of 95%, which includes attendances from the minor injury units located in Wimborne, Swanage and Blandford. Our performance whilst disappointing for us and below the standard that we as an acute hospital aspire to, performed relatively well in comparison to other hospitals.

The three key areas that impacted performance against the national 4 hour emergency standard were:

- The level of acuity conveyed to the Trust, such as those patients presenting with challenging medical conditions;
- The time taken to undertake an initial assessment or waiting to be seen times (WTBS) impacted by some of the workforce challenges Emergency Departments are facing;
- The level of bed occupancy to enable patients needing admitting to a bed to leave the department.

Table 5: Performance against the four-hour standard

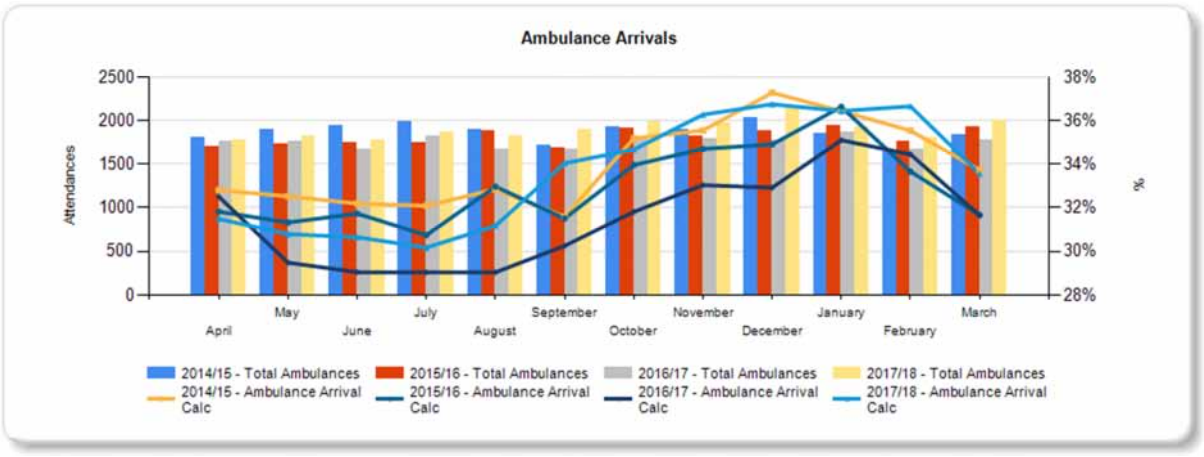
	2017/18	**2016/17**	**2015/16**	**2014/15**
Emergency department	68,070 85,235 including MIU	66,833 72,759 including MIU	65,909	66,118
Four-hour standard (95% target)	90.98% including MIU	91.55% including MIU	91.66%	93.38%
Emergency admissions	37,478	37,025	35,198	33,005
Trust Occupancy	94.4%	94.1%	95.3%	96.3%
Delayed Transfers of Care	3.81%	3.81%	3.01%	6.60%

Our teams have worked tremendously hard to manage the pressures experienced throughout the year and the trust remains committed to maintaining high standards and improving the experience of our patients. We were thrilled therefore to see the commitment of our staff to high-quality care, reflected in the national CQC report into Emergency Departments with Poole Hospital featuring as one of the top six Emergency Departments in the country with 95% of attendees stating that they would be likely or extremely likely to recommend the Trust to friends or family.

a) Acuity and Ambulance Conveyances

Although attendances to the Emergency Department (ED) remained relatively flat as compared to the previous year, there was an 8% increase in the number of patients conveyed by ambulance and 12% comparing Q3 2017 to Q3 2016, demonstrating a rise in the level of acuity of patients such as those patients presenting with challenging medical conditions, being conveyed to the hospital.

During Quarters 3 and 4, the Trust experienced a record number of ambulance arrivals which contributed to an increase of around 2000 additional conveyances to the emergency department as compared to 2016/17.



Despite this and following a programme of work undertaken to look at the processes underpinning the transfer of care from an ambulance to ED, the amount of time lost by ambulance crews due to handover delays, reduced significantly.

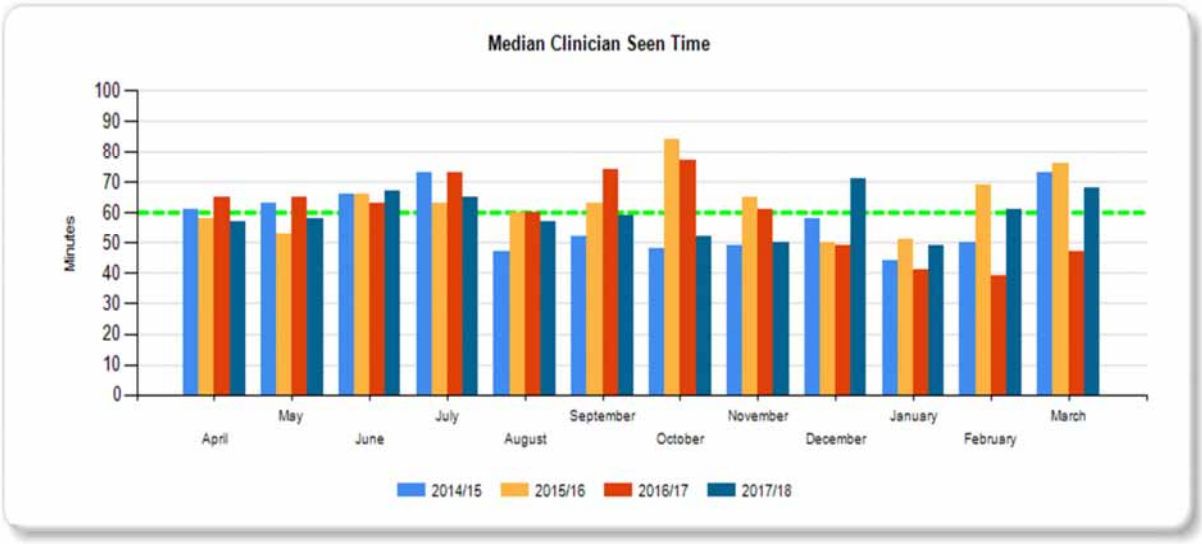
b) Workforce Capacity

A significant factor in our delivery of the four hour standard is workforce. Like many other departments, the ED has longstanding challenges recruiting medical staff necessitating the need to rely heavily on bank and agency locum doctors. To help face what is a national challenge we have been developing and extending the role of our Nurse Practitioners to work alongside doctors within the 'Majors,' area to help address gaps in the rota caused by an inability to recruit. This development followed the success in developing a robust Advanced Nurse Practitioner (ANP) rota to support our 'walk in,' area within the department.

In-depth capacity and demand work has been carried out to understand where the redistribution of current workforce would have the greatest benefit, which has supported the development of specific job plans for all new members of staff.

Another positive advancement in workforce capacity is the development of the ED physio contingent. Last year a pilot commenced which introduced Physiotherapists into the emergency department rota which, due to its success, was developed further in 2017/18. Not only do the physiotherapists offer additional capacity for minor presentations but they also provide instant on-site input for patients in majors requiring mobilisation.

There has been a great deal of focus on waiting times within the ED over the past twelve months with extensive analysis of attendance trends and further development of capacity and demand tools. The table below shows the difficulties experienced in quarter 4 compared to the same time period last year. This was mainly driven by a shortfall of both junior and senior deanery doctor posts of up to four whole time equivalents at times equating to 18 doctor shifts per week.



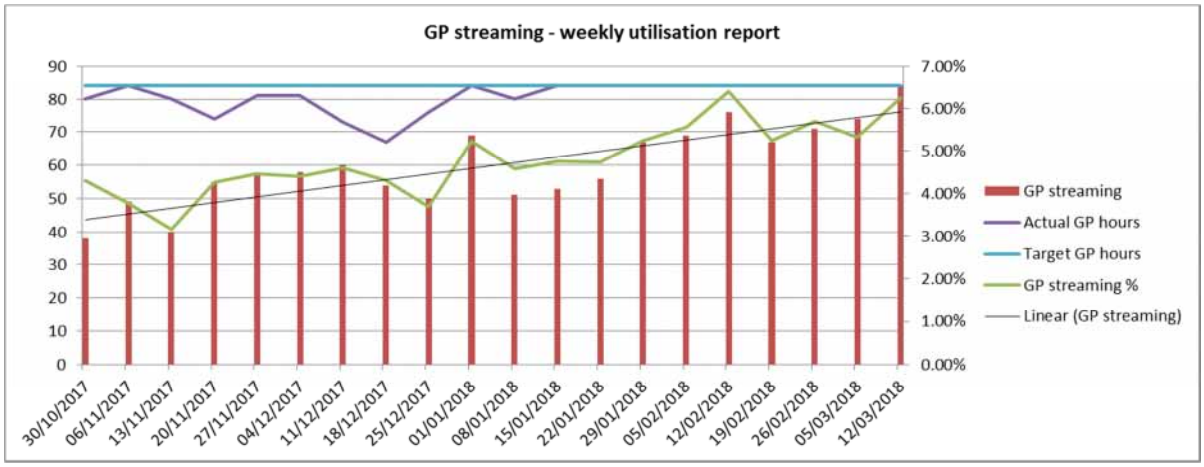
The department has reacted to the national challenge in recruiting junior doctors by reconfiguring budgets to support additional 'senior decision makers,' with additional consultants joining the team in 2017.

In April 2017 NHSI and NHSE mandated that every acute hospital must develop a GP streaming service co-located to, but not part of, Emergency Departments (EDs). The aim of the service was to ensure that patients attending EDs with primary care type presentations were 'streamed,' to a more appropriate care setting thus freeing up Emergency Departments to provide emergency care to those with the greatest needs whilst reducing some of the workforce pressures.

National capital money was made available and the Trust was successful in a bid to secure £1 million to support the development of a new facility located at the front of the hospital. The facility opened in November 2017, bringing together a number of urgent care services for the local Poole population, resulting in closer and more integrated working between the 111 service, Out of Hours Service, GPs and secondary and emergency care, which in turn means timelier access for our patients into a more appropriate care setting than the emergency department.

In addition to GP streaming, the facility offers a range of services to provide patients via their GPs, greater access to phlebotomy; wound dressing; x-rays; physiotherapy and weekend access to urgent alcohol assessment. There are plans to further develop the facility to include a COPD clinic and Pharmacy support for local GP practices.

The Emergency department has continued to embed this new pathway resulting in an increase in the number of patients being streamed to urgent primary care delivered by a GP.



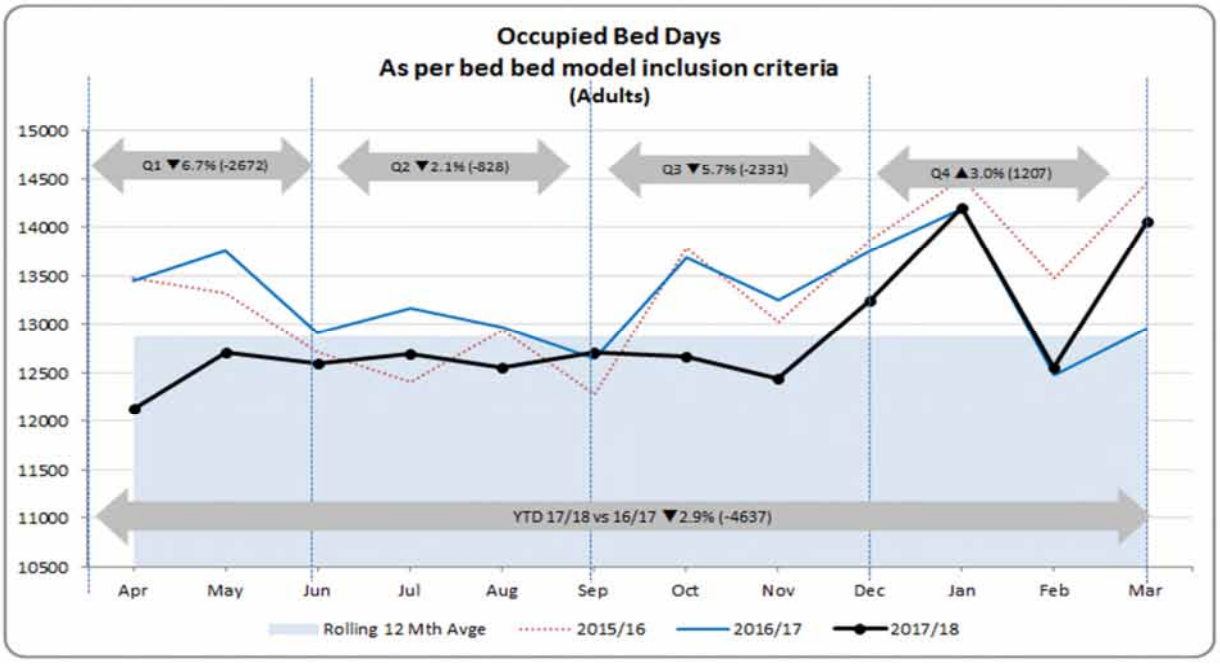
The department acknowledges and extend its thanks to the teams and partners who collectively have brought together a suite of clinical services aimed at providing patients with better access to urgent care. This type of collaborative arrangement is an early example of true partnership working demonstrating what is expected as a newly designated 'integrated care system (ICS), namely to be sharing resources and to create integrated services better aligned towards the health needs of the local population.

c) Bed Capacity, Efficient Patient Flow and Delayed Discharges

Bed occupancy is influenced by acuity and delayed patients awaiting discharge, which remained high throughout quarters 3 and 4. High occupancy can create difficulties in admitting patients from the Emergency Department or assessment units to a ward area, which impacts on the delivery of the 4 hour standard.

Although an increase in non-elective inpatients is reported in table 1, there was no overall corresponding increase in the number of occupied bed days (OBDs) for adult inpatients, down 2.9% (see figure x) which remained below the number of OBDs reported in 2016/17 aside from the last quarter. There were 1207 more OBDs in Quarter 4 this year than last year, equating to around 36 more beds occupied at midnight.

Figure x: Adult Occupied Bed Days



In 2017/18, a number of initiatives were embarked upon to reduce the number of days patients remain within the organisation (length of stay).

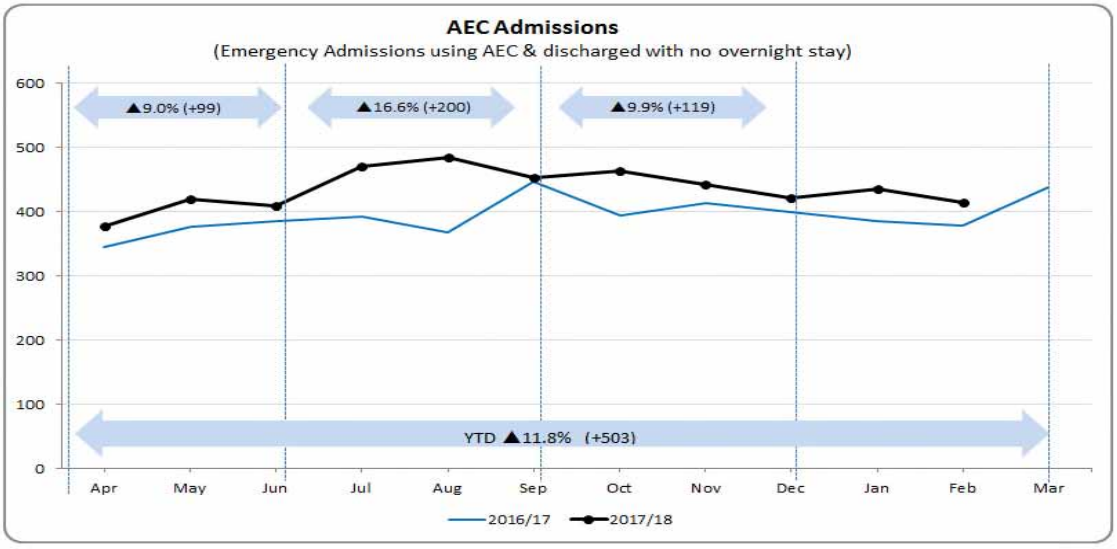
Ambulatory Care

Ambulatory care offers patients the care that they need within an outpatient setting enabling individuals to remain within their usual places of residence and to avoid an inpatient stay where appropriate.

In July 2017 as part of a new model of care for the frail and elderly which included investment into an additional consultant and advanced nurse practitioners, the ambulatory care offer was expanded.

The Trust reported a 12% increase in the use of ambulatory care throughout the year (see figure y) which together with a strong focus reducing delays in transferring care out of the hospital and delayed discharges (described in further detail below) contributed to a 4% reduction in Adult OBDs as compared to 2016/17.

Figure y: Ambulatory Emergency Care (AEC) Admissions

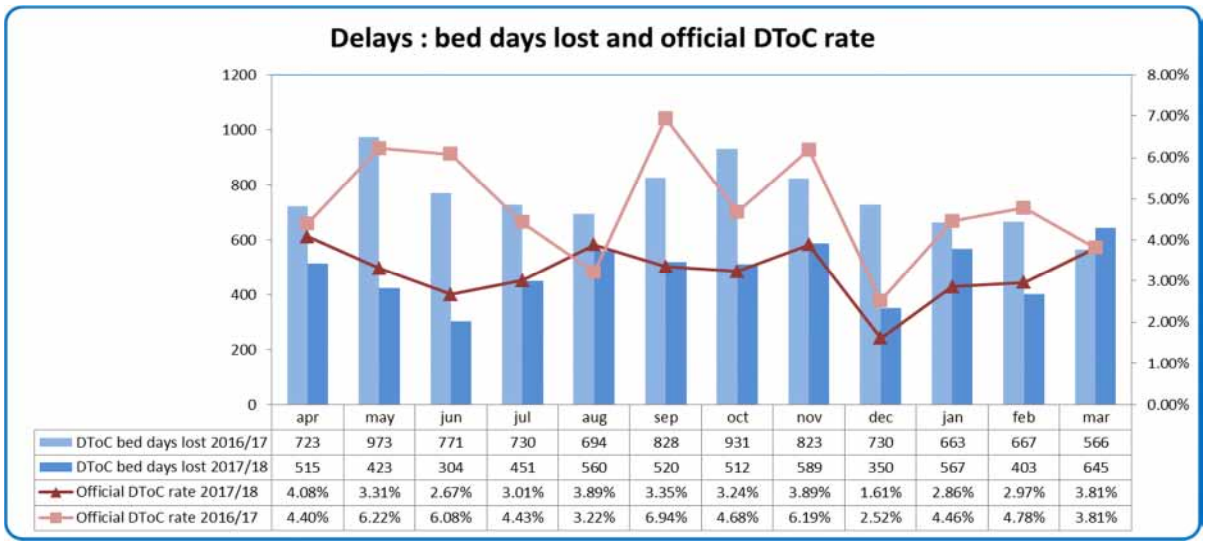


The recruitment of a dedicated Advanced Nurse Practitioner for each of the elderly care ward areas enabled more effective care planning and extended cover across weekends to maintain continuity of care and clinical focus to the point of discharge.

Integrated Discharge Bureau

Throughout 2017/18 we continued to experience challenges in the discharge of medically stable patients requiring packages of care at home or placement in nursing or care homes. Capacity in the Community remains under significant pressure to provide care for an increasingly elderly population with greater and more complex health and social care needs.

Performance against the Delayed Transfers of Care (DTOC) target did however improve during 2017/18 with the Trust achieving the 3.5% standard in eight out of 12 months as compared to 2016/17 performance which was consistently better than the 3.5% standard.



	apr	may	jun	jul	aug	sep	oct	nov	dec	jan	feb	mar
DToC bed days lost 2016/17	723	973	771	730	694	828	931	823	730	663	667	566
DToC bed days lost 2017/18	515	423	304	451	560	520	512	589	350	567	403	645
Official DToC rate 2017/18	4.08%	3.31%	2.67%	3.01%	3.89%	3.35%	3.24%	3.89%	1.61%	2.86%	2.97%	3.81%
Official DToC rate 2016/17	4.40%	6.22%	6.08%	4.43%	3.22%	6.94%	4.68%	6.19%	2.52%	4.46%	4.78%	3.81%

The indicator reports the number of acute patients (aged 18 and over) whose transfer of care was delayed, over the number of occupied beds at the month end.

The department has continued to work closely with health and social care partners to reduce the time patients wait from when they become ready to leave hospital, to when they are discharged home, or to other settings in the community.

One of the highlights for both the hospital and the wider health and social care system was co-locating health and local authority discharge teams into an 'Integrated Discharge Bureau,' which together with the joint appointment of a key leadership role, significantly contributed to the reduction in delays. This position continues to be key to further integration and the streamlining of processes to help the timely discharge of our patients to their usual place of residence, recognising that hospitals are not ideal places for patients who no longer need to the services of an acute hospital.

Flow and Delayed Transfers of Care

During 2017/18 significant attention, resource and energy has again been invested in improving the efficiency and consistency of ward processes and collaborative working to resolve flow and delayed transfers of care in the hospital and community.

These include:

- The Trust has embraced a campaign known as 'There's no place Like home' emphasising the positive impact effective and timely discharge has on providing quality care and assisting patients to achieve their best possible outcomes. This campaign is designed to raise awareness among colleagues, patients, partners and the public and is welcomed and promoted by partners working in the Mid-Dorset System.

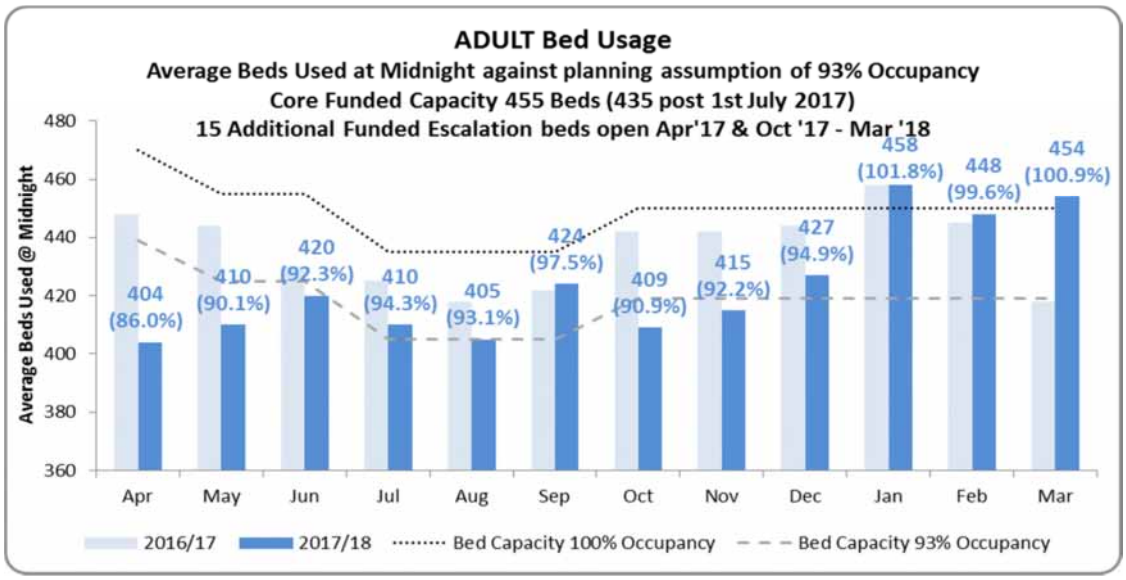
- Hospital clinical teams meet weekly with leaders from social work teams, community matrons and district nurses, to review discharge planning for patients. This joint approach has resulted in earlier intervention to find solutions to complex challenges which could delay discharge and enhances the ongoing work to support discharge which takes place on wards.

- In line with the mandated initiatives of the A&E Improvement Plan, Discharge To Assess (D2A) has been implemented and is now operational across the Trust. This enables patients to return home with relevant support from health and social care partners, where assessment of long term needs can take place.

- A Trusted Practitioner model has been designed and adopted between the Trust and three Local Authorities. Using Trusted Practitioners to carry out holistic assessment that avoids duplication and speeds up response times so that people can be discharged in a safe and timely way (High Impact Change Model "Managing transfers of Care" DOH"). In 2018 a focus will be given on training more staff to become Trusted Practitioners, to enable more patients to benefit from this initiative.

Despite these developments and subsequent improvements achieving an overall occupancy rate of 93% for adult beds has been a challenge due to in-year peaks (particularly in winter) and many in-month peaks that have resulted in high occupancy rates (see figure z).

Figure z: Adult Bed Usage and Occupancy Rates



6 Week Diagnostic Waits

	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Diagnostic patients waiting more than 6 weeks (DM01 investigations only)	56	22	17	36	33	19	20	18	48	33	24	112
% waits more than 6 weeks for DM01 diagnostic investigations	1.60%	0.67%	0.53%	1.15%	1.09%	0.56%	0.57%	0.55%	1.50%	1.04%	0.71%	3.01%

There has been varied success against the 99% standard for diagnostics throughout the year with achievement across the range of examinations for six of the 12 months. Within radiology the standard has been met for our patients with the exception of April where the installation of a replacement CT scanner impacted on Cardiac imaging. This was resolved by May and the figures throughout the year have remained well within the standard. The loss of staff and shortage of locums to support the neurophysiology service caused a significant impact over the summer months. Once addressed, this service saw a rapid improvement in achieving the target. The endoscopy service has been under great pressure with vacancies in the team which did not allow for extra lists to meet the increased demand of fast track and urgent referrals to the system. Various strategies were thwarted by on-going staff shortages; however improvements are still being planned and implemented.

SCREENING PROGRAMMES

Breast Screening

The aim of the Breast Screening Programme nationally is to identify early breast cancer and allow rapid treatment and reduce mortality rates from this disease. The National standards states that every woman between 50 and 70 (currently there is a pilot extending from 47 to 73) is invited to breast screening every three years. This is one of the standards for each unit.

Following screening, ladies should receive their results or be invited to assessment within two weeks of screening. All images are double read by Radiologists and readers trained specifically in this field.

The Dorset Breast Screening Unit has achieved exceptional results against standards throughout the year and achieved all four quarters. The Unit is considered high performing nationally and leads its peers in the Wessex region in a number of areas. The dedicated team are flexible and resourceful in achieving the standards set nationally.

Screening Round Length

The percentage of women (aged 50-70) whose first offered appointment is within 36 months of their previous screen Minimum standard >90%, Achievable Standard 100%		Sept-Dec 2016			July-Sept 2016	Apr-Jun 2016	Jan-Mar 2016
Breast Screening Unit	Sub-region	Numerator	Denominator	Performance (%)	Performance (%)	Performance (%)	Performance (%)
Dorset	South (SW)	8,206	8,301	98.86	97.05	97.81	98.93

Waiting Time for Result of Screening

The percentage of women who are sent their result within two weeks Minimum standard >90%, Achievable Standard 100%		Sept-Dec 2016			July-Sept 2016	Apr-Jun 2016	Jan-Mar 2016
Breast Screening Unit	Sub-region	Numerator	Denominator	Performance (%)	Performance (%)	Performance (%)	Performance (%)
Dorset	South (SW)	8,505	8,598	98.92	98.52	98.89	99.11

The percentage of women who attend an assessment centre within three weeks of attendance for the screening mammogram Minimum standard >90%, Achievable Standard 100%		Sept-Dec 2016			July-Sept 2016	Apr-Jun 2016	Jan-Mar 2016
Breast Screening Unit	Sub-region	Numerator	Denominator	Performance (%)	Performance (%)	Performance (%)	Performance (%)
Dorset	South (SW)	459	497	92.35	92.74	94.98	95.96

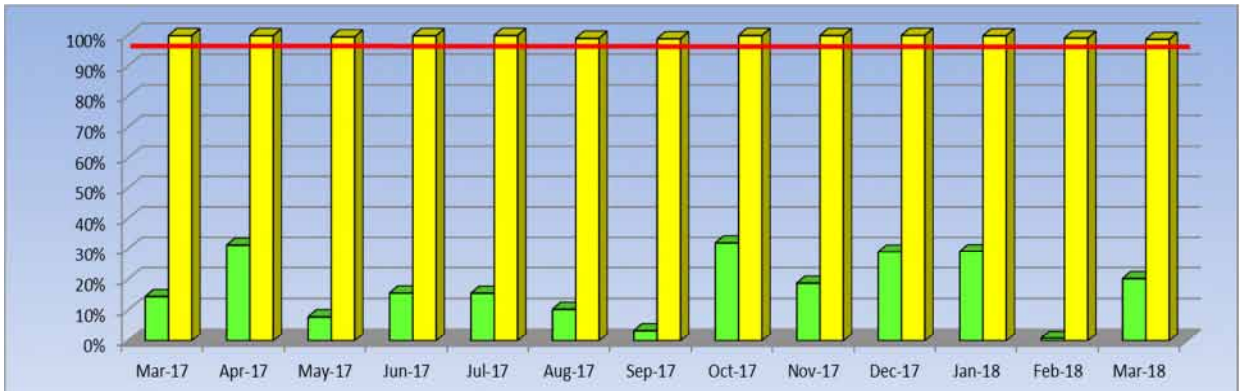
Cervical Screening Programme (NHS CSP)

The aim of the Cervical Screening Programme is to reduce the incidence and mortality of cervical cancer by regularly screening women aged 25-64 for abnormalities that if left untreated, might develop into cervical cancer.

Poole Hospital Cytology Laboratory receives smear samples from GP practices in Bournemouth, Poole, Christchurch, East and North Dorset, South West Hampshire and samples commissioned by the Wessex Area Team. It also receives samples from South Wiltshire commissioned by the Wiltshire (BGSW) Area Team.

Key results

- Turnaround time was achieved for the whole period (>99% for 14 day turnaround) NHSCSP standard (>98% within 14 days)



	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
%7days	14.5%	31.4%	7.9%	15.6%	15.6%	10.4%	3.5%	32.1%	18.8%	29.1%	29.2%	0.9%	20.3%
%14days	99.9%	99.9%	99.5%	99.9%	99.9%	99.0%	98.9%	99.9%	99.9%	100.0%	99.8%	99.1%	98.7%

- All parameters for reporting cervical cytology fell within national standards
- UKAS Accreditation against ISO 15189 standards was achieved following an inspection in June 2016

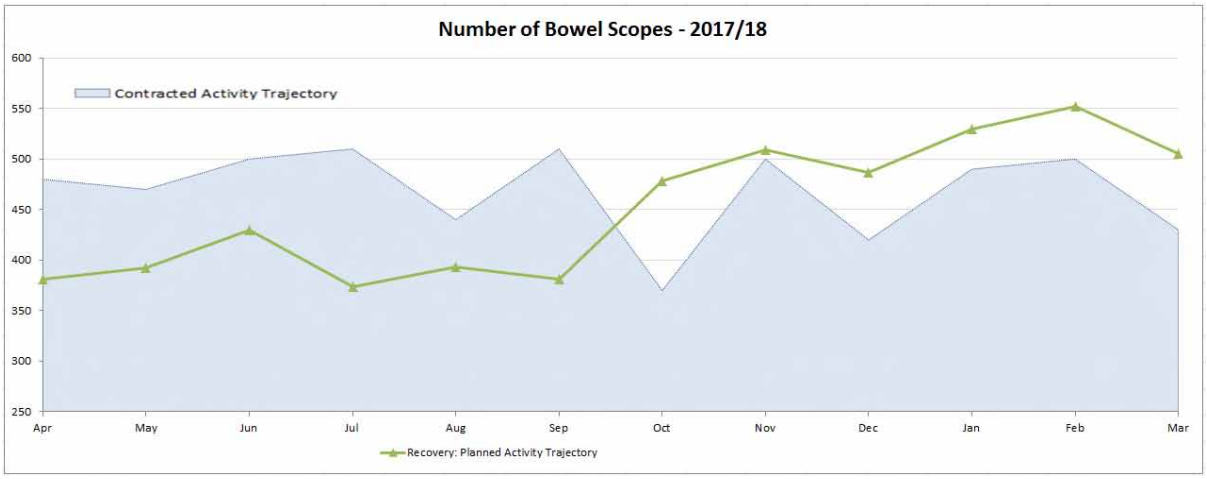
Bowel Screening Programme (NHS BCSP)

The screening centre for Dorset is based at Poole Hospital NHS Foundation Trust (PHFT) with satellite screening sites at the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (RBCHFT) and Dorset County Hospital NHS Foundation Trust (DCHFT). The programme is organised around a single clinical team with common protocols, delivering a unified service across three accredited screening colonoscopy sites.

The Dorset Bowel Cancer Screening Centre is well established with excellent working relationships amongst participating hospitals and staff, united in their aim to ensure the Dorset population of 60-74 year olds are offered the best experience possible at every step of their journey. The parallel and complimentary roll out of the Bowel Scope Screening Service (a one off bowel scope at 55 years of age) is progressing well with 92% of GP practices now linked for Bowel Scope Screening and we are anticipating full roll out to have been completed by the spring of 2018.

There has been good uptake of colonoscopy screening for men and women across Dorset, equating to 59.38% which is slightly above the national uptake of 56%. Bowel scope had a response rate of 60.48% with an uptake of 49.31%. Overall the number of patients seen for colonoscopy screening was 825 and for bowel scope (flexible sigmoidoscopy) screening was 5,412.

Following some workforce pressures earlier in the year, difficulties were experienced in running the service at 100% capacity. In response a recovery plan was implemented in October 2017 resulting in an increase in the number of lists delivered in Quarters 3 and 4. The teams across all sites worked collectively to manage the month on month pressures, ensuring that the bowel scope programme continued to deliver quality screening services to the population of Dorset.



Specifically the challenges experienced were around two key National Screening Standards:

- Diagnostic Wait time (BCSP Colonoscopy) – minimum standard of 100% of participants to undergo the diagnostic procedure within 14 days.
- Turnaround times of pathology reports - standard 100% of reports being available within seven days.

On average 93.32% of participants received their diagnostic procedure within six weeks, with 87.37% of reports being available within seven days. Both services supporting the programme experienced workforce challenges which impacted on the capacity needed to deliver against these standards.

Despite this, the national screening standard for Specialist Screening Practitioner appointments of 100% within 14 days of referral was achieved.

The programme in 2017/18 has seen an engaged population and the Trust continues to strive for further improvements on uptake by working in collaboration with GP practices and community nurse teams. The programme is supported by a flexible Specialist Screening Practitioner (SSP) team to ensure the cross-site working needed to be able to offer the local population a choice of site and time.

One of our Specialist Screening Practitioners recently achieved her bowel scope endoscopy screening accreditation, which will mean additional support to the bowel scope screening capacity.

In February 2018 the DBCSP was visited by the NHS England (Wessex) Quality Assurance team who ensure that programmes are delivering safe and effective services to our patients. The outcome of this visit was good and it was recognised that excellent care is delivered to patients with good programme management and good working relationships across all sites, to name but a few points from the initial feedback (full report yet to be received).

It's been a very positive year for the programme, which, despite the significant challenges faced during the first six months, has managed to provide a quality service as demonstrated by the feedback received. All of the participating organisations that collectively deliver the programme have worked collaboratively to provide excellent screening services for Dorset and the unit looks forward to further improving the bowel screening programme for the community over the forthcoming year.

Infection Prevention and Control

The Trust has continued to prioritise activity to prevent and control infection within the hospital. This has included development of the cleaning schedules and standards, implementation of new cleaning technologies and appointment of a third microbiologist.

MRSA

The Trust has maintained its zero tolerance to MRSA bacteraemia and continues with strategies to prevent infection including education of staff, screening and barrier nursing of patients who are found to be carriers of the bacterium and continued emphasis on the importance of hand hygiene. The trust had one case of MRSA blood stream infection this year which was deemed a contaminated sample rather than a true clinical infection.

Clostridium difficile

The Trust objective for hospital attributed clostridium difficile associated disease (CDAD) was for no more than 15 cases. This year saw a rise in the number of cases reported to 24 and work has been ongoing to understand the reasons for this increase. Additional measures have been put in place and there has been a doubling of effort to reduce the incidence of CDAD through antimicrobial stewardship, staff education and an ongoing commitment to hand hygiene and other principles of good infection prevention. It was noted that in Q4, only one case was reported and incidence appears to have reduced.

Gram Negative Bacteraemia

In May 2017, a new ambition to reduce blood stream infections caused by the common Gram negative bacteria including E.coli, was launched in the NHS. The target is to reduce these by 50% by 2021 and action plans have been developed across partner agencies in the NHS to provide a whole system approach to this work. The Trust has joined with neighbouring organisations and the CCG to develop an action plan which will be monitored over the coming year.

Emergency Preparedness and Resilience

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

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

Plans are routinely reviewed, updated and tested to ensure the Trust is prepared to care for patients in the event of a major emergency. Plans cover incidents including chemical, biological, radiological and nuclear (CBRN) as well as flu or other infectious disease outbreaks and internal incidents such as flood and infrastructure failure.

Poole Hospital have now submitted the EPRR (Emergency Planning Response and Resilience) Core standards, audited by Dorset CCG. Key points of recognition included:

- The overall feeling is that the submission was very strong.
- Since the end of the 2016 EPRR assurance round, the Trust has continued to work on its EPRR improvement plan and address the core standards against which it is only partially compliant.
- The level of engagement within the Trust is apparent and the AEO shows good support.
- They have had recent experience with incidents in the Trust, and have identified lessons that they are incorporating into their processes.
- The Trust has robust existing Governance arrangements for the EPRR function

Regular training took place throughout the year including Strategic Leadership training, awareness of major incidents, business continuity and CBRN when staff first join the Trust and on a three yearly basis for all staff and specific training for Clinical Management Team and Emergency Department staff including in depth training for CBRN.

The Trust underwent an external audit of CBRN equipment, training and planning arrangements in December 2017; auditors commented as follows:

- top level management support for the EPRR programme is apparent and fully committed;
- excellent storage facilities with cages numbered and contests lists clear and easy to identify;
- excellent procedures and training in place;
- Poole Hospital has an exercise in August and has had two live HAZMAT/CBRN incidents;
- the EP lead has great knowledge and is motivated to provide a good capability.

As well as the live CBRN exercise, Poole Hospital NHS Foundation Trust undertook the following exercises during 2017-18:

- Lockdown Exercise (testing the efficacy of Lockdown procedures which would be required during a major incident);
- Switchboard exercise (testing the decant of switchboard should an incident affect its current venue).

Poole Hospital has also been represented a number of external exercises, including a seasonal flu exercise in October 2017.

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

The Trust was required to respond to a number of incidents during 2017-18, these included:

- telephone and power outages;
- cyber attack;
- an increase in the UK Threat level to Critical following the terrorist attacks at Westminster Bridge, London Bridge and Manchester Arena, with implications for the organisation;
- refugee incident (June 2017);
- Grenfell Tower (implications for NHS buildings);
- heatwave;
- an equipment failure in Mortuary resulting in decreased capacity;
- snow;
- implications following the Salisbury Novochok attack.

2.4 Financial Performance

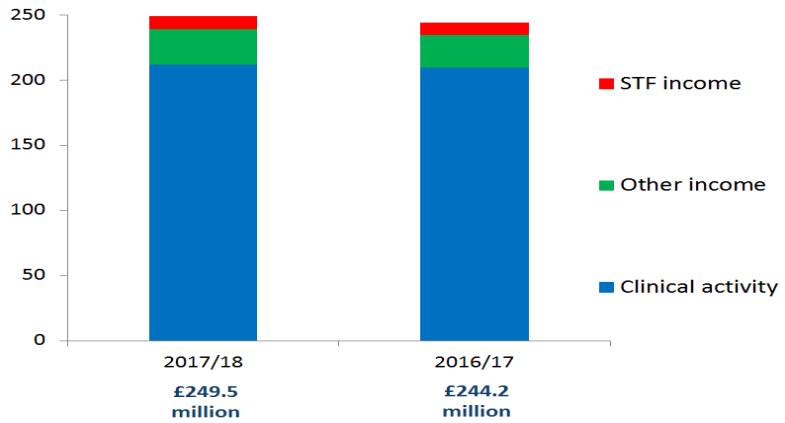
This section summarises the Trust's financial results for the 2017/18 financial year.

Income

During the twelve months to 31 March 2018 the Trust received £249 million in operating income (2016/17 £244m). This represented a total increase of 2% on the previous year and included £10 million in income earnt from the national Sustainability and Transformation Fund (2016/17 £9.3 million) as follows:

Sustainability and Transformation Fund (STF)	2017/18 £m	2016/17 £m
Financial control total	4.5	5.5
A+E 4 hour performance	1.3	1.0
RTT performance	n/a	1.0
Cancer performance	n/a	0.4
STF Core	5.8	7.9
STF Incentive: Financial	0.7	0.5
STF Bonus and General Distribution	3.5	0.9
Total STF Income	10.0	9.3

Comparative clinical income rose by 1% to £212 million (2016/17 £210 million). This income was directly related to the treatment of patients, with £208 million paid to the Trust by clinical commissioning groups and NHS England.

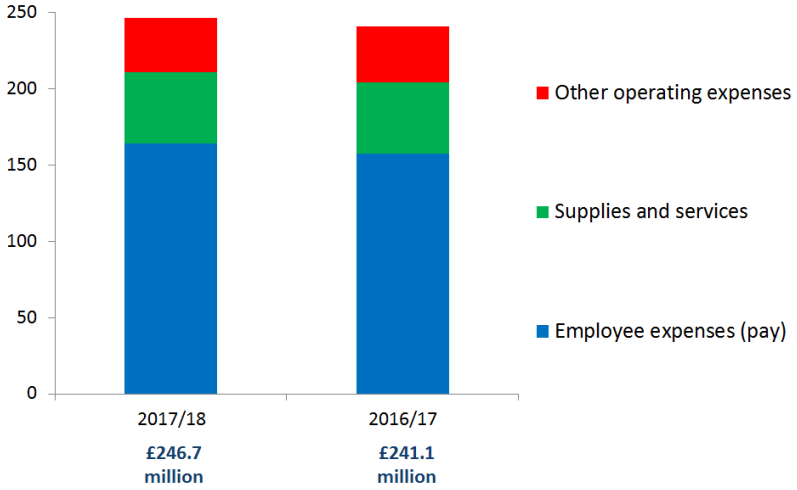


Expenditure

The Trust also saw an increase in expenditure during the year, with £247 million being spent (2016/17 £241 million). This was an increase of 2% when compared with the previous year.

Pay costs represent two thirds of the overall cost of care, and in the year £164 million was spent on pay (2016/17 £157 million) representing a total annual increase of over 4%. Within this, expenditure on agency staff increased by 30% to £5.1 million (2016/17 £3.9 million). The average number of staff employed, including agency and bank staff, increased by almost 3% to 3,633 (2016/17 3,541).

Expenditure associated with clinical services and supplies accounted for the second largest element of spend, and during the year the Trust spent £47 million on such items (2016/17 £47m), of which £23 million was spent on drugs.



Financial Performance

The financial statements for the Trust report a £505,000 deficit (2016/17 £139,000 surplus). This includes a £1.3 million estate asset impairment (2016/17 £2 million) relating to a downward valuation movement primarily relating to B Block and Park View House.

The 2017/18 operational plan committed the Trust to:

- delivering a 'financial control total' deficit of no more than £3.1 million; and
- self-financing its 2017/18 operations, partly through planning to deliver £10.9 million cost efficiency and earning at least £6.5 million income from the Sustainability and Transformation Fund (STF).

On a like-for-like comparative basis, the Trust is reporting a modest £32,000 full-year improvement against its planned 'financial control total'. This comparison is after having excluded the following unplanned national income receipts:

- £669,000 Tranche 1 Winter Funding
- £702,000 STF Incentive income
- £3.5 million STF Bonus and General Distribution income; less
- £681,000 unearned STF A+E performance income relating to March 2018

Clinical directorates were in aggregate £543,000 below operating budget across the full year, collectively offsetting a £1.4 million surgical care group overspend. Corporate directorates contributed a further £829,000 below operating budget.

Underpinning this performance in 2017/18, the Trust ran a successful cost improvement programme focusing on increasing efficiency, which enabled the delivery of £10.6 million in savings (4.6% of operating expenses, planned £10.9 million).

The Trust is reporting £14.5 million total capital investment for the year, of which £4.8 million was self-funded from depreciation in addition to:

- £6.5 million loan financed (energy performance contract and Dorchester radiotherapy satellite);
- £2.6 million funded from Public Dividend Capital (linear accelerator replacement and GP streaming in A+E);
- £0.6 million charitable funding (medical equipment and building works)

Going Concern

Despite again delivering our planned financial position during 2017/18, the Trust's net operating position – excluding non-recurrent national income receipts – was an underlying deficit of £11 million.

Underlying deficit	2017/18 £m	2016/17 £m
Reported financial surplus/ (deficit)	(0.5)	0.1
Less: STF income	(10.0)	(9.3)
Less: Tranche 1 winter funding (non-recurrent)	(0.7)	n/a
Underlying deficit excluding national income receipts	(11.2)	(9.2)

The Trust's closing cash balance at the end of March 2018 stood at just under £3 million (£7m March 2017).

Looking forward to 2018/19, the Trust is planning to operate within a 'financial control total' deficit of no more than £3.7 million, after having assumed £9.1 million STF and related national income linked to financial and A+E performance together with a further £10.9 million cost improvement plan (4.6% of operating expenses). From May 2018 the Trust has received cash support in the form of an Uncommitted Interim Revenue Support Facility from the Department of Health and Social Care.

Due to the scale of further required efficiency and associated national income risk linked to continuing to deliver financial and A+E performance during each quarter, limited investment has been earmarked in this period beyond that prioritised as being both urgent and essential for securing ongoing safety or service continuity.

The challenge for Poole Hospital remains balancing operational delivery during continued funding restraint, while at the same time creating the capacity to achieve an ambitious East Dorset acute service redesign and potential organisational merger with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust.

In concluding the financial statements for 2017/18, the Board of Directors is required to formally consider whether it regards the Trust as a 'going concern', which for this purpose is defined as *"having sufficient cash and timely access to such additional financing as may be required to remain in operation for the twelve months following approval of the annual accounts"*.

The Board has concluded that it is appropriate to prepare the accounts on a going concern basis. In making this assessment, the Board have been mindful of guidance in the Government financial reporting manual, which emphasises that the anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in the published documents, is normally evidence of going concern. In considering going concern the Board have also taken the following into account:

- Delivery of planned financial results: In March 2014, the Trust Board approved a two year operational plan and five year strategic plan. This outlined planned income and expenditure deficits agreed with the regulator to allow Poole Hospital to operationally and strategically reposition itself, post the 2013 Competition Commission prohibited merger with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust, and pending the implementation of the Dorset Clinical Services Review. The Trust has over-achieved its plan in each of the four financial years 2014-18.

Year	Income and Expenditure*		Cost improvement plan (CIP)	
	Plan £m	Actual £m	£m	% of operating cost
2018/19 plan	-3.7		10.9	4.6
2017/18*	-3.1	-3.0	10.6	4.6
2016/17*	-0.8	-0.5	9.2	3.9
2015/16	-8.6	-4.1	6.7	2.9
2014/15	-3.8	-3.4	6.6	3.0

* like for like comparison against agreed financial control total (2016-19 only)

- Dorset system financial plan: Working as one of eight Wave-One Integrated Care Systems, the Dorset NHS group has already agreed an overall net neutral financial delivery offset across 2018/19 individual organisation financial plans. Further in-year offsets of financial over-performance in one organisation against financial under-performance in another are permissible across the group, where the net impact is overall net neutral to the aggregate Dorset system control total.

- Consistency of ongoing dialogue with, and reporting to, the regulator (NHS Improvement). During its most recent on-site financial review (September 2017) the regulator was able to evidence good process, grip and control. As a result, the Trust was rated as 'good' in its Use of Resources assessment of how effectively providers are using their resources to provide high quality, efficient and sustainable care for patients. At the same time the Trust ranked in the upper quartile as the 10th most productive non-specialised acute provider in England based on the Model Hospital weighted activity unit metrics for 2016/17 (19th during 2015/16).

- Cash flow projections for the next twelve months, which show a dependence on access to an Uncommitted Interim Revenue Support Facility from the Department of Health and Social Care.

The Trust's dependency on cash support will continue until such time that a financially sustainable plan is implemented and the associated efficiency benefits realised, as part of the East Dorset reconfiguration relating to the Dorset Clinical Services Review.

The Board of Directors acknowledge that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, in the event of material under-performance against key budget assumptions and non-availability of anticipated funding, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Specifically, an uncertainty exists around whether the Trust:

- will earn all planned income from the national Sustainability and Transformation Fund (STF £9.1 million planned during 2018/19);
- is able to deliver cost improvement plans above nationally assumed minimum levels (£10.9 million or 4.6% again during 2018/19, against a national tariff efficiency factor of 2%), upon which receipt of STF income is largely dependent; and
- will be able to access cash funding as required from the Department of Health and Social Care's Uncommitted Interim Revenue Support Facility.

These risks are well understood and action can and will be taken to ensure that the risks are managed.

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

Looking Forward

During 2018/19 and as already noted, the Trust is planning to deliver a 'financial control total' deficit of no more than £3.7 million, after having assumed a £10.6 million cost improvement plan and £9.1 million income from the national Sustainability and Transformation Fund.

The work associated with the Dorset Clinical Services Review continues to be an important feature of planning forward, and the outcome of this work will be of prime importance for patients, staff and all those living in Poole, Bournemouth and the wider Dorset County.

The Poole Hospital strategy for securing clinical, operational and financial sustainability is directly linked to the Dorset Clinical Services Review and its related assumptions which include three key deliverables for this Trust:

- organisational merger with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust;

- capital investment, with £147 million earmarked for the Dorset Integrated Care System to enable the required reconfiguration of acute services across the Bournemouth and Poole hospital sites;

- reconfiguration of acute services following capital investment.

As part of this work, a key priority continues to be developing a sustainable future for the services provided by Poole Hospital, whilst ensuring continuation and maintenance of the high standards of care that the hospital has a history of providing.

2.5 Environmental Matters

Sustainability

Poole Hospital is committed to reducing its carbon footprint in line with the Climate Change Act (2008). This translates to a reduction of 28% by 2020 compared to the 2013 baseline[1]. The NHS seeks to lead the public sector in carbon reduction, and a new Sustainable Development Strategy for the Health and Care System was launched at the start of 2014 to support this[2].

[1] HTM 07-02 Part A – Making Energy Work in Healthcare (2015)

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

Energy, Water and Carbon Management

The Trust has been working with British Gas since 2015 on an Energy Performance Contract (EPC) to make guaranteed energy, financial, and carbon savings through a number of measures:

- the Trust has installed a new 850 kW Combined Heat and Power (CHP) system which will supply heat and electricity to the Hospital and save around £220,000 per year, and over 820 tonnes of CO^2. The CHP will provide up to 50% of the total site power demand, and at times will provide all of the site heat demand. This project was funded through a Salix Finance loan[3] – which provides public sector organisations with a 100% interest-free source of capital funding to improve energy performance and reduce carbon emissions;
- replacement of around 3,000 fluorescent light fittings to smart-controlled low-energy LED's, which will improve the clinical environment and save over £50,000 per year and 240 tonnes of CO^2
- replacement of all lighting to smart-controlled low-energy LED's in the multi-storey car park. This has reduced energy consumption and made the area safer for patients and visitors;
- upgrade of the main heating and steam boiler plant serving the main hospital site, including installation of three new LTHW heating boilers, and two new steam generators serving our on-site sterilisation unit and other uses. These new boilers are more efficient than the old ageing plant and will provide improved reliability and a reduction in gas consumption;
- a new 1.8 MW standby backup generator has been installed to accompany the existing 1.6MW set. Together these generators will provide full emergency electrical backup in the event of a loss of mains from the grid, to ensure business continuity and eliminate any impact to patients;
- upgrade of some of the air handling units, including installation of new energy efficient motors and controls;
- Smaller projects also include improving our insulation on plantrooms pipework to reduce heat losses, installing steams traps on our steam systems to reduce losses, and installing variable speed drives on pumps to save power through improved control.

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

The performance data on page 34 shows the total energy consumption for the Trust and demonstrates the trend in consumption and spend over time. In addition to electricity and gas, the carbon emissions from waste and water are also shown in separate tables over the same period.

Priorities and Targets for 2018/19 are to:

- investigate and implement water-saving projects across the estate;
- investigate further opportunities for lighting upgrades, to be funded through Salix Finance interest-free loans;
- create long-term strategy for building management system, including investigation of controls to improve efficiency and reduce energy consumption.

[3] More information on Salix Finance can be found on their website at: http://salixfinance.co.uk/

Procurement

The Trust is committed to reducing indirect environmental impacts associated with the procurement of goods and services. A Sustainable Procurement Strategy has been developed in co-operation with the Trust's Commercial Services department. This aims to influence buying patterns and achieve further carbon reduction through the holistic assessment of suppliers – for example awarding suppliers points during tender returns for sustainability criteria.

We have used the Procuring for Carbon Reduction (P4CR) toolkit to identify and understand our carbon reduction opportunities associated with procurement activities.

Priorities and targets for 2018/19 are to:

- continue to progress our Sustainable Procurement Policy and accompanying action plan;
- organise a training event for procurement and other relevant staff to introduce the concepts of sustainable procurement in practice.

Transport and Active Travel

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

During 2016/17 improvements were made to staff changing facilities by increasing the number of showers available and refurbishing the main changing/locker facilities for both males and females.

The Trust has introduced a discount bus scheme for staff, which offers reduced prices on a variety of passes with a local bus company - MoreBus. This also helps to reduce carbon emissions by reducing the number of vehicles on the road.

Priorities and targets for 2018/19 are to:

- continue to promote and encourage sustainable forms of transport to staff, patients and visitors;
- continue to improve and maintain facilities for staff cyclists.

Waste Reduction and Recycling

From January 2017, the Trust has achieved zero waste to landfill, thanks to the appointment of a new clinical waste contractor and re-diverting all general/domestic waste to an 'energy from waste' facility.

A clinical waste project was launched in March 2017 to improve segregation of different clinical waste types, in an effort to improve efficiency and save the Trust money. This project has successfully reduced the annual clinical waste expenditure by around 17% or £45,000, by introducing the non-infectious clinical waste stream across the majority of the Trust.

The Trust continues to segregate mixed recycling from general waste, and introduce recycling bins into new areas where possible and during refurbishment projects. All household batteries are segregated and recycled for free and the Trust also earns an income from selling cardboard bales and scrap metal on an on-going basis.

Priorities and targets for 2018/19 are to:

- further improve clinical waste segregation and awareness;
- continue to roll-out recycling bins across the Trust where possible.

Staff Engagement and Communications

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

Priorities and targets for 2018/19 are to:

- continued engagement with staff, patients, and visitors through internal and external communications, for example staff bulletins, magazines and external press releases;
- take part in sustainability related events throughout the year, and other relevant local/national networks.

Performance data:

Greenhouse gas emissions and energy use:		**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Non-financial indicators (tonnes $CO2_e$)	Total gross emissions:	8,357	8,746	8,495	8,210	7,377
	Gross emissions scope 1 (Gas)	3,325	3,275	3,450	3,329	5,412
	Gross emissions scope 2 (Electricity)	4,266	4,665	4,216	4,123	1,583
	Gross emissions scope 3 (Waste/water/business travel)	766	805	830	758	382
Related energy consumption (MWh)	Total consumption:	27,644	27,144	27,824	28,007	30,712[4]
	Electricity	9,577	9,439	9,121	10,005	4,502
	Natural gas	18,067	17,705	18,703	18,002	26,210
Financial indicators (£1,000's)	Expenditure on energy	1,808	1,748	1,650	1,520	1,304
	CRC gross expenditure	107	142	130	130	107
	Expenditure on official business travel	176	187	197	194	191

Waste:		**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Non-financial indicators (tonnes)	Total waste:	872	934	1,047	1,095	1,041
	High temp disposal waste	470	501	526	283	92
	Domestic incineration (with energy recovery)	-	-	-	348	803
	Landfill	308	347	361	290	0
	Recycled/reused	94	86	160	174	146
Financial indicators (£1,000's)	Total waste cost:	315	325	346	337	298
	Clinical waste	257	258	272	264	219
	Domestic waste	55	63	69	68	73
	Recycled/reused	3	4	5	5	6

[4] This figure is higher as a greater amount of gas is used in the new CHP plant, but this generates a heat and power benefit

Water:		2013/14	2014/15	2015/16	2016/17	2017/18
Non-financial indicators (1,000's m^3)	Water consumption	108	105	110	115	118[5]
Financial indicators (£1,000's)	Water and sewerage costs	330	325	301	325	347
Water usage (m^3) per occupied floor area (m^2):		1.59	1.55	1.59	1.67	1.70

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

- NHS Sustainable Development Unit: http://www.sduhealth.org.uk/
- UK Climate Change Adaptation: https://www.gov.uk/government/policies/adapting-to-climate-change

2.6 Social, Community and Human Rights

Equality and Diversity

Poole Hospital has a commitment to equality and diversity as a provider of healthcare services and as an employer. The provisions of the Equality Act 2010 are applied across the Trust in relation to all protected characteristics to progress equality, diversity and inclusion in all services and the employment of our staff.

The Trust's positive approach to equality and diversity is supported by the values of the Poole Approach which promote behaviours that progress the delivery of inclusive services. The trust's values within the Poole Approach ensure equality and diversity are values which are valued and present within the workplace. This was evidenced within the 2017 National NHS Staff Survey, with 91% of staff believing the Trust provides equal opportunities for career progression or promotion, placing Poole in the best 20% of acute trusts nationally.

Equality and diversity training is delivered to all new staff on joining the trust and within the Core Skills training which all staff attend on a regular basis. This training has a clear focus on how equality and diversity practice supports both the delivery of high quality and person centred patient care and secures best practice in employment.

The Trust has an active Staff Experience Group, led by an Executive Director, which works to progress equality across services and employment and provides assurance of a range of actions which are in place to support best practice and the development of skills and understanding in equality across the Trust.

The Trust continues to progress the NHS Workforce Race Equality Standard (WRES). This national Standard enables the Trust to look at staff experience across nine workforce indicators to identify and compare the experience of employees from Black and Minority Ethnic backgrounds and White backgrounds. The Trust is positively mentioned within the national NHS Workforce Race Equality Standard 2017 data analysis report for NHS Trusts for practice in relation to equality within the Trust.

The Trust has set in place arrangements to ensure that BME (Black, Asian and minority ethnic staff) have a voice in the Trust, through membership of a BME group.

[5] Continuous activity increases for the hospital, and a rising annual water and sewerage cost have caused these figures to rise

The Trust has welcomed and is actively preparing for the introduction of the NHS Workforce Disability Equality Standard (WDES), having taken an active part in the consultation of the metrics to be applied within the Standard.

The Trust has begun work with other Dorset Trusts to refresh the Equality Delivery System for patients and staff across the NHS in Dorset. This work will continue through 2018.

The Trust has reported information and actions in response to the new Gender Pay Gap legislation requiring the Trust to publish gender pay gap data annually, measuring the difference between average earnings for males and females. It is important to recognise that the gender pay gap differs to equal pay, which is in relation to pay differences between men and women who carry out the same job for different pay. The gender pay gap shows the difference in average pay of all men and the average pay of all women employed by the Trust. The Trust's pay gap is 9% favourable for female staff based on mean hourly pay rates for women and men. The picture is different when median pay rates are considered, with a 12% gap favouring male staff. This can be explained largely by the relative proportion of male and female consultants within their respective gender groups. Of the nearly 900 male staff, 130 are medical consultants (14.5%), whilst of the approximately 3,200 female staff, 72 are medical consultants (2.25%). This trend is borne out by the analysis of gender spread across pay quartiles. The Trust's workforce is 78% female and 22% male. To a large degree this is reflected in the three lower quartiles whilst the preponderance of male consultants skews the upper quartile towards male staff. The Trust is carrying out work to develop a deeper understanding of the data and to develop Gender Pay Gap actions and reporting; further demonstrating our commitment to equality.

The Trust has an LGBT Group which is open to both lesbian, gay, bisexual and transgender staff and also to all staff who wish to work with the group to progress sexual orientation equality for staff and patients. The group has supported the development of a partner LGBT Group in a neighbouring NHS Trust. The Trust is an active member of the Dorset NHS LGBT Network and is present on the committee; attending the launch of the Network at Poole Lighthouse in autumn 2017. The Trust was present at the Bournemouth Pride LGBT festival in Summer 2017, engaging with many local people and demonstrating the Trust's commitment to equality and inclusion for our patients and staff, and has begun working with other Dorset NHS Trusts to ensure a county-wide NHS presence at Pride 2018.

The regulators, the Care Quality Commission (CQC); National Trust Development Agency (NDTA) and NHS Improvement, use data from the National NHS Staff Survey, the Equality Delivery System and the Workforce Race and Disability Equality Standards to help assess whether NHS organisational are well-led. The standards are applicable to providers and are subject to the clinical commissioning group's assurance process.

A Fair Employer

The Trust is proud to have been re-awarded the status of Disability Confident Employer. Awarded by the Department of Work and Pensions this replaced the previously held Jobcentre Plus 'disability symbol'. The award recognises a practical commitment to fairness in our recruitment process, including the Guaranteed Interview Scheme. It also acknowledges the Trust's commitment to both employing disabled people and delivering a range of support to ensure that staff with disability are developed and retained within the Trust.

Counter Fraud and Security Management Service

To help protect valuable NHS resources and ensure continued funding for the provision of services, the Trust is committed to preventing losses to fraud, corruption and error. Whilst the vast majority of staff, contractors and patients are honest, unfortunately experience has shown that there are a small minority who are willing to steal from the NHS.

The Trust employs a specialist service to investigate complaints of suspected fraud, bribery and corruption. It has a number of policies relating to fraud, bribery and corruption including a Fraud Response Plan, Standards of Business Conduct Policy, Whistleblowing Policy and the National Fraud Initiative**.**

2.7 Overseas Operations: None

2.8 Protecting Patients' Information

Information Governance is an important issue for the Trust. The Senior Information Risk Owner (SIRO) and Caldicott Guardian are both Board level appointments, leading the drive to achieve standards for Information Security, Confidentiality and Data Protection, Records Management and Secondary use of Information. The Trust is a signatory to the Dorset Information Sharing Charter (DISC) which highlights commitment to working more collaboratively with partners across Dorset. The Trust is also involved in a major project for the creation of a Dorset Care Record, which will bring together vital information from all services which will assist in providing higher levels of care across Dorset. There has been much communication streams to inform Dorset residents of this ongoing work, which has included vast amounts of documentation and various public meetings. The Trust takes a positive approach to information rights and protecting people's information rights is a frontline service. The Trust ensures conformation to all legislation requirements including the imminent release of the new Data Protection legislation by undertaking the following:

- all staff are expected to take a positive approach to their responsibilities and ensure they understand the importance of information rights and their own responsibility for delivering them;
- ensuring all staff receive information management/security training annually by providing regular corporate training sessions, electronic training and ad hoc sessions, which include assessments where an acceptable level must be achieved and making guidance readily available in paper and electronically, achieving a compliance level of 95.8%;
- providing clear policies and guidance which are easily accessible to all staff, which have been updated to incorporate new legal requirements;
- conducting confidentiality audits throughout the Trust;
- clearly displaying the Trust's privacy notice;
- ensuring all Serious Incidents Requiring Investigation (SIRIs) are reported, investigated and managed in accordance with national requirements. The Trust is committed to monitoring incidents to ensure that they are robustly investigated, appropriate actions are taken which would include action to improve patient safety and that lessons are learned in order to minimise the risk of similar incidents occurring in the future. Further information in relation to SIRIs can be found below.

Information Governance (IG) Toolkit; 2017/18 Summary

The IG toolkit is a mandatory performance tool consisting of 45 separate criteria covering various areas. The Trust must submit evidence against each criteria, which demonstrates compliance at either level 0 (insufficient), level 1 (limited), level 2 (sufficient) or level 3 (exceptional). The Trust must achieve a minimum of level 2 in all 45 criteria in order to achieve a satisfactory rating. The IG toolkit also gives a percentage score based on the levels achieved within each criteria across the overall assessment. For 2017/18 the Trust achieved 84% (satisfactory) for submission of the Information Governance toolkit to NHS Digital.

In 2017/18 the Trust processed 2,138 requests for personal information made under the Data Protection Act 1998.

The number of Freedom of Information requests processed this year was 657 which equated to 6,806 questions with a 99.5% response rate within the permitted time frame.

Summary of Information Governance Serious Incidents Requiring Investigation (SIRI) Involving Personal Data as Reported to The Information Commissioner's Office (ICO) in 2017-18

During the period 2017-18 there have been two cases of serious data losses recorded, and assessed as Level 2 SIRI. These were reported to the Information Commissioner's Office (ICO) and NHS Digital and treated as a serious untoward incident. Both cases were appropriately investigated and following liaison with the ICO, they considered that the Trust had taken appropriate actions and therefore no further action was required. Details of both incidents are summarised below;

Incident reference	IGI/11674
Date of incident (month)	April 2017
Status as at date of report publication	Closed
Number of data subjects potentially affected	698
Incident nature	Disclosed in Error
Format category	Central Delivery Admissions Book taken in error.
Nature of data involved	Patient sent home with own hand-held records, but in addition to collating her own records the patient picked up in error a central delivery admissions book containing demographic information of 698 other patients.
Notification steps	The book has been safely returned to the Trust and has undergone full inspection to ensure there was no missing information. The patient who took the book in error has provided assurances that none of the information has been taken or copied. A full investigation has been conducted; written statements have been obtained from the midwife who discharged the patient and also the community midwife who collected the book. Reported to NHS digital / ICO and also reported as a serious untoward incident.
Further action on information risk	The current process was looked at and immediate changes have been implemented, these included the use of a more robust hardbound book which is now not transported around but kept securely within the midwife's office and is tethered to office furniture. All appropriate staff have been made aware of the incident and the immediate changes to process. The incident was reported accordingly to the Trusts Caldicott Guardian and SIRO.

Incident reference	IGI/13599
Date of incident (month)	August 2017
Status as at date of report publication	Closed
Number of data subjects potentially affected	2
Incident nature	Disclosed in Error
Format category	Personal/sensitive information sent to incorrect address.
Nature of data involved	A letter containing personal/sensitive information relating to a child and their mother was sent to an incorrect address.
Notification steps	A letter that was addressed to the patients GP was cc to the patient's Guardian, this letter contained personal/sensitive information relating to a child and the mother. Unfortunately on dispatching this it has been sent to a neighbouring property, as the wrong property number had been put on the address. The neighbour who received this letter in error admitted opening and when identified this had been sent in error, it was taken to the patients GP, who informed us of the incident. The patient's Guardian was informed immediately by phone and this was followed up by a letter of apology and the offer of a meeting to discuss further was included. Reported to NHS digital / ICO and also reported as a serious untoward incident.
Further action on information risk	A full investigation has been conducted and appropriate actions have been taken. Data subjects were informed by phone and followed up with a letter of apology and the offer of a meeting to discuss further. Reviewed and amended processes. All appropriate staff have been made aware of the incident and the immediate changes to process. The incident was reported accordingly to the Trusts Caldicott Guardian and SIRO. Liaised with the ICO and provided additional documentation to them to assist with their enquiries.

Summary of Other Personal Data Related Incidents in 2017-18

Assessed as level I

Category	Breach Type	Total incidents
A	Corruption or inability to recover electronic data	1
B	Disclosed in Error	40
C	Lost in Transit	2
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	8
F	Non-secure Disposal — hardware	0
G	Non-secure Disposal — paperwork	1
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	10
K	Other	6

2.9 Looking ahead

During 2018/19 and as already noted, the Trust is planning to deliver a 'financial control total' deficit of no more than £3.7 million, after having assumed a £10.6 million cost improvement plan and £9.1 million income from the national Sustainability and Transformation Fund.

The work associated with the Dorset Clinical Services Review continues to be an important feature of planning forward and the outcome of this work will be of prime importance for patients, staff and all those living in Poole, Bournemouth and the wider Dorset County.

The Poole Hospital strategy for securing clinical, operational and financial sustainability is directly linked to the Dorset Clinical Services Review and its related assumptions which include three key deliverables for the Trust:

- organisational merger with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust;
- capital investment, with £147 million earmarked for the Dorset Integrated Care System to enable the required reconfiguration of acute services across the Bournemouth and Poole hospital sites;
- Reconfiguration of acute services following capital investment.

As part of this work, our key priority continues to be developing a sustainable future for the services provided by Poole Hospital, whilst ensuring we continue to maintain the high standards of care that our hospital has a history of providing.

Signature:

Debbie Fleming, Chief Executive

Date: 23/5/18

SECTION B: ACCOUNTABILITY REPORT

3. DIRECTOR'S REPORT

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

3.1 Governance and Membership

Council of Governors

The Council of Governors is made up of the Trust Chairman, fourteen public Governors and four staff Governors, who are democratically elected respectively by the public members or the staff members of the Foundation Trust. There are also five appointed Governors from our major partnership organisations. The council of Governors is responsible for holding the Non-Executive Directors to account for the performance of the Foundation Trust. Whilst not involved in the day-to-day running of the Trust, Governors provide an essential link between our Board of Directors, which is responsible for overseeing the delivery of services, its members (who are the local owners of the Trust) and the community we serve.

The Council of Governors has the powers to appoint the Chairman and Non-Executive Directors of the Trust and to approve the appointment of the Trust's Chief Executive. The Council of Governors also has the powers to remove the Chairman and Non-Executive Directors at a general meeting of the Council of Governors.

Board of Directors

The Board of Directors is made up of Executive Directors and Non-Executive Directors. The Board usually meets every other month and its role is to determine the overall corporate direction of the Trust and ensure delivery of its goals, contractual targets and regulatory requirements. The Board has reserved powers to itself covering:

- Regulation and control
- Appointments
- Strategy, business plans and budgets
- Direct operational decisions
- Financial and performance reporting arrangements
- Audit arrangements
- General enabling provision to determine any matter within its statutory powers.

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

The Board has given careful consideration to the range of skills and experience required for the running of an NHS Foundation Trust and confirms that the necessary balance and completeness has been in place during the year under report. With regard to succession planning, the process of appointing a new Chairman had been presented to the Nominations, Remuneration and Evaluation Committee (NREC), the Board and Council of Governors in April 2016. Subsequently, the process was commenced and the appointment process was completed in January 2017 to ensure there was a planned handover period of six weeks from April 2017.

Discussions took place regarding the position of Medical Director during 2017, which culminated with the appointment of a new Medical Director in September 2017, the timing of which ensured a three month handover, prior to the appointment commencing on 1 January 2018.

The Trust has various routes for resolving disagreements between the Board of Directors and the Council of Governors. These include the interventions of the Senior Independent Director and the Deputy Chairman of Governors (who is a Governor). There is also a formal position for resolving any disagreements which can be found at:
https://www.poole.nhs.uk/pdf/Dispute%20Resolution%20Procedure%20Final%20Version%20(following%20CoG%201-5-14).pdf

Non-Executive Directors may have their tenure terminated by their own resignation, through the intervention of NHS Improvement or a decision by the Council of Governors based on the approval of three quarters of the members of the Council of Governors.

Role of the Chairman

The role of the Chairman is to:

- build a well-balanced and effective Board;
- chair Board and Council meetings, and setting the Board and Council agendas;
- ensure annual review of the Board, Council and the Non-Executive Directors is undertaken;
- encourage constructive challenge at Board meetings;
- ensure appropriate induction and development programmes for the Board and Council;
- ensure effective two way communication between the Board and Council members;
- promote high standards of corporate governance.

Role of the Chief Executive

The role of the Chief Executive is to:

- be the accounting officer for the Trust;
- develop and implement the Trust's strategic direction and vision statement;
- recommend the annual and strategic plans for the Trust;
- provide leadership to the Trust;
- manage the Trust's risk register and establishing internal controls;
- review the Trust's organisational structure and developing the Executive Directors;
- ensure that the Chairman and Board are kept advised and up to date on Trust business and wider healthcare policy and developments;
- maintain relationships with the Council of Governors;
- chair the Hospital Executive Group (HEG) of Executive and Clinical Directors, responsible for delivering the Trust's strategic objectives, operational management, service planning and delivery and advising the Board of Directors;

The Trust has a formal statement regarding the division of responsibilities between the Chairman and Chief Executive as required by Monitor's (now NHS Improvement) code of governance. This can be found on our website:
https://www.poole.nhs.uk/pdf/D23%20-%20Chairman%20v%20Chief%20Executive%20Resposibilities%20Statement.pdf

Role of the Non-Executive Directors

The role of the Non-Executive Directors is to:

- provide effective leadership and appropriate challenge at the Board;
- assist in the development of strategic focus for the Trust bringing individual expertise;
- serve on the Board sub-committees;
- assist with senior clinical appointment panels for the Trust.

Role of the Executive Directors

The role of the Executive Directors is to:

- support the Chief Executive in implementing the Trust's strategic direction and vision;
- ensure that performance and quality targets are met;
- provide leadership for the day to day running of the Trust;
- implement the Trust's annual plan;
- mitigate risks within the Trust to ensure internal controls;
- review individual organisational structures to ensure succession planning.

Role of the Vice Chairman

The role of the Vice Chairman is to:

- chair Board and Council of Governors meetings in the absence of the Chairman;
- support the Chairman on Board related matters as required;
- deputise for the Chairman's day to day role in times of absence.

Role of the Senior Independent Director

The role of the Senior Independent Director is to:

- be available to Governors and members on matters which cannot be resolved by the Chairman or Chief Executive;
- be involved in the process for evaluating the performance of the Chairman;
- lead a meeting of the Non-Executive Directors to evaluate the Chairman's performance, as part of the process agreed with the Council of Governors for appraising the Chairman;
- liaise with the Chairman and Company Secretary in relation to setting the agenda of the Council of Governors.

Board Evaluation and NHS Improvement's Well-Led Framework

The Board had undergone a comprehensive external evaluation in the autumn of 2016, following NHS Improvement's Well Led Framework. The review concluded that the Trust was a well-run organisation with clear strengths across all areas under consideration. The Board approved the outcome of the Well-Led Review at its meeting in January 2017 and the action plan arising from the review. The Board scrutinised progress against the action plan at its meeting in September 2017 and subsequently undertook a skills audit. The Board and the sub-committees were evaluated in October 2017 by the Care Quality Commission as part of the CQC's inspection of the well-led question. The Trust was rated as "good". The Trust has an experienced and credible leadership team with the skills, abilities and commitment to provide high-quality services. The Board promotes a positive culture within the Trust. In particular, the "Poole Approach" is embedded in the work of the organisation and is underpinned by the values of compassion, openness, respect, accountability and safety.

Performance, quality and risk are reported directly to the board with standardised ward to board performance data providing key quality and safety metrics.

Board Development

The Board has continued its ongoing development through its Board Seminars and externally facilitated events including:

- Board Assurance Framework;
- The future of elderly care in east Dorset;
- Care Quality Commission inspection regime;
- People Strategy;
- Improving health informatics in Dorset;
- Use of Resources Framework;
- Mental health services in Dorset;
- 2018-19 Operational Plan;
- Understanding recruitment and retention;
- Forest Holme Hospice.

The Board also engaged in joint development sessions with the Governors in September and December 2017, which included presentations on:

- Significant Transactions and Governance;
- reflections on the Dorset Clinical Services Review;
- One Acute Network;
- Integrated Discharge Service;
- People Strategy and organisational development;

3.2 Key activities of the Board of Directors

The Board has continued to focus, as a key priority, on the safety, quality and sustainability of the services it provides whilst ensuring an effective response to the dependency on continued significant efficiencies above nationally assumed minimum levels and, for 2018/19, extend cash support to maintain a 'going concern' status. The continued impact has created an environment where minimal investment is available. The Board has been supported by four sub-committees, the Audit and Governance Committee, Quality Safety and Performance Committee, Workforce and Organisational Development Committee and the Finance and Investment Committee. Visits to clinical and non-clinical areas for Non-Executive Directors have taken place during the year.

The financial statements for the Trust report a £505k deficit (2016/17 £139,000 surplus). At the start of the year, the Board agreed to deliver a "control total" deficit of no more than £3.1 million against which the Trust has reported a comparative £3 million deficit. A summary reconciliation between the financial statements and performance against NHS Improvement control total parameters is provided in the Financial Performance section from page 27.

Underpinning this performance in 2017/18, the Trust ran a successful cost improvement programme focusing on increased efficiency, which enabled the delivery of £10.6 million in savings (4.6% of operating expenses, planned £10.9 million). The Trust achieved these savings without compromising on the standards of care. The Trust's cash balance at the end of March 2018 stood at just under £3million.

The Board continues to engage fully with system wide working following the outcome of the Dorset Clinical Services Review. The Board endorsed a Memorandum of Understanding following on from Dorset being recognised as one of eight systems designated as the wave one Integrated Care Systems.

During the past year the Board has devoted time and received regular reports and updates from the Director of Nursing, the Medical Director, the Chief Operating Officer, the Director of Workforce and Organisational Development and the Finance Director, on key operational and quality issues. The Board continues to receive quarterly Guardian of Safe Working Hours reports, Mortality Reports and an annual Raising Concerns Report, alongside a number of additional quality focussed reports each month. These include for example, the Serious Incident Report, a Pressure Ulcer Improvement Plan and a focus on infection control rates. From an operational and performance perspective, the Board focussed on the four hour organisational standard in the emergency department and during the latter part of the year, the Trust's performance against RTT and the linked recovery plan. The Board considered its risk appetite as part of a wider review of the Trust's risk management strategy. There has been an increased focus on workforce challenges, in particular recruitment and retention and agency expenditure, following implementation of the agency cap by NHS Improvement the previous year, from a finance perspective and workforce perspective. The trust's first People Strategy was approved by the board. A patient's story continues to be presented to the Board each month.

The Trust underwent its Care Quality Commission inspection in September and October 2017 and received the outcome in January 2018 with an overall rating of "good". The Trust was rated as "good" for "Effective", "Caring", "Responsive" and "Well Led". The Board considered the action plan arising from the inspection in the latter part of the year. The Trust also underwent its NHS Improvement assessment of Use of Resources and was rated "good".

The Board has carefully considered and reviewed the development of the Sustainability and Transformation Plan for Dorset in the interests of whole system working whilst ensuring robust plans are developed across the system to manage demand.

The Board has paid attention to updates to the regulatory regimes in relation to NHS Improvement's Single Oversight Framework, Use of Resources Framework and its regular bulletins.

The Board has also been fully cognisant of its own development needs and following the Well-Led Review in the autumn of 2016, the Quality Strategy has undergone a review and a People Strategy has been implemented.

3.3 Working with Governors

The Trust has a formal engagement document which was updated in September 2016, that sets out how the Board of Directors works with the Council of Governors to ensure the directors have an understanding of the views of Governors and members and directors are invited to the Council of Governors meetings. The document underlines the importance of frequent informal communication in building a positive and constructive relationship, and outlines formal communication methods and can be found on our website:

https://www.poole.nhs.uk/about-us/board-of-directors/board-governance-arrangements.aspx

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

- the Board of Directors' proposals for the strategic direction of the Trust and the annual plan;
- the Board of Directors' proposals for developments;
- Trust performance;
- Involvement in service reviews and evaluation relating to the Trust's services.

3.4 Members of the Board of Directors

Steve Erskine, Chairman

Date of appointment: 16 May 2017
Date of expiry: 15 May 2020

Steve has a wide range of executive/non-executive experience built up over the past 17 years. His roles have included main Board Director at Ordnance Survey, Services Director at the Serious Organised Crime Agency and Business Development Director at L3, a US private sector technology company. For six years before joining the hospital in 2017 he was a Non-Executive Director and Portsmouth Hospitals NHS Trust and Deputy Chair since 2015.

Other directorships and registered interests*
None

Other committee memberships
Appointments Committee
Council of Governors
Finance and Investment Committee
Nominations, Remuneration and Evaluation Committee
Remuneration Committee

Angela Schofield, Chairman

Date of appointment: 16 May 2011
Date of expiry: 15 May 2017

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

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

Other directorships and registered interests*
Trustee - Brendon Care

Other committee memberships
Appointments Committee
Council of Governors
Finance and Investment Committee
Nominations, Remuneration and Evaluation Committee
Remuneration committee

Philip Green, Non-Executive Director; Vice Chairman and Chairman of the Audit and Governance Committee (from 1 December 2015)

Date of appointment: 25 April 2015
Date of expiry: 24 April 2021

Philip has more than 30 years' experience of working in the aerospace industry having spent 14 years at BAE Systems and more recently with Meggitt PLC, a FTSE100 company, initially in the role of group company secretary and now in the position of group corporate affairs director.

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

Other directorships and registered interests*
Director - Meggitt PLC
Director - various subsidiaries of Meggitt PLC
Appointment to the Leeds University Business School's Research and Innovation Advisory Board

Other committee memberships
Appointments Committee
Audit and Governance Committee
Quality, Safety and Performance Committee
Remuneration Committee

Hugh Marshall, Non-Executive Director; Chairman of the Finance and Investment Committee

Date of appointment: 1 December 2016
Date of expiry: 30 November 2017

Hugh is an independent strategy and corporate finance advisor. He is currently Director of Vidius Consulting which provides strategy, business development and corporate finance advisory services to central government departments and their agencies as well as large scale private sector companies - particularly those which have significant business activity with the public sector. He advises in the UK, Australia and New Zealand.

Other directorships and registered interests*
Director – Vidius Consulting Pty Ltd
Director – Curis Integrated Solutions Ltd with 20% ownership
Operational Productivity Director – NHS Improvement

Other Committee Memberships
Audit and Governance Committee
Appointments Committee
Remuneration Committee

Mr Stephen Mount, Non-Executive Director; Chairman of Finance and Investment Committee

Date of appointment: 1 December 2017
Date of expiry: 30 November 2020

Stephen is a Fellow of the Institute of Chartered Accountants in England and Wales and until 2016 was a Senior International Client Relationship and Lead Audit Engagement Partner with Pricewaterhouse Coopers LLP. He spent 27 years advising a wide range of industry sectors on a variety of strategic and financial issues, and led the post-merger integration of major Coopers and Lybrand and Pricewaterhouse offices.

Stephen is a member of the Financial Reporting Council which regulates accounting, financial reporting and auditing in the United Kingdom; is a Trustee and Treasurer of the New Forest Ninth Centenary Trust and a Governor of Reading Blue Coat school.

Other directorships and registered interests*
Member of the Financial Reporting Council
Director, New Forest Trust Trading Company

Other Committee memberships
Appointments Committee
Audit and Governance Committee
Finance and Investment Committee
Remuneration Committee

Dr Calum McArthur, Non-Executive Director; Chairman of Quality, Safety and Performance Committee

Date of appointment: 1 November 2014
Date of expiry: 31 October 2020

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

Other directorships and registered interests*
Medical examiner - Capita Medical Group
Sessional GP covering HMP IOW – Med Co Locum Agency
GP appraiser – Health Education Wessex
Co-opted Member – Combat Stress

Other committee memberships
Appointments Committee
Finance and Investment Committee (until 30 November 2015)
Quality, Safety and Performance Committee
Remuneration Committee

Caroline Tapster, Non-Executive Director

Date of appointment: 1 December 2015
Date of expiry: 30 November 2018

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

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

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

Other committee memberships
Appointments Committee
Finance and Investment Committee
Quality, Safety and Performance Committee
Remuneration Committee

David Walden, Non-Executive Director, Chairman of Charitable Funds Committee

Date of appointment: 1 December 2015
Date of expiry: 30 November 2018

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

Other directorships and registered interests*
Board member – Affinity Trust
Trustee – Barchester Healthcare Foundation
Occasional consultancy work for the Department of Health and the Local Government Association

Other committee memberships
Appointments Committee
Audit and Governance Committee
Remuneration Committee

Nick Ziebland, Non-Executive Director; Senior Independent Director (from 1 December 2015) and Chairman of the Workforce and Organisational Development Committee

Date of appointment: 31 August 2011
Date of expiry: 30 August 2018

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

Other directorships and registered interests*
Non-executive director – Local Food Links
Chairman – Bridport Arts Centre
Shareholder in GlaxoSmithKline
Investor in Tangent 90

Other committee memberships
Appointments Committee
Audit and Governance Committee
Remuneration Committee
Workforce and Organisational Development Committee

Debbie Fleming, Chief Executive

Date of appointment: 1 April 2014

Debbie brings with her over 30 years' experience in the NHS. She joined Poole Hospital from NHS England, where she served as area director for Wessex, and has also held a variety of other senior posts within the NHS including more than a decade in chief executive roles at Bournemouth and Poole and Hampshire primary care trusts. Her appointment as Chief Executive marks a return to Poole Hospital for Debbie. She began her NHS management career at the hospital and enjoyed ten years as the trust's general manager for medicine during the 1990s.

Other directorships and registered interests*
Member – Wimborne Academy Trust

Other committee memberships
Appointments Committee
Finance and Investment Committee

Paul Miller, Director of Strategy (Director of Finance until 30 April 2015)

Date of appointment: 1 May 2015
Date of termination: 15 January 2018

Paul brings 20 years' NHS board experience to the role, including 15 as a director of finance, and joins us from Avon and Wiltshire Mental Health Partnership NHS Trust, where he was employed as the director of business development and deputy chief executive. Paul was also the Chief Executive of Velindre NHS Trust in Wales for four years.

Other directorships and registered interests*
Wife is deputy Director of Finance of NE Hampshire and Farnham CCG
Coach/mentor (part time) - Healthcare Financial Management Association
Trustee – Forest Holme

Other committee memberships
Finance and Investment Committee

Mark Mould, Chief Operating Officer

Date of appointment: 7 April 2014

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

Other directorships and registered interests*
50% share in property rental company
Trustee – Poole Africa Link
Wife owns Iskincare Ltd (aesthetics business in Dorset)

Other committee memberships
Finance and Investment Committee
Quality, Safety and Performance Committee
Workforce and Organisational Development Committee

Patricia Reid, Director of Nursing

Date of appointment: 6 February 2017

Patricia is a highly experienced nurse and senior manager with extensive NHS experience. She joins us from Luton and Dunstable University Hospital where she was chief nurse. She also has a wide variety of experience outside of the NHS, including serving as clinical editor of the Nursing Times and being on the board of the British Medical Journal as their first ever nurse representative.

Other directorships and registered interests*
None

Other committee memberships
Quality, Safety and Performance Committee
Workforce and organisational development committee

Mark Orchard, Director of Finance

Date of appointment: 1 May 2015

Mark brings over twenty years NHS experience to Poole Hospital, including eleven at director level. Mark previously held the finance director posts at NHS Bournemouth and Poole and more latterly, at NHS England (Wessex). Mark has also held the commissioning finance director post for Bristol, North Somerset and South Gloucestershire. Mark was UK national president of the Healthcare Financial Management Association during 2016-17.

Other directorships and registered interests*
Immediate Past President - Healthcare Financial Management Association (December 2016 to December 2017)
National Board Trustee – Healthcare Financial Management Association

Other committee memberships
Finance and Investment Committee
Workforce and Organisational Development Committee

Mr Robert Talbot, Medical Director

Date of Appointment: 1 April 2008
Date of termination: 31 December 2017

Robert is a consultant colorectal surgeon who established the department of colorectal surgery at Poole Hospital. Robert was visiting scientist at the Mayo Clinic, Rochester, Minnesota, and a fellow at St Mark's Hospital for Diseases of the Colon and Rectum. He was medical director of the Dorset Cancer Network from 2003 until 2008.

Other directorships and registered interests*
Wife is matron in oncology at Poole Hospital

Other Committee Memberships
Quality, Safety and Performance Committee
Workforce and Organisational Development Committee

Dr Angus Wood, medical director

Date of appointment: 1 January 2018

Angus trained in London, graduating from Westminster Medical School in 1985. After a number of medical junior posts, he trained as a radiologist in Southampton, returning to London as a lecturer in MRI at Barts and the London Hospital. He joined Poole Hospital in 1996, where in addition to maintaining a clinical interest in cancer imaging, he has been lead clinician for PACS procurement, clinical lead in radiology and deputy medical director. Dr Wood became medical director in January 2018.

Other directorships and registered interests*
None

Other Committee memberships
Quality, Safety and Performance Committee
Workforce and Organisational Development Committee

* Interests recorded as at 31 March 2018

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

- Jacqueline Cotgrove, Director of Workforce and Organisational Development (August 2016)

Clinical members of the Hospital Executive Group also attend the Board of Director meetings as part of their on-going development.

In compliance with paragraph B.3.3 of the Monitor code of governance for NHS Foundation Trusts, no Executive Director holds more than one non-executive directorship of an NHS Foundation Trust or another organisation of comparable size and complexity during 2017/18.

All of the Non-Executive Directors are considered to be independent by the Board of Directors. This included Mr Nick Ziebland who had served on the Board of Directors for more than six years and had been reappointed by the Council of Governors for a further period of one year, beginning on 30 August 2017. The reappointment of Mr Ziebland had been viewed as necessary in order to provide continuity in light of his role as Senior Independent Director and to provide continued support to the new Chairman over the forthcoming year.

In determining Mr Ziebland's independence, the Board of Directors considered whether his previous tenure as a Non-Executive Director of the Trust might affect his independence. The Board's conclusion, based on a number of factors including his experience and knowledge and the fact that Mr Ziebland has always exercised a strongly independent judgement during the preceding period of tenure as a Non-Executive Director, was that the independence of his character and judgement was not compromised. For these reasons the Board of Directors considers Mr Ziebland to be independent in character and in judgement.

The Chairman has no other significant commitments

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

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

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

The Board of Directors has approved a policy for the provision of any non-audit service that might be provided by the Trust's external auditor. This policy removes any unnecessary restrictions on the purchase of services from the external auditor but ensures that any non-audit service provided by them cannot impair or cannot be seen to impair the objectivity of their opinion on the financial statements. The Trust's current auditors, Deloitte, were appointed in October 2012 and have not provided any non-audit services to the Trust since appointment.

ATTENDANCE AT BOARD OF DIRECTORS' MEETINGS 2017/18

NAME OF COMMITTEE	BOARD OF DIRECTORS						
	MEETING DATES						
Membership (Voting Members)	**26 April 2017**	**24 May 2017**	**26 July 2017**	**27 September 2017**	**29 November 2017**	**31 January 2018**	**28 March 2018**
STEVE ERSKINE[1] Chairman		✓	✓	✓	✓	✓	✓
ANGELA SCHOFIELD[2] Chairman	✓						
DEBBIE FLEMING Chief executive	✓	✓	x	✓	✓	✓	✓
PHILIP GREEN Non-executive director	✓	✓	✓	✓	✓	✓	✓
HUGH MARSHALL[3] Non-executive director	✓	✓	x	✓	x		
CALUM MCARTHUR Non-executive director	✓	x	✓	x	✓	✓	✓
STEPHEN MOUNT[4] Non-executive director					✓	x	✓
PAUL MILLER[5] Director of strategy	✓	✓	✓	✓	✓		
MARK MOULD Chief operating officer	✓	✓	✓	✓	✓	✓	x
MARK ORCHARD Director of finance	✓	✓	✓	✓	✓	✓	✓
PATRICIA REID Director of nursing	✓	✓	✓	✓	✓	✓	✓
ROBERT TALBOT[6] Medical director	✓	✓	✓	✓	✓		
CAROLINE TAPSTER Non-executive director	✓	✓	✓	✓	✓	✓	x
DAVID WALDEN Non-executive director	✓	x	✓	✓	✓	✓	✓
ANGUS WOOD[7] Medical director						✓	x
NICK ZIEBLAND Non-executive director	✓	✓	✓	x	✓	✓	✓
Other directors (non-voting members)							
JACQUELINE COTGROVE Director of workforce and organisational development	x	x	x	✓	✓	✓	✓
Was the meeting quorate?	Y	Y	Y	Y	Y	Y	Y

[1] Steve Erskine began his tenure as chairman on 16 May 2017
[2] Angela Schofield ended her tenure as chairman on 15 May 2017
[3] Hugh Marshall ended his tenure as non-executive director on 30 November 2017
[4] Stephen Mount began his tenure as non-executive director on 1 December 2017
[5] Paul Miller ended his role as Director of Strategy on 15 January 2018
[6] Robert Talbot ended his tenure as Medical Director on 31 December 2017
[7] Angus Wood began his tenure as Medical Director on 1 January 2018

3.5 Audit and Governance Committee

Chairman : Philip Green, Non-Executive Director

The Audit and Governance Committee, which consists of four Non-Executive Directors of the trust, other than the Chairman, has an important role to play in ensuring the Trust conducts its financial affairs within an environment of honesty and integrity.

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

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

Full terms of reference for the committee can be found on the Trust website: https://www.poole.nhs.uk/about-us/board-of-directors/board-sub-committees/audit-and-governance-committee.aspx

A full annual report of the committee is presented to the Council of Governors each July and can be found within the published agenda and papers on our website: https://www.poole.nhs.uk/about-us/council-of-governors/public-council-meetings.aspx

The Audit and Governance Committee meets five times a year. Its governance cycle includes reports for scrutiny:

- External Audit plans, investigations and findings;
- Internal Audit plans, investigations and findings;
- Clinical audit system and processes;
- Counter Fraud Service plans and findings;
- Authorisation of tenders;
- Losses and special payments;
- Information Governance;
- Compliance with the Monitor's (NHSI's) terms of licence;
- Compliance with the Monitor's (NHSI's) code of governance;
- Standing Financial Instructions;
- Draft Board Governance Statement;
- Draft Annual Governance Statement;
- Quality Governance Framework;
- Draft Annual Report and Accounts;
- Going Concern review;
- Organisational risks;
- Board Assurance Framework;
- Emergency preparedness and business continuity plans;
- Raising Concerns report.

Additionally the committee has considered during the year:

- Non-Clinical Policies and Procedures Review;
- Internal Audit appointment process;
- External Audit contract process;
- Cybercrime training;
- Pharmacy Drug Stock Losses;
- Managing Conflicts of Interest Policy;

- Risk Assessment of Older IT systems;
- Internal Audit and External Audit Performance.

In scrutinising the 2017/18 Annual Report and Accounts, the committee found it to be:

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

Internal Audit

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

Based on the work undertaken in the year, 'reasonable assurance' can be given that there is generally a sound system of internal control, designed to meet the organisation's objectives and that controls are generally being applied consistently. However, some weaknesses in the design and/or inconsistent application of controls put the achievement of particular objectives at risk.

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

- Decontamination;
- Financial Accounting and payroll;
- Board Assurance Framework and Risk Management;
- Procurement Transformation Plan.

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

- Estates – quotations and tenders;
- Cyber Security – including vulnerability scanning;
- Agency Staff Spend Controls Follow up;
- Data Quality;
- Consultant Job Planning;
- Medical Device Management;
- Tendering and Contracting Processes;
- Information Governance Toolkit;
- GDPR Readiness;
- Data Security Standards.

External Auditors

The role of External Auditors is to provide an independent audit opinion on the Annual Report and Accounts, as well as providing a limited assurance opinion on the quality report. The Council of Governors approved two extensions for Deloitte as the external auditors, initially two years to 30 September 2017 and a further period to cover the audit for the year ended 31 March 2018. The assessment of the effectiveness of the external audit process is a matter for the Director of Finance.

The key elements for the framework of assessment of effectiveness of the external audit process employed by the Director of Finance include a review of performance in relation to the contracted service specification; the standard of audits conducted; the recording of any adjustments; the timeliness of reporting; the availability of the Auditor for discussion and meetings on key issues and the quality of reporting to the Audit and Governance Committee, the Board of Directors and the Council of Governors. Using this framework the Director of Finance as at 31 March 2018 is satisfied with the effectiveness of the external audit process.

Significant issues considered by the committee in receiving the accounts

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

- Going Concern as the Trust operates in an increasingly financially constrained environment, with significant ongoing cost pressures from Cost Improvement Plan requirements. The Trust requires STF income in order to maintain a sufficient cash balance to meet liabilities as they fall due. Were CIP targets to be missed and the STF income not received, the cash shortfall would need to be made up from another source for the Trust to continue as a Going Concern;

- Completeness of Liabilities. In year management has released several provisions, as well as releasing a significant portion of the research creditor. This was in line with the adjustments proposed by External Audit in prior years;

- Management override of controls due to a heightened risk across the NHS that management may override controls to fraudulently manipulate the financial statements of accounting judgements or estimates. External audit did not, however, identify any significant bias in the key judgements made by management.

AUDIT AND GOVERNANCE COMMITTEE ATTENDANCE REGISTER 2017/18

NAME OF COMMITTEE:	**AUDIT AND GOVERNANCE COMMITTEE**					
REPORTS TO :	**BOARD OF DIRECTORS**					
Membership (as per Terms of Reference).	**MEETING DATES**					
	17 May 2017	**24 May 2017***	**19 July 2017**	**11 October 2017**	**15 January 2018**	**15 March 2018**
PHILIP GREEN Chairman / non-executive director	✓	✓	✓	✓	✓	✓
HUGH MARSHALL[1] Non-executive director	x	✓	✓	x		
STEPHEN MOUNT[2] Non-executive director					x	✓
DAVID WALDEN Non-executive director	✓	x	✓	✓	✓	✓
NICK ZIEBLAND Non-executive director	✓	✓	✓	✓	✓	✓
In attendance:						
STEVE ERSKINE Trust chairman	✓	✓	x	x	x	x
Executive Directors/Deputies	3	7	2	2	3	2
External Audit	3	2	0	1	2	2
Internal Audit	1	1	2	2	2	2
Counter Fraud	2	0	2	2	1	1
Was the meeting quorate? **Y/N**	Y	Y	Y	Y	Y	Y

* Special meeting of the audit and governance committee and finance and investment committee with attendance of Mr Erskine and Mrs Tapster

[1] Hugh Marshall's tenure ended on 30 November 2017

[2] Mr Mount joined the committee on 1 December 2017

3.6 Finance and Investment Committee

Chairman: Hugh Marshall, Non-Executive Director until 31 October 2017
Caroline Tapster, Non-Executive Director – until 30 November 2017
Stephen Mount, Non-Executive Director – from 1 December 2017

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

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

Membership of the committee comprises of a Non-Executive Director (Chairman), Director of Finance, Chief Operating Officer, Chief Executive, Director of Strategy and two other Non-Executive Directors. Other senior managers may attend on an ad hoc basis as requested by the committee.

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

FINANCE AND INVESTMENT COMMITTEE ATTENDANCE REGISTER 2017/2018

NAME OF COMMITTEE		**FINANCE and INVESTMENT COMMITTEE**											
REPORTS TO:		**BOARD OF DIRECTORS**											
Membership (as per Terms of Reference).		**MEETING DATES**											
	24 April 2017	**22 May 2017**	**24 May 2017***	**26 June 2017**	**24 July 2017**	**29 August 2017**	**25 September 2017**	**23 October 2017**	**27 November 2017**	**21 December 2017**	**29 January 2018**	**26 February 2018**	**26 March 2018**
HUGH MARSHALL [1] (chairman) Non-executive director	✓	✓	✓	✓	✓	✓	✓	✓	x				
STEPHEN MOUNT[2] (chairman) Non-executive director										✓	x	✓	✓
DEBBIE FLEMING Chief executive	✓	✓	✓	✓	x	✓	✓	✓	✓	x	✓	✓	✓
STEVE ERSKINE Trust chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	x	✓
PAUL MILLER[3] Director of strategy	x	✓	✓	✓	✓	✓	✓	x	x	✓			
MARK MOULD Chief operating officer	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓	✓	x
MARK ORCHARD Director of finance	✓	✓	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓
CAROLINE TAPSTER Non-executive director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	x
In attendance:													
Deputy director of finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Was the meeting quorate? Y/N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

* Extraordinary finance and investment committee meeting
[1] Hugh Marshall's tenure ended on 30 November 2017
[2] Stephen Mount began his tenure as non-executive director on 1 December 2017
[3] Paul Miller ended his role as Director of Strategy on 15 January 2018.

3.7 Quality, Safety and Performance Committee

Chairman: Calum McArthur, Non-Executive Director

The Quality, Safety and Performance Committee is a sub-committee of the Board of Directors.

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

Membership of the committee comprises two Non-Executive Directors (one of which chairs the committee), the Director of Nursing, Medical Director and Chief Operating Officer.

From September 2017 the meeting frequency changed from bi-monthly to monthly.

QUALITY, SAFETY AND PERFORMANCE COMMITTEE ATTENDANCE REGISTER 2017/2018

NAME OF COMMITTEE:			**QUALITY, SAFETY AND PERFORMANCE COMMITTEE**					
REPORTS TO :			**BOARD OF DIRECTORS**					
Membership (as per Terms of Reference).			**MEETING DATES**					
	22 May 2017	**24 July 2017**	**25 September 2017**	**30 October 2017**	**27 November 2017**	**29 January 2018**	**26 February 2018**	**26 March 2018**
CALUM MCARTHUR (chairman) Non-executive director	✓	✓	✓	✓	✓	✓	✓	✓
PHILIP GREEN Non-executive director	✓	✓	✓	x	✓	✓	✓	✓
MARK MOULD Chief operating officer	✓	✓	✓	x	✓	✓	✓	x
PATRICIA REID Director of Nursing	✓	✓	✓	✓	✓	✓	✓	✓
ROBERT TALBOT[1] Medical director	✓	✓	✓	x	✓			
CAROLINE TAPSTER Non-executive director	✓	✓	✓	✓	✓	x	✓	x
ANGUS WOOD[2] Medical director						✓	✓	x
In attendance:								
DEBBIE FLEMING Chief executive	x	x	x	x	x	x	x	✓
STEVE ERSKINE Trust chairman	✓	x	x	✓	✓	x	x	✓
Chief pharmacist	x	x	✓	x	✓	✓	✓	✓
Internal auditor	x	x	x	✓	x	✓	x	x
Was the meeting quorate?	**Y**	**Y**	**Y**	**N**	**Y**	**Y**	**Y**	**Y**

[1] Robert Talbot ended his role as Medical Director on 31 December 2017

[2] Angus Wood began his role as Medical Director on 1 January 2018

3.8 Workforce and Organisational Development Committee

Chairman: Nick Ziebland, Non-Executive Director

The Workforce Committee is a sub-committee of the Board of Directors.

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

Membership of the committee comprises of three Non-Executive Directors (one of which chairs the committee), the Director of Workforce and Organisational Development, Director of Nursing, Medical Director and Chief Operating Officer.

WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE ATTENDANCE REGISTER 2017/2018

NAME OF COMMITTEE:	**WORKFORCE AND ORGANISATIONAL DEVELOPMENT COMMITTEE**					
REPORTS TO :	**BOARD OF DIRECTORS**					
Membership (as per Terms of Reference).	**MEETING DATES**					
	24 April 2017	**26 June 2017**	**29 August 2017**	**23 October 2017**	**18 December 2017**	**26 February 2018**
NICK ZIEBLAND (chairman) Non-executive director	✓	✓	✓	✓	✓	✓
JACQUELINE COTGROVE Director of workforce and organisational development	x	x	✓	x	✓	✓
CALUM MCARTHUR Non-executive director	✓	✓	x	✓	✓	✓
MARK MOULD Chief operating officer	✓	✓	✓	x	x	✓
PATRICIA REID Director of nursing	✓	✓	✓	✓	X	✓
MARK ORCHARD Director of Finance	x	x	✓	✓	✓	✓
ROBERT TALBOT[1] Medical director	✓	✓	✓	x	✓	
DAVID WALDEN Non-executive director	✓	✓	✓	✓	✓	x
ANGUS WOOD[2] Medical Director						✓
In attendance:						
ANGELA SCHOFIELD[3] Trust chairman	x					
STEVE ERSKINE[4] Trust chairman		✓	x	✓	✓	x
DEBBIE FLEMING Chief executive	✓	✓	✓	x	✓	x
Was the meeting quorate? Y/N	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**

[1] Robert Talbot ended his role as Medical Director on 31 December 2017
[2] Angus Wood began his role as Medical Director on 1 January 2018

[3] Angela Schofield's tenure as chairman ended on 15 May 2017
[4] Steve Erskine began his tenure as chairman on 16 May 2017

3.9 Appointments Committee

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

- The committee met on 28 September 2017 to approve the appointment of the Medical Director with the associated terms and conditions.

Appointments to Executive Director posts are made in open competition and can only be terminated by the Board of Directors.

APPOINTMENTS COMMITTEE ATTENDANCE REGISTER 2017/18

NAME OF COMMITTEE:	**APPOINTMENTS COMMITTEE**
REPORTS TO:	**BOARD OF DIRECTORS**
Membership (all non-executive directors as per terms of reference	**MEETING DATES**
	28 September 2017
Steve Erskine, chairman	✓
Philip Green, non-executive director	✓
Hugh Marshall, non-executive director	✓
Calum McArthur, non-executive director	x
Caroline Tapster, non-executive director	✓
David Walden, non-executive director	✓
Nick Ziebland, non-executive director	x
Debbie Fleming, chief executive	✓
In attendance	
Jacqueline Cotgrove, director of workforce and organisational development	x
Was the meeting quorate? Yes/No	**Yes**

3.10 Council of Governors

The Council of Governors is made up of the Trust Chairman, fourteen elected public Governors, four elected staff Governors, and five nominated by partner organisations Governors.

The Council plays a role in helping to set the overall strategic direction of the organisation by advising the board of directors of the views of the constituencies they represent. It also has specific responsibilities, set out in the National Health Service Act 2006 and the Health and Social Care Act 2012, in relation to the appointment or removal of Non-Executive Directors and their remuneration, the appointment or removal of the Trust's auditors and development of the membership strategy. The Council met on five occasions in 2017/18 with the individual attendance recorded in the table on page 67.

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

The Council is chaired by the Chairman of the Trust, and Nick Ziebland, Non-Executive Director was the Senior Independent Director for the period of this report and was available to the Council of Governors if they had concerns about the performance of the Board of Directors, compliance with the provider licence or welfare of the Trust, which contact through the normal channels of Chairman or Chief Executive, failed to resolve or for which such contact is inappropriate.

The Council's lead Governor is Sandra Yeoman and Geoffrey Carleton is Deputy Chairman of Governors.

During 2017/18 the Council of Governors was made up as follows:

Elected representatives for Bournemouth:
- Brian Newman
- Jan Hanlon

Elected representatives for Poole:
- Paul Chappell (until 27 July 2017)
- Christine Cooney
- John Daniels
- Sarah Holmes
- Carol Morgan (until 16 February 2018)
- Richard Negus
- Linda Nother
- Sean Perrin (from 26 June 2017)
- Sandra Yeoman

Elected representatives for Purbeck, East Dorset and Christchurch:
- Geoffrey Carleton
- Marilyn Osner
- Subrata Sen

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

Elected staff representatives:
- Lucinda Parker (clinical staff)
- John Payne (clinical staff)
- Frances Rye (clinical staff) until 5 January 2018)
- Graham Whittaker (non-clinical staff)

Nominated representatives from partner organisations:
- Cllr David Jones, Dorset County Council
- Cllr Bobbie Dove, Bournemouth Borough Council (until 24 July 2017)
- Prof Sonal Minocha, Bournemouth University
- Dr David Richardson, Dorset Clinical Commissioning Group
- Cllr Ann Stribley, Borough of Poole

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

Governor Training and Development

The Council of Governors set up in 2014/15 a reference group called the Governor Training and Development Reference Group. This is chaired by a Governor and supported by the Company Secretary. The group sets out the development of the Governors for the year and continue their focus of training and development sessions for the whole Governor body and provide individual training as required. They also agreed to continue the membership to the South West Governor Exchange Network and continue joint development sessions with the Board of Directors.

The Council of Governors held three development events during the period of the report with the Board members:

September 2017 the Governors and members of the Board had presentations on "Significant Transactions and reflections on the outcomes of the Dorset Clinical Services Review.

December 2017 the Governors were joined by the Board of Directors and had presentations on the One Acute Network, Integrated Discharge Service and the People Strategy and organisational development. A facilitated discussion took place in the afternoon around the legal requirements and statutory provisions regarding merger.

The Governors' development plan covers:

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

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

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

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

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

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

Elections

A notice of election was published in May 2017 for two public seats in the Poole constituency with a three year term of office.

- The public seats for the Poole constituency closed on 2 June 2017 and Carol Morgan and Sean Perrin were elected.

A notice of election was published in February 2018 for one public seat in the Purbeck, East Dorset and Christchurch constituency.

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

Governor Expenses

During the period of 2017/18 four Governors claimed expenses for mileage and related car parking charges to attend meetings or training events both locally and nationally, totalling £327.05.

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

COUNCIL OF GOVERNORS 2017/2018 ATTENDANCE REGISTER AND TERMS OF OFFICE

Name	Constituency	Type of Membership	Appointment Date	Appointment Expires	Meeting Dates				
					27 April 2017	27 July 2017	12 October 2017*	26 October 2017	1 February 2018
Mrs Angela Schofield	Chairman of the Council of Governors	n/a	n/a	n/a	✓				
Mr Steve Erskine	Chairman of the Council of Governors	n/a	n/a	n/a		✓	✓	✓	✓
AVM Geoffrey Carleton	Purbeck, East Dorset and Christchurch	Elected 3 years	01.05.09 01.11.12 01.11.16	30.04.12 31.10.15 31.10.19	✓	✓	✓	✓	x
Mr Paul Chappell	Poole	Elected 3 years	28.07.14	25.06.17	✓				
Mrs Christine Cooney	Poole	Elected 3 years	01.11.16	31.10.19	✓	✓	✓	✓	✓
Mr John Daniels	Poole	Elected 3 years	01.11.16	31.10.19	✓	✓	✓	✓	x
Ms Bobbie Dove	Borough of Bournemouth	Appointed 3 years	09.05.16	24.07.17	x				
Mrs Jan Hanlon	Bournemouth	Elected 3 years	01.11.16	31.10.19	x	✓	✓	✓	✓
Mrs Sarah Holmes	Poole	Elected 3 years	01.11.15	31.10.18	✓	✓	✓	✓	✓
Mr David Jones	Dorset County Council	Appointed 3 years	01.07.10 09.07.13	19.04.13 08.07.16	x	x	x	x	x
Dr Sonal Minocha	Bournemouth University	Appointed 3 years	25.09.15	24.09.18	x	✓	x	x	x
Mrs Carol Morgan	Poole	Elected 3 years	26.06.14	25.06.17	✓	✓	x	✓	x
Mjr James Myles	North and West Dorset, Weymouth, Portland and rest of England	Elected 3 years	01.11.15	31.10.18	✓	✓	✓	✓	✓
Mr Richard Negus	Poole	Elected 3 years	01.11.15	31.10.18	✓	✓	✓	✓	✓
Mr Brian Newman	Bournemouth	Elected 3 years	01.11.09, 01.11.12, 01.11.15	31.10.18	✓	✓	✓	✓	✓
Mrs Linda Nother	Poole	Elected 3 years	01.11.13, 01.11.16	31.10.19	✓	✓	✓	✓	✓
Ms Marilyn Osner	Purbeck, East Dorset and Christchurch	Elected 3 years	01.11.15	31.10.18	✓	✓	✓	✓	✓
Mr John Payne	Clinical- Staff	Elected 3 years	01.04.16	31.03.19	✓	✓	x	✓	✓
Ms Lucinda Parker	Clinical – Staff	Elected 3 years	01.11.16	31.10.19	✓	x	✓	✓	✓

Name	Constituency	Type of Membership	Appointment Date	Appointment Expires	Meeting Dates				
					27 April 2017	27 July 2017	12 October 2017*	26 October 2017	1 February 2018
Mr Sean Perrin	Poole	Elected 3 years	26.06.17	25.06.20		✓	✓	x	✓
Dr David Richardson	Dorset Clinical Commissioning Group	Appointed 3 years	09.10.15	08.10.18	✓	✓	x	x	✓
Ms Frances Rye	Clinical - staff	Elected 3 years	01.4.16	05.01.18	x	x	x	x	
Dr Subrata Sen	Purbeck, East Dorset and Christchurch	Elected 3 years	01.05.15	30.04.18	✓	✓	✓	✓	✓
Mrs Ann Stribley	Poole Borough Council	Appointed 3 years	27.06.11, 27.06.14 26.06.17	25.06.20	✓	✓	✓	✓	✓
Mr Graham Whittaker	Non-Clinical Staff	Elected 3 years	01.11.13, 1.11.16	31.10.19	✓	x	x	x	✓
Mrs Sandra Yeoman	Poole	Elected 3 years	01.11.09, 01.11.12, 01.11.15	31.10.18	✓	✓	✓	✓	x

No. of Public Governors attending	122	14	13	13	11
No. of Appointed Governors attending	2	2	1	1	2
No. of Staff governors attending	3	1	1	2	3
Was the meeting quorate? Y/N	Y	Y	Y	Y	Y

*extraordinary private meeting

BOARD MEMBER ATTENDANCE AT THE COUNCIL OF GOVERNORS 2017/2018

	27 April 2017	27 July 2017	12 October 2017*	26 October 2017	1 February 2018
DEBBIE FLEMING Chief executive	✓	x	x	✓	✓
PHILIP GREEN Non-executive director	x	✓	x	x	x
JACQUELINE COTGROVE Director of workforce and organisational development	x	X	X	x	x
HUGH MARSHALL[1] Non-executive director	x	x	x	x	
CALUM MCARTHUR Non-executive director	x	x	x	x	x
PAUL MILLER[2] Director of strategy	x	✓	x	✓	
STEPHEN MOUNT[3] Non-executive director					x
MARK MOULD Chief operating officer	x	x	x	x	✓
MARK ORCHARD Director of finance	✓	✓	x	x	✓
PATRICIA REID Director of nursing	✓	✓	x	✓	✓
ROBERT TALBOT[4] Medical director	x	✓	x	x	
CAROLINE TAPSTER Non-executive director	x	x	x	x	x
DAVID WALDEN Non-executive director	x	x	x	x	x
ANGUS WOOD[5] Medical director					x
NICK ZIEBLAND Non-executive director	✓	✓	x	✓	✓

* Extraordinary private meeting of the Council to which Board members not invited.

[1] Hugh Marshall's tenure ended on 30 November 2017
[2] Paul Miller ended his role as director of strategy on 15 January 2018
[3] Stephen Mount's tenure began on 1 December 2017
[4] Robert Talbot ended his role as medical director on 31 December 2017
[5] Angus Wood began his role as medical director on 1 January 2018.

3.11 Nominations, Remuneration and Evaluation Committee (NREC)

The Council of Governors is required to establish a committee consisting of all or some of its members to assist in carrying out the specified functions relating to the appointment of the Chair and Non-Executive Directors; the review of the structure, composition and performance of the board; and the remuneration of the Chairman and Non-Executive Directors. The committee is chaired by the Trust Chairman, and comprises two public members, one appointed member, and one staff member. Members during 2017/2018 were the Trust Chairman and:

- Linda Nother (elected public governor, Poole)
- John Payne (elected staff governor, clinical)
- Ann Stribley (appointed governor, Borough of Poole)
- Sandra Yeoman (elected public governor, Poole)

Business for the committee during 2017/2018:

On 27 April 2017 the committee considered:

- Annual report of the work of the Nominations, Remuneration and Evaluation Committee;
- Recommendation to Council on remuneration and allowances of Chairman and Non-Executive Directors;
- Recommendation to Council to approve an extension to a Non-Executive Director's tenure;
- Absent Governor;
- Recommendation to Council to approve the re-appointment of a non-executive director.

On 27 July 2017 the committee considered:

- 2016/17 annual appraisal of Chairman and Non-Executive Directors
- Remuneration and allowance of Chairman and Non-Executive Directors payable from 1 April 2017
- Process for the selection and recruitment of a Non-Executive Director
- Absent Governors.

On 5 October 2017 the committee considered electronically:

- Recommendation to council to approve the appointment of a non-executive director.

On 26 October 2017 the committee considered:

- Governance cycle
- Absent Governors.

On 1 February 2018 the committee considered:

- Non-Executive Director reappointment
- The process of performance evaluation for the Chairman and Non-Executive Directors for 2017/18
- Absent Governors.

During the year an interview panel consisting of members of the committee met to review applications, shortlist and undertake a formal interview for the recommendation of one new Non-Executive Director.

During 2017/18, on the recommendation of the NREC, the council of governors approved:

- The appointment of one new non-executive director (S Mount)
- The reappointment of one non-executive director (C McArthur)
- The reappointment of one non-executive director (P Green)
- The extension to the tenure of a non-executive director (N Ziebland)
- Process for the selection and recruitment of a non-executive director
- The remuneration and allowances of the chairman and non-executive directors
- The outcome of the 2016/17 chairman and non-executive director appraisal
- The process of performance evaluation for the chairman and non-executive directors for 2017/18.

NOMINATIONS, REMUNERATION and EVALUATIONS COMMITTEE ATTENDANCE 2017/18

Name	Constituency	Meeting Dates				
		27 April 2017	27 July 2017	5 October 2017*	26 October 2017	1 February 2018
Mrs Angela Schofield	Chairman	✓				
Mr Steve Erskine	Chairman		✓	✓	✓	✓
Mrs Linda Nother	Poole	x	✓	✓	✓	✓
Mr John Payne	Clinical staff	x	✓	✓	✓	✓
Cllr Ann Stribley	Borough of Poole	✓	✓	✓	✓	x
Mrs Sandra Yeoman	Poole	✓	✓	✓	✓	✓
In attendance						
Mr Nick Ziebland	Senior independent director	x	✓	x	x	x
Mrs Jacqueline Cotgrove	Director of Workforce and OD	x	x	✓	x	x
Was the meeting quorate? Y/N		Y	Y	Y	Y	Y

*Extraordinary meeting

3.12 Membership

Poole Hospital NHS Foundation Trust has a public constituency and a staff constituency. The public constituency has four classes. These are based on geographical areas that reflect our general, emergency and specialist service catchment areas; local government boundaries; and population numbers. They are:

- Poole;
- Purbeck, East Dorset and Christchurch;
- Bournemouth;
- North Dorset, West Dorset, Weymouth and Portland (including the rest of England).

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

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

At 31 March 2018 the Trust had 6529 public members. The target was to achieve a year-end total of 6,700 members.

The Council's Membership Engagement and Recruitment Group have agreed a year-end target of 6,700 members for 2018/19. Governors are targeting recruitment to achieve a sign up of new members of 100 per quarter to achieve this target and will continue to work with the local college to promote membership to younger people.

The staff and volunteer members total was 5,016. All staff and volunteers are members of the Trust automatically unless they choose to opt out.

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

A breakdown by constituency is provided here for information.

Public constituency	
Poole	3403
Purbeck, East Dorset and Christchurch	1797
Bournemouth	960
North and West Dorset, Weymouth, Portland and rest of England	369
	6529

Staff constituency	
Clinical	3771
Non-clinical (including volunteers)	1245
Total	**5016**

Membership Development Strategy

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

- have a meaningful membership that is interested in the future of the Trust and is representative of the community we serve;

- ensure that members have a say in helping us develop the future quality and type of services provided;

- use our membership base to strengthen our links with the community and all stakeholders.

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

- increasing Governor participation in the recruitment and engagement of members;

- organising membership events to increase opportunities for membership engagement and participation;

- working to increase overall public membership number in line with agreed annual targets;

- working to grow a representative membership.

Governors attended a number of public events and venues, including:

- RVS Café
- Poole, Broadstone and Hamworthy libraries
- Local charity
- Local school and college.

Elected Governors listen to and represent the opinion of the Trust members on a whole range of issues including the objectives, priorities and strategy within the Trust's forward plan. The listening takes place, throughout the year, on an informal basis with one to one governor member contact, clinical presentation events, focussed member event, a range of membership recruitment opportunities and the Trust's Annual Members' Meeting. The Governors are given the opportunity to communicate those opinions expressed by members directly or via the Council's membership engagement and recruitment group or the Council's Future Plans and Priorities Group to the Council of Governors.

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

The council reserves time in its Future Plans and Priorities Group and at formal Council of Governor meetings governance cycles to pay particular attention to the Trust's forward plan. Those views expressed to the Council of Governors are communicated to the Board of Directors via the annual planning processes.

The membership engagement and recruitment reference group of the Council of Governors had four meetings during the year. The group is chaired by a Governor and is supported by the company secretary team.

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

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

The Trust held its Annual Members' Meeting on 21 September 2017. Members were invited via the membership newsletter, Foundation Talkback (now Connect). The event was publicised in the local press, on our website and throughout the hospital. The event was well attended with presentations on innovations in elective care, focussing on ear, nose and throat and reflections on the Dorset Clinical Services Review and the opportunities for the hospital and its services.

The Trust newsletter for members, Foundation Talkback, is published three to four times a year and as well as informing members of a range of activities and events taking place a column is provided for Governors to give an overview of their role. This gives the Governors an opportunity to highlight the relevance of their role and to encourage membership engagement with the Trust.

In the autumn of 2017 a new publication "Connect" was published which combined the Trust's staff publication with Foundation Talkback. This new publication took the best from each to allow staff to stay up-to-date with members' news, while at the same time ensuring members see even more of the good news taking place throughout the hospital.

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

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

Members may contact the Council of Governors through the membership office by telephone 01202 448723, in writing, by email members.contact@poole.nhs.uk or via our website www.poole.nhs.uk. These details are publicised in Foundation Talkback, our membership newsletter, on membership application forms and on our website.

3.13 Code of Governance Compliance Statement 2017/18

Monitor (now NHS Improvement), the independent regulator of NHS Foundation Trusts, has produced a code of governance, which consists of a set of principles and provisions which may be viewed on NHS Improvement's website:

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

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

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

1. Provisions A.2.2, A 5.10, A.5.11, A.5.13, A.5.14, A.5.15, B.2.11, B.2.12, B.2.13, B.4.3, B.5.8, B.7.3, B.7.4, B.7.5, D.2.4, E.1.7 and E.1.8 are statutory requirements with which the Trust must comply. There is no requirement to report on these provisions but the Trust confirms that it is compliant with all the statutory requirements as identified in these provisions from the code of governance. Provision A.5.12, the Trust was partially compliant at the beginning of the year and fully compliant at the end of the year.

2. Provisions as set out in A below require a supporting explanation, even in the case that the Trust is compliant with the provision.

3. Provisions A.1.3, B.1.4, B.2.10, B.3.2, C.3.2, D.2.1, E.1.1 and E.1.4 require the relevant information to be made publicly available. Poole Hospital Foundation Trust can confirm that all the relevant information has been made publicly available and it is compliant with all the requirements of these provisions from the code of governance. Some of the information is available on request and some is made available on the Trust's website.

4. Provision B.7.1 requires that the Governors of the Trust have been given all relevant information in line with the code provisions. The Trust confirms that all Governors of the Trust have been provided with relevant information and it is compliant with all the requirements of this provision from the code of governance.

5. Provision B.7.2 requires that the members of Poole Hospital Foundation Trust have been given relevant information in line with the code. The Trust can confirm that the members have been provided will all relevant information and it is compliant with all the requirements of this provision from the code of governance.

6. Provisions as set out in B below require an explanation if the Trust has departed from them.

7. Provisions as set out in C below require an explanation as the Trust partially meets or does not meet the requirements of the listed provisions from the code of governance.

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

Relevant statutory requirements		**Compliance Y/N**	**Evidence or Non Compliance Explanation**
A.1.1.	The Board of Directors should meet sufficiently regularly to discharge its duties effectively. There should be a schedule of matters specifically reserved for its decision. The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors (as described in A.5). This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the Board of Directors. These arrangements should be kept under review at least annually.	YES	All in place: • Disagreement statement - page 42 • Summary of decisions - page 44 • Board responsibility/ operating/ statement – pages 41 • Decision statement - pages 44-45
A.1.2.	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent directors (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors.	YES	Meetings and attendance registers- Pages 55, 59, 60, 61, 62, 63

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
A.5.3.	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead Governor. A record should be kept of the number of meetings of the council and the attendance of individual Governors and it should be made available to members on request.	YES	Council of Governors and supporting details- pages 63-69
B.1.1.	The Board of Directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	YES	Board of Directors- page 46
B.1.4.	The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation Trust.	YES	Director's skills, expertise and experience- page 46-54 Statement on balance, completeness and appropriateness- page 42
B.2.10.	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments.	YES	NREC Committee- page 70-71 Appointments Committee – page 63
B.3.1.	A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	YES	The chairman does not have any other significant commitments.

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
B.5.6.	Governors should canvass the opinion of the Trust's members and the public, and for appointed Governors the body they represent, on the NHS foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	YES	Membership section - page 72-74
B.6.1.	The Board of Directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.	YES	Evaluation of the Board- page 43 External facilitator review - page 43
B.6.2.	Where an external facilitator is used for reviews of governance, they should be identified and a statement made as to whether they have any other connection with the Trust.	YES	External facilitator review- page 43
C.1.1.	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation Trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	YES	Director's Statement- page 98 Auditor's Statement- page 58 Annual Governance Statement - pages 99-107

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
C.2.1.	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.	YES	Page 57
C.2.2.	A Trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	YES	Page 57
C.3.5.	If the Council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	YES	N/A Would do so in the event.

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
C.3.9.	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	YES	Audit Committee- pages 56-58
D.1.3.	Where an NHS foundation Trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	YES	Currently N/A Refer to Remuneration Committee Terms of Reference. (director of workforce and organisational development)
E.1.4	Contact procedures for members who wish to communicate with Governors and/or directors should be made clearly available to members on the NHS foundation Trust's website.	YES	Contact processes on website, Connect newsletter and within the annual report.

Relevant statutory requirements		Compliance Y/N	Evidence or Non Compliance Explanation
E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of Governors and members about the NHS foundation Trust, for example through attendance at meetings of the Council of Governors, direct face to face contact, surveys of members' opinions and consultations.	YES	Board engagement with Council of Governors policy statement- pages 45
E.1.6.	The Board of Directors should monitor how representative the NHS foundation Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	YES	Member engagement- pages 72-74

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

Code Provisions		**Compliance Y/N**	**Evidence or Non Compliance Explanation**
D.2.3.	The Council of Governors should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	PARTIAL	See Council of Governors/Nominations, Remuneration and Evaluations Committee papers. The salaries for the Chairman and NEDs were reviewed and amended in April 2017. The Trust commissioned external professional advisers who advised on the remuneration of the chairman. The Trust has not has not commissioned external professional advisers to market test the remuneration of non-executive directors.

C. Areas of Non Compliance with the code

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

a) Provision A.5.12 of the code states that the Council of Governors should be provided with a copy of the approved minutes of the Board of Directors meetings as soon as practicable afterwards.

Explanation; *the Governors are provided with an agenda before all of the board of director meetings and received a briefing on part 2 matters. From January 2018 this practice changed and Governors are now provided with the minutes of private sessions of board meetings, following their approval.*

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

Explanation; *The salaries for the Chairman and NEDs were reviewed and amended in April 2017. The Trust commissioned external professional advisers who advised on the remuneration of the chairman. The Trust has not commissioned external professional advisers to market test the remuneration of non-executive directors, although takes into account the remuneration survey undertaken by NHS Providers when considering the remuneration on an annual basis.*

Signature:

Debbie Fleming, Chief Executive

Date 23/5/18

4.1 Annual Statement of Remuneration

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

The Remuneration Committee reviews the remuneration arrangements for Executive Directors. It is made up of the Chairman of the Board of Directors and all the Non-executive Directors of the Board.

The Director of Workforce and Organisational Development attends except when his/her own performance and/or salary are discussed. The Chief Executive attends to provide advice on issues concerning the performance of Directors and salary ranges, except when his/her own performance and/or salary are discussed.

2017/18 saw changes to the executive team, which are summarised in the notes to the table on page 56.

During 2017/18 the Remuneration Committee met to agree the following:

- On 26 April 2017 to note the Very Senior Manager Pay guidance, future changes to the executive team and future changes to the portfolio for the director of finance;
- On 26 July 2017 to approve the minutes of the last meeting, receive and note the NHS providers remuneration survey results for 2016, to consider the report of the chief executive on the performance of Executive Directors in 2016/17, consider the report of the chairman on the performance of the Chief Executive in 2016/17, consider the remuneration of Executive Directors and the remuneration for the appointment process of the Medical Director and:
- On 27 September 2017 to approve the minutes of the last meeting and to approve the remuneration of the Medical Director.

The committee considered and discussed a paper which outlined the Executive Director's pay award and agreed to approve the 1% pay award back dated to April 2017 for Executive Director's.

The tables on page 89 provide details on the salaries and entitlements received by all Directors and incorporate the changes listed above. Further information on the context for changes that took place during the year is provided in the notes to those tables.

Further detail on attendance at the Remuneration Committee during 2017/18 is outlined in the table on page 71.

Signature:
Debbie Fleming, Chief Executive
Date: 23 /5/18

Signature
Steve Erskine, Chairman
Date: 23 / 5 /18

4.2 Senior Manager's remuneration policy

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

Executive Directors' remuneration is managed through a process of objective setting and annual appraisals. Salaries are reviewed by the Trust's remuneration committee following the executive appraisal cycle. Where a senior manager receives more than £142,500 the Trust satisfies itself that this remuneration is reasonable by reference to NHS Providers benchmarking data on Executive Directors' remuneration. The Trust does not consult with employees with regard to senior manager's remuneration policy.

Executive salary is determined upon appointment in line with NHS very senior manager guidelines and/or professional pay scales and benchmarking across the NHS. It is reviewed annually by the Trusts Remuneration Committee.

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

Service contract obligations

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

Payments for loss of office

The Remuneration Committee, with regard to HM Treasury guidance, if appropriate, would agree termination payments.

Payments for loss of office for Executive Directors would be made in line with national NHS Policy. The Trust does not have a local policy for payments for loss of office for Directors.

Notice periods for Executive Directors are set in line with national NHS guidelines.

Consideration of general terms

Pay levels are determined by salary surveys conducted by independent consultants and comparisons with salary scales for similar posts in other NHS organisations, and from information provided by the Foundation Trust Network.

Senior managers' contracts

All Executive Directors employed during 2017/18 were employed on a substantive (permanent) basis. (More details are available in the notes to the table on page 89).

More information on the appointment dates for senior managers can be found in the Board of Directors section from page 41

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

Benefits policies

Accounting policies for pensions and other retirement benefits are set out in note x to the accounts and details of senior employees' remuneration can be found on page 90.

Expenses paid to Governors and Directors

With regards to expenses paid to Governors, this information is all included on page 66 of the annual report. With regards to Directors' expenses, please see the salary entitlements table on page 89.

Non-Executive Directors

Non-Executive Directors' remuneration is set out in the 'salary and pension entitlements' table below; decisions on Non-Executive Directors' remuneration are made by the Council of Governors, advised by the nominations, recruitment and evaluation committee (see from page 69 for more details).

Off payroll arrangements: None

4.3 Remuneration Committee

The Remuneration Committee reviews the remuneration arrangements for executive directors. It is made up of the chairman of the Board of Directors and all the non-executive directors of the board. The director of workforce and organisational development attends except when his/her own performance and/or salary is discussed. The chief executive attends only to provide advices on issues concerning the performance of executive directors and salary ranges, except when his/her own performance and/or salary is discussed.

The Remuneration Committee met on 26 April 2017 to note the Very Senior Manager Pay guidance, future changes to the executive team and future changes to the portfolio for the director of finance, on 26 July 2017 to approve the minutes of the last meeting, receive and note the NHS providers remuneration survey results for 2016, to consider the report of the Chief Executive on the performance of Executive Directors in 2016/17, consider the report of the Chairman on the performance of the Chief Executive in 2016/17, consider the remuneration of Executive Directors and the remuneration for the appointment process of the Medical Director. The Remuneration Committee met again on 27 September 2017 to approve the minutes of the last meeting and to approve the remuneration of the Medical Director.

NAME OF COMMITTEE:	REMUNERATION COMMITTEE		
REPORTS TO :	**BOARD OF DIRECTORS**		
Membership (all non-Executive Directors as per terms of reference)	**MEETING DATES 2017**		
	26 April	**26 July**	**27 September**
Angela Schofield, Chairman	✓		
Steve Erskine, Chairman		✓	✓
Philip Green, Non-Executive Director	✓	**x**	✓
Hugh Marshall, Non-Executive Director	✓	**x**	✓
Calum McArthur, Non-Executive Director	✓	✓	**x**
Caroline Tapster, Non-Executive Director	✓	✓	✓
David Walden, non-executive director	✓	✓	✓
Nick Ziebland, Non-Executive Director	✓	✓	**x**
Debbie Fleming, Chief Executive *	✓	**x**	✓
Jacqueline Cotgrove, Director of Workforce and Organisational Development*	**x**	**x**	**x**
Was the meeting quorate? Y / N	**Y**	**Y**	**Y**

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

4.4 Fair Play Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director at Poole Hospital NHS Foundation Trust in the financial year 2017/18 was £170,000-£175,000 (2016/17 £170,000-£175,000). This was 7 times the median remuneration of the workforce which was £24,547 (2016/17 £26,302) (whole time equivalent). No employee received remuneration in excess of the highest paid director.

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

The median pay calculation is based on:

- Payments made to staff in post on 31 March 2018
- The reported salary used to estimate the median pay is the gross cost to the Trust, less employers Pension and employers Social Security costs. The reported annual salary for each whole time equivalent has been estimated by using contracted values.
- Payments made in March 2018 to staff who were part-time were pro-rated to a whole time equivalent salary.

Included in the calculation is an estimated average cost for agency staff. All agency staff expenditure is processed through dedicated account codes on the financial system. The total expenditure at 31 March 2018 on these codes was used to estimate an average salary. This was calculated by dividing the total expenditure by the estimated number of agency staff used during the year. There has been no deduction made for agency fees for the provision of these staff.

The median salary has been calculated as the middle salary if salaries were ranked in ascending order, and equates to £24,547 (2016/2017 £26,302).

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

Signature:

Debbie Fleming, Chief Executive

Date: 23 / 5/ 18

Salary and pension entitlements of senior managers

Remuneration

Name and Title	2017-18				2016-17			
	Salary (bands of £5000)	Other Remunerati (bands of £5000) £000	Benefits in Kind (bands of £100) £100 Note 2	Total (bands of £5000) £000	Salary (bands of £5000)	Other Remunerati (bands of £5000) £000	Benefits in Kind (bands of £100) £100 Note	Total (bands of £5000)
Mrs. Debbie Fleming - Chief Executive	170-175	-	-	170-175	170-175	-	-	170-175
Mr Mark Orchard - Director of Finance	125-130	-	-	125-130	125-130	-	-	125-130
Mr. Paul Miller - Director of Strategy (Note 1)	85-90	-	-	85-90	125-130	-	-	125-130
Mr. Mark Mould - Chief Operating Officer	125-130	-	-	125-130	125-130	-	-	125-130
Mrs. Patricia Reid - Director of Nursing	125-130	-	-	125-130	15-20	-	-	15-20
Mr. Robert Talbot - Medical Director (Note 2)	105-110	25-30	-	130-135	140-145	35-40	-	175-180
Mr Angus Wood - Medical Director (Note 3)	35-40	10-15	-	50-55	-	-	-	-
Mrs. Jacqueline Cotgrove - Director of Organisational Development and Workforce	80-85	-	-	80-85	45-50	-	-	45-50
Mr. Peter Gill - Director of Informatics (Note 4)	50-55	-	-	50-55	50-55	-	-	50-55
Mrs. Angela Schofield - Chairman (Note 5)	5-10	-	-	5-10	35-40	-	-	35-40
Mr. Steven Erskine - Chairman (Note 6)	40-45	-	-	40-45	-	-	-	-
Mr. Hugh Marshall - Non Executive Director (Note 7)	10-15	-	-	10-15	5-10	-	-	5-10
Dr. Calum McArthur - Non Executive Director	10-15	-	-	10-15	15-20	-	-	15-20
Mr. Nick Ziebland - Non Executive Director	15-20	-	-	15-20	10-15	-	-	10-15
Mr. Philip Green - Non Executive Director	15-20	-	-	15-20	10-15	-	-	10-15
Mrs. Caroline Tapster - Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
Mr. David Walden - Non Executive Director	10-15	-	-	10-15	10-15	-	-	10-15
Mr. Stephen Mount - Non Executive Director (Note 8)	5-10	-	-	5-10	-	-	-	-

Note 1. Mr. Paul Miller retired as Director of Strategy on 15th January 2018.
Note 2. Mr. Robert Talbot retired as Medical Director on 31st December 2017. Other remuneration relates to clinical work undertaken during the year. The proportion of clinical work during the year was calculated at 20% (2016/17 20%).
Note 3. Mr. Angus Wood was appointed as Medical Director on 1st January 2018. Other remuneration relates to clinical work undertaken during the year. The proportion of clinical work was calculated at 29%
Note 4. Mr. Peter Gill is a joint appointment with Royal Bournemouth and Christchurch Hospital NHS Foundation Trust (RBCH). 50% of Mr. Gill's costs have therefore been included in the pay bandings above.

Note 5. Mrs. Angela Shofield's tenure ended on 15th May 2017
Note 6. Mr. Steven Erskine was appointed on 16th May 2017
Note 7. Mr. Hugh Marshall's tenure ended on 1 November 2017
Note 8. Mr. Stephen Mount was appointed on 1 November 2017

Salary and Pension entitlements of senior managers

Pension Benefits

Name and title	Real increase in pension at pension age (bands of £2500) £000	Real increase in pension lump sum at pension age (bands of £2500) £000	Total accrued pension at pension age at 31 March 2018 (bands of £5000) £000	Lump sum at pension age related to accrued pension at 31 March 2018 (bands of £5000) £000	Cash Equivalent Transfer Value at 1 April 2017 £000	Real Increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2018 £000	Employer's contribution to stakeholder pension £000
Mrs. Debbie Fleming- Chief Executive (see Note 1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Mark Orchard- Director of Finance	0-2.5	n/a	30-35	75-80	399	47	446	n/a
Mr. Paul Miller- Director of Strategy (see Note 1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Mark Mould- Chief Operating Officer	0-2.5	n/a	45-50	120-125	728	68	796	n/a
Mrs. Patricia Reid- Director of Nursing (See Note 3)	2.5-5	10-12.5	30-35	90-95	n/a	n/a	n/a	n/a
Mr. Robert Talbot - Medical Director (see Note 1)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr. Angus Wood - Medical Director (See Note 4)	n/a	n/a	55-60	170-175	n/a	n/a	1,281	n/a
Mrs. Jacqueline Cotgrove- Director of Organisational Development and Workforce	0-2.5	0-2.5	35-40	100-105	631	66	698	n/a
Mr. Peter Gill - Director of Informatics (see Note 2)	0-2.5	0-2.5	15-20	40-45	253	27	280	n/a

Note 1. Mrs. Debbie Fleming, Mr. Paul Miller and Mr. Robert Talbot are not members of the NHS pension scheme.
Note 2. Mr. Peter Gill is a joint appointment with RBCH and therefore only 50% of his costs have been included above.
Note 3. There is no CETV for the current year as the postholder is over the normal retirement age therefore CETV is not applicable.
Note 4. Mr Angus Wood was appointed as Medical Director on 1st January 2018

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures and other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

5. STAFF REPORT

5.1 National NHS Staff Survey 2017 Findings

The 2017 Staff Survey placed the Trust in the top five acute Trusts nationally for staff recommending it as a place to receive treatment and in the best 20% of acute Trusts in a total of fourteen key findings including the Overall Staff Engagement score, with four of these fourteen are featuring within the top 10% of Trusts nationally.

The Trust has begun a comprehensive programme to communicate the results to all teams across the Trust, including breaking down the results data to directorate level and by factors including workgroups and demographic information.

Full details on the findings of the Survey, and the Trust wide action plan, which includes clear planned activity which responds to the views given, can be found in section 2.17 'What Our Patients, The Public And Staff Said' in the Quality Report (pages 153 - 158).

5.2 NHS Staff Friends and Family Test 2017/18

The Staff Friends and Family Test encourages staff and volunteers to give their views, enabling informed and empowered staff to celebrate and build on what is working well in their services and quickly address areas in need of attention. The Trust has demonstrated excellent results in 2017/18 which continue to be consistently higher than the national average.

Full details on the findings can be found in section 2.17 'What Our Patients, The Public and Staff Said' in the Quality Report (pages 108-179).

5.3 Equality and Diversity

Poole Hospital has a commitment to equality and diversity as a provider of healthcare services and as an employer. The provisions of the Equality Act 2010 are applied across the Trust in relation to all protected characteristics to progress equality, diversity and inclusion in all services and the employment of our staff.

The Trust's positive approach to equality and diversity is supported by the values of the Poole Approach which promote behaviours that progress the delivery of inclusive services. The Trust's values within the Poole Approach ensure equality and diversity are values which are valued and present within the workplace. This was evidenced within the 2017 National NHS Staff Survey, with 91% of staff believing the Trust provides equal opportunities for career progression or promotion, placing Poole in the best 20% of acute Trusts nationally.

Equality and diversity training is delivered to all new staff on joining the Trust and within the Core Skills training which all staff attend on a regular basis. This training has a clear focus on how equality and diversity practice supports both the delivery of high quality and person centred patient care and secures best practice in employment.

The Trust has an active Staff Experience Group, led by an executive director, which works to progress equality across services and employment and provide assurance of a range of actions which are in place to support best practice and the development of skills and understanding in equality across the Trust.

The Trust continues to progress the NHS Workforce Race Equality Standard (WRES). This national Standard enables the Trust to look at staff experience across nine workforce indicators to identify and compare the experience of employees from Black and Minority Ethnic backgrounds and White backgrounds.

The Trust is positively mentioned within the national NHS Workforce Race Equality Standard 2017 data analysis report for NHS Trusts for practice in relation to equality within the Trust.

The Trust has set in place arrangements to ensure that BME (Black, Asian and minority ethnic staff) have a voice in the Trust, through membership of a BME group.

The Trust has welcomed and is actively preparing for the introduction of the NHS Workforce Disability Equality Standard (WDES), having taken an active part in the consultation of the metrics to be applied within the Standard.

The Trust has begun work with other Dorset Trusts to refresh the Equality Delivery System for patients and staff across the NHS in Dorset. This work will continue through 2018.

The Trust has reported information and actions in response to the new Gender Pay Gap legislation requiring the Trust to publish gender pay gap data annually, measuring the difference between males' and females' average earnings. It is important to recognise that the gender pay gap differs to equal pay, which is in relation to pay differences between men and women who carry out the same job for different pay. The gender pay gap shows the difference in average pay of all men and the average pay of all women employed by the Trust. The Trust's pay gap is 9% favourable for female staff based on mean hourly pay rates for women and men. The picture is different when median pay rates are considered, with a 12% gap favouring male staff. This can be explained largely by the relative proportion of male and female consultants within their respective gender groups. Of the nearly 900 male staff 130 are medical consultants (14.5%), whilst of the approximately 3,200 female staff 72 are medical consultants (2.25%). This trend is borne out by the analysis of gender spread across pay quartiles. The Trust's workforce is 78% female and 22% male. To a large degree this is reflected in the three lower quartiles whilst the preponderance of male consultants skews the upper quartile towards male staff. The Trust is carrying out work to develop a deeper understanding of what the data is telling us and to develop Gender Pay Gap actions and reporting; further demonstrating our commitment to equality.

The Trust has a LGBT Group which is open to both lesbian, gay, bisexual and transgender staff and also to all staff who wish to work with the group to progress sexual orientation equality for staff and patients. The group has supported the development of a partner LGBT Group in a neighbouring NHS Trust. The Trust is an active member of the Dorset NHS LGBT Network and is present on the committee; attending the launch of the Network at Poole Lighthouse in autumn 2017. The Trust was present at the Bournemouth Pride LGBT festival in Summer 2017, engaging with many local people and demonstrating the Trust's commitment to equality and inclusion for our patients and staff, and has begun working with other Dorset NHS Trusts to ensure a county-wide NHS presence at Pride 2018.

The regulators, the Care Quality Commission (CQC), National Trust Development Agency (NDTA) and NHS Improvement use data from the National NHS Staff Survey, the Equality Delivery System and the Workforce Race and Disability Equality Standards to help assess whether NHS organisational are well-led. The standards are applicable to providers and are subject to the clinical commissioning group's assurance process.

Fair Employer

The Trust is proud to have been re-awarded the status of Disability Confident Employer. Awarded by the Department of Work and Pensions this replaced the previously held Jobcentre Plus 'disability symbol'. The award recognises a practical commitment to fairness in our recruitment process, including the Guaranteed Interview Scheme. It also acknowledges the Trust's commitment to both employing disabled people and delivering a range of support to ensure that staff with disability are developed and retained within the Trust.

5.4 Occupational Health and Employee Assistance Provider (EAP)

The Trust's occupational health provision in 2017/18 has continued through a service level contract with the Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust (RBCH). This agreement is monitored at the Trust's Workforce and OD Committee to ensure requirements are consistently met and any concerns are robustly addressed.

The service is staffed by a team of registered nurses, all with occupational health experience and a team of administrative staff. Medical expertise is provided by two occupational health physicians. Amongst the services offered by occupational health are pre-employment screening, individual casework such as return to work assessments and management referrals, support for 'needlestick' (hypodermic needle) injuries, workplace assessments, Control Of Substances Hazardous to Health (COSHH) assessments and surveillance.

Following on from the Trust being awarded national recognition as the most improved Trust in England for the 2016/17 flu fighter campaign, in 2017/18 the Trust administered 2938 vaccinations, more than ever before, with a total of 84.7% of frontline staff vaccinated. This success was attributable to the combined efforts of a multi-disciplinary director led team from communications, HR and occupational health.

Support to staff is provided through the Trust's independent employee assistance provider (EAP). The service provides staff with free, 24/7 access to a wide range of expert support and guidance. This includes a confidential counselling service, with face-to-face counselling as standard, and telephone advice and information on a wider variety of issues including debt management, legal support and family issues. New online and app services support the aim for wider access to the EAP and staff can now access the enhanced website on health, work and home issues.

5.5 Breakdown of Staff and Directors by Gender

Directors	F	M	Total
Executive Directors	3	3	6
Non-Executive Directors/Chair	1	6	7

Snr Managers (i.e. Band >8A)	F	M	Total
Add Prof Scientific and Technic	18	11	29
Administrative and Clerical	32	24	56
Allied Health Professionals	19	3	22
Estates and Ancillary	0	2	2
Healthcare Scientists	8	13	21
Nursing and Midwifery Registered	38	12	50
Grand Total	**115**	**65**	**180**

Other Employees	F	M	Total
Add Prof Scientific and Technic	124	64	188
Additional Clinical Services	1028	159	1187
Administrative and Clerical	682	99	781
Allied Health Professionals	268	55	323
Estates and Ancillary	49	152	201
Healthcare Scientists	50	27	77
Medical and Dental	294	303	597
Nursing and Midwifery Registered	1169	95	1264
Students	11	4	15
Grand Total	**3675**	**958**	**4633**

5.6 Staff Sickness

The Trust's out-turn for 2017-18 (12 months to February) for sickness absence was 3.64% (3.48% in 2016-17) against a target of 3.50%. The greatest loss of calendar days in the year was due to mental health conditions such as anxiety/stress/depression, followed by musculoskeletal conditions and viral illnesses, e.g. colds/coughs/influenza.

The average sickness rate for Trusts in Wessex (latest data December 2016 – November 2017) was 3.92% In this same period Poole's rate was 3.52%, 0.4% below the benchmark.

In a wider benchmark exercise Poole's performance places the Trust at the 19th percentile compared to all healthcare providers in England and Wales (i.e. excluding CCGs etc.), with the average rate for this group being 4.29%. The rate for acute Trusts was 4.04% and a local benchmark for Dorset shows a rate of 3.77%.

Month-by-month sickness absence rates March 2017 – February 2018

Sickness Absence Rates	2017 03	2017 04	2017 05	2017 06	2017 07	2017 08	2017 09	2017 10	2017 11	2017 12	2018 01	2018 02	Rolling 12 Months
Poole Hospital NHS Trust	3.25%	3.20%	3.46%	3.51%	3.59%	3.57%	3.55%	3.75%	3.76%	3.91%	4.29%	3.85%	3.64%

5.7 Analysis of staff costs and average staff numbers

	2017/18 Total Cost £'000	2017/18 Total Number	2016/17 Total Cost £'000	2016/17 Total Number
Medical & Dental	44,491	406.88	43,006	383.75
Ambulance Staff	0	0.00	0	0.00
Administration & Estates	14,739	617.52	14,356	606.82
Healthcare Assistants & Other Support Staff	4,184	176.37	4,073	174.37
Nursing, Midwifery & health visiting staff	54,690	1,458.76	53,907	1,444.83
Nursing, Midwifery & health visiting leaners	0	0.00	0	0.00
Scientific, therapeutic and technical staff	12,553	320.02	12,400	319.95
Healthcare science staff	1,427	23.70	1,399	23.70
Social care staff	0	0.00	0	0.00
Agency and contract staff	5,054	111.73	3,885	74.66
Bank Staff	7,576	177.63	6,397	171.80
Other	19,073	341.04	18,067	341.53
Totals	**163,787**	**3,633.65**	**157,490**	**3,541.41**

5.8 Exit packages

	2017/18								2016/17	
Exit package cost band	Number of Compulsory Redundancies	Cost of Compulsory Redundancies £000	Number of Other Departures Agreed	Cost of Other Departures Agreed £000	Total Number of Exit Packages	Total Cost of Exit Packages £000	Number of departures where special payments have been made	Cost of special payment element included in Exit Packages £000	Total Number	Total Cost £000
Less than £10,000	0	0	14	41	14	41	14	41	6	25
Between £10,000 and £25,000	0	0	3	50	3	50	3	50	2	35
Between £25,001 and £50,000	0	0	0	0	0	0	0	0	1	30
Between £50,001 and £100,000	0	0	0	0	0	0	0	0	0	0
Between £150,001 and £200,000	0	0	0	0	0	0	0	0	0	0
Total	**0**	**0**	**17**	**91**	**17**	**91**	**17**	**91**	**9**	**90**

5.9 Staff policies and actions applied

Applications for employment made by disabled persons

The Trust has an active commitment to both recruiting people with disability and developing and retaining staff with disability and has welcomed the introduction of the Workforce Disability Equality Standard.

A wide range of advice, guidance and other practical support is available from line managers, the human resources team, occupational health team, education team and also the staff experience lead, holding the role of workforce equality lead.

The Trust was re-awarded Disability Confident status in 2017, reflecting the Trust's real and practical commitment to best practice, including a guaranteed interview, in the recruitment of people with disability.

The Trust considers reasonable adjustments when a suitable applicant has a disability which may affect their ability to carry out the duties of their new role. This activity is also available for members of staff with disability. The Trust works closely with the individual to identify and make reasonable adjustments to overcome the effects of the disability. The Trust also works with other agencies, including Access to Work, to ensure the carrying out of this commitment. In a rare circumstance where a member of staff may no longer be able to carry out their role due to the effects of disability after the process of considering reasonable adjustments has been carried out, the Trust works to retain the talent of the member of staff by supporting the consideration of other potentially suitable roles in the Trust, offering appropriate training and development.

The Trust's practice in training and developing all staff takes account of any needs of individuals which arise from disability, to ensure fair access to Trust programmes and the development of all staff.

Provision of Information to employees on matters of concern

The Trust has a communication strategy which ensures that staff are kept up to date with information on matters of concern, interest and information, including the Trust's performance which covers a wide range of subjects such as health and safety. This includes team brief, staff bulletin and departmental team briefings.

The Trust has a Staff Partnership Forum and Local Negotiating Committee whose membership includes staff representatives, local and regional trade union representatives.

Occupational Health Services

Amongst the services offered by occupational health are pre-employment screening, individual casework such as return to work assessments and management referrals, support for 'needlestick' (hypodermic needle) injuries, workplace assessments, Control Of Substances Hazardous to Health (COSHH) assessments and surveillance. An example of the support provided to staff includes leading the "Flu Fighter Campaign" which during the 2016 campaign resulted in a significant take up by front line staff which was acknowledged by the National Award for the most improved Trust.

The Trust has an employee assistance provider that is available to all staff 24 hours every day online and by telephone providing confidential, impartial advice and support. This service is actively promoted by reference in Trust procedures and communications with staff.

Counter Fraud

The Trust has a well-established relationship with the local counter fraud team and the work of the Counter Fraud team is actively promoted through Trust procedures and communications with staff.

5.10 Expenditure on consultancy

During the year the Trust reported total consultancy expenditure of £248,759. No consultancy contracts were in excess of delegated limits and required regulatory approval.

5.11 Off payroll adjustments

Nil

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

Public Sector Payment Policy

The Better Payment Practice Code requires the Trust to pay all valid non-NHS invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. No statutory interest was payable by the Trust in 2017/18 in respect of late payments. Income from provision of the health service is greater than income from any other sources.

Better payment practice code	Actual 31/03/2018 YTD Number	Actual 31/03/2018 YTD £'000
Non NHS		
Total bills paid in the year	60,147	83,985
Total bills paid within target	39,564	54,983
Percentage of bills paid within target	**65.8%**	**65.5%**
NHS		
Total bills paid in the year	2,422	12,199
Total bills paid within target	1,337	6,477
Percentage of bills paid within target	**55.2%**	**53.1%**
Total		
Total bills paid in the year	**62,569**	**96,184**
Total bills paid within target	**40,901**	**61,460**
Percentage of bills paid within target	**65.4%**	**63.9%**

7. REGULATORY RATINGS

NHS Improvement's Single Oversight Framework

NHS Improvement's Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. The framework looks at five themes:

- Quality of care
- Finance and use of resources
- Operational performance
- Strategic change
- Leadership and improvement capability (well-led)

Based on information from these themes, providers are segmented from 1 to 4, where '4' reflects providers receiving the most support, and '1' reflects providers with maximum autonomy. A foundation Trust will only be in segments 3 or 4 where it has been found to be in breach or suspected breach of its licence.

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's *Risk Assessment Framework* (RAF) was in place. Information for the prior year and first two quarters of 2016/17 relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

Segmentation

The Trust is in Segment 2, Targeted Support, where it has been since the initial formal segmentation in December 2016.

This segmentation information is the Trust's position as at April 2018. Current segmentation information for NHS Trusts and foundation Trusts is published on the NHS Improvement website.

Finance and use of resources

The finance and use of resources theme is based on the scoring of five measures from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall score. Given that finance and use of resources is only one of the five themes feeding into the Single Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score here.

Area	Metric	2017/18 scores				2016/17 scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital service capacity	2	3	4	4	1	1
	Liquidity	3	3	3	4	3	3
Financial efficiency	I&E margin	2	4	4	4	2	3
Financial controls	Distance from financial plan	1	1	1	1	1	1
	Agency spend	2	2	2	1	1	1
Overall scoring		**2**	**3**	**3**	**3**	**2**	**2**

8. STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Statement of the Chief Executive 's responsibilities as the Accounting Officer of Poole Hospital NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Poole Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Poole Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Signature

Debbie Fleming, Chief Executive

Date: 23 / 5/ 18

9. Annual Governance Statement 2017-2018

Scope of Responsibility

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Poole Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Poole Hospital NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust recognises that positive and managed risk-taking is essential for growth, development and innovation. 'Risk' should never be set as a barrier to change and improvement; instead risks should be recognised, considered and managed effectively as part of the continual improvement process.

The management of risk is led by the Board of Directors (BoD) and overseen by the key board assurance committee; Quality, Safety and Performance Committee which is chaired by a Non-Executive Director.

The Trust has during 2017/18 continued to develop and enhance its governance and risk management systems and processes recognising the changing and challenging environment in which it operates. The identification and appropriate management of risk forms an integral part of the Trust`s overall approach to integrated governance to ensure a risk awareness culture in which all risks are identified, assessed, understood and proactively managed. This promotes a way of working that ensures risk management is embedded in the culture of the organisation and remains an integral part of the Trust's objectives, plans, practices and management systems.

The board recognises that there is a need for robust systems and processes to support continuous improvement, enabling staff to integrate risk management into their daily activities wherever possible and support better decision making through a good understanding of risks and their likely impact on patient and staff safety.

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

The risk management structure is based on committees and groups which have key roles in the management of risk. This provides the assurance required by the board that all areas of risk are being adequately managed, monitored and developed. The Audit and Governance Committee receives regular reports with regard to the risk register process including; All new significant risks added to the risk register each month, annual risk register report with a 6 month update mid-year, draft annual governance statement, the BAF process for scrutiny, and Internal and external audit reports and audit view.

Risks are assessed using the standard NPSA 5 x 5 (National Patient Safety Agency) risk assessment tool/rating matrix which maps the likelihood of the risk occurring against the consequence and recorded on a risk assessment form that identifies the controls, mitigations and associated risk ratings. The process of risk assessment is clearly outlined in the risk assessment guidelines available to staff on the Trust intranet and is supported by the risk management team on an individual basis to ensure quality and accuracy of assessments.

The Trust has purchased a web based version of the risk register that has now been implemented within the Trust. Risk register dashboards identifying the risks for each Care Group have been developed to increase ownership at local level. Risk management retain oversight to ensure timely reviews and adequate controls are in place.

The Board of Directors recognise that training is central to staff understanding their roles and responsibilities for risk management across the organisation. Risk Management training for all staff forms part of the Trust's mandatory training requirements in relation to incident reporting and health and safety. Wider risk management training is available for staff as appropriate to their role.

Regular Board of Director seminars and separate board development sessions covering key risk and safety topics are provided. The board seminars are held throughout the year to support the executive and non-Executive Directors in their roles.

The risk management process is led by a nominated Director - the Director of Nursing, supported by Executive Directors, Clinical Directors, General Managers, Matrons, Department Leads, and from 1 March 2018 a newly appointed Deputy Director of Nursing.

Learning following a serious incident or complaint is extremely important to the Trust in ensuring that we constantly strive to improve the quality and safety of care and treatment to our patients. Sharing learning from incidents is completed through a variety of mechanisms including; a safety newsletter, learning panel reports, dissemination at key meetings, team briefings, directorate and team performance review meetings, action plans, patient stories at board meetings and review of significant complaints at senior Trust meetings. Serious incident learning panel reviews are regularly held with learning and outcomes shared with staff.

The Trust has improved the incident reporting process with the web based incident reporting system since December 2015; this has supported a more timely response and action to incidents. Improved reporting has been developed through the use of dashboards across key areas. Further improvements to the investigation and sharing outcomes and learning of serious incidents are planned again for the coming year. Scrutiny from our Clinical Commissioning Group (CCG) ensures we maintain a high standard of investigation.

The Trust also works closely with external scrutiny committees, internal and external auditors and our local Health Watch to review throughout the year progress against our quality account improvement topics and actions taken following any concerns that they have raised with us.

The Risk and Control Framework

The Trust has a Risk Management Strategy which is a key strategy for the organisation with clear objectives and sets out the leadership, responsibility, risk appetite and accountability arrangements for risk management. These responsibilities are then taken forward through a Board Assurance Framework. This Risk Management Strategy is underpinned by a suite of policies and procedures guiding staff on the day to day delivery of effective risk management processes.

Risk appetite is defined as “the amount of risk at board level that an organisation is willing to take on in order to meet strategic objectives” (2016: Institute of Risk Management). It is the level at which the Trust Board determines whether an individual risk, or a specific category of risks are considered acceptable or unacceptable based upon the circumstances/situation facing the Trust.

The Risk Management Strategy was reviewed and updated during 2017 to improve the clarity around responsibility for risk and define the risk appetite.

The management of risk, locally and centrally, is underpinned by the following key components of the risk management cycle:

- Risk Identification
- Risk Assessment
- Risk Mitigation
- Risk Review and monitoring
- Risk Registers
- Board Assurance Framework – (BAF)
- Risk Management Education and Training
- Monthly and quarterly performance review process
- Review of Effectiveness
- Risk management annual plan

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

- Trust wide adverse incident reporting procedure applicable to all staff with the development and provision of Datix incident dashboards for all key staff. The dashboards allow live time review of incidents, trends and analysis on a daily basis and for local and Trust wide risk groups.

- Risks (corporate, clinical and information governance) and action plans to mitigate risk are discussed at the monthly Clinical Care Group and Clinical Directorate performance meetings. Quarterly performance reviews (involving clinical and corporate directorates) are led by the Executive Directors and focus on performance highlights and challenges.

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

- Specialist area risk management groups are in place within each Care Group meeting regularly to discuss incidents that have occurred and agree actions to be taken. Clinical Directorate trends and analysis are reviewed. Care Groups/Directorates are also required to maintain risks on the Trusts risk register and review these on a regular basis. (Monthly for significant risks and 3 monthly for moderate risks) Any risks that cannot be managed at a local level and have the potential to affect the whole of the Trust, and/or have a risk rating of 12 and above are reported to the board and are included in the BAF.

The Board of Directors' and its subcommittees receive a report on new significant risks at each meeting. A number of other groups support the risk management process;

- Risk Management and Safety Group.
- Bi-monthly Health and Safety Group meetings.
- Hospital Executive Group (HEG).
- Infection Control Group.
- Quarterly internal performance reviews of Clinical and Corporate Directorates including a requirement to report on risks, risk assessment and action to mitigate risks.

The Trust has an Information Risk and Security policy that relates to all IT Trust activities. It addresses data security and processes for protecting all Trust data, by providing a consistent risk management framework in which information risks are identified, considered and addressed. Any incident involving the actual or potential loss of personal or sensitive corporate information that could lead to identity fraud or has other significant impact on individuals is considered to be serious.

During the period 2017-2018 there has been two cases of serious data losses recorded, these were reported to the Information Commissioner's Office (ICO) and NHS digital and treated as a serious untoward incident. Further details can be found on page 105.

The Board Assurance Framework (BAF) – The BAF is a key mechanism to reinforce the strategic focus of the board and better manage risk. It is used to help the organisation capture, report and monitor key risks to the strategic objectives, implement corrective action and report to Board on progress. It is designed to provide assurance that the organisation is delivering on its objectives, supporting the management of the potential and actual risks. The BAF also helps the organisation to assess the controls it has in place to mitigate the risks and review the assurances to check the controls are effective.

NHSI Single Oversight Framework provides the framework for overseeing providers and identifying potential support needs. Providers are segmented from 1 – 4, where 4 reflects providers receiving the most support and 1 reflects providers with maximum autonomy. The framework looks at five themes: quality of care, finance and use of resources, operational performance, strategic change and leadership and improvement capability (well-led). The Trust is in Segment 2, Targeted Support, where it has been since the initial formal segmentation in December 2016. This segmentation information is the Trust's position as at April 2018.

The BAF and related strategic risks are managed and monitored by the Trust board key assurance committees on a quarterly basis. The Assurance Committees are: the Finance and Investment Committee (financial risks); the Quality, Safety and Performance Committee (quality, safety and performance risks), and the Workforce and Organisational Development Committee (workforce risks).

The Trust confirmed five strategic objectives and the risks associated in failing to achieve these which form the basis of the BAF. The strategic objectives for 2017-2018 are;

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

A number of gaps in risk control and assurance were identified at the beginning of the year within the BAF these gaps in control and a number of risks relating to the gaps in assurance have subsequently been closed within the year with evidence of assurance reported to the relevant key board assurance committee on a quarterly basis. The BAF and risk management process is subject to our internal auditors each year and gained 'significant assurance' for 2017-18. (Ref TIAA March 2018).

The annual corporate governance statement was approved by the Board of Directors in May 2017. The statement confirmed compliance with Condition FT4 of the Licence and anticipated compliance with this condition for the next financial year. The statements made to NHS Improvement are reviewed by the Board in advance of submission. A supplementary report detailing the Trust's assurance and evidence of compliance with the Corporate Governance statement is provided to assist with this. The principal risks to compliance with Condition 4 set out in the Trust's provider licence have been highlighted to the Board in advance through the regular reporting to the Board at its bi-monthly meetings. The principal risks are:

- The maximum waiting time of four hours in the Accident and Emergency due to the continued high level of attendances and subsequent admission, turnover of medical workforce and the general acuity of patients presenting;
- The percentage of patients admitted with a fractured neck of femur to be operated on within 36 hours of admission or of being clinically appropriate for surgery;

- 18 weeks referral to treatment times (RTT) performance and breach of the 90% performance target. A detailed RTT recovery plan is in place to bring the Trust back in line, to include additional Oral Surgery weekend sessions and Dermatology Rapid Access Clinics;
- Going Concern and financial sustainability. See Section 2.4 of the Annual Report, page 27.

In addition, the Trust currently has nine significant open risks on the risk register, with the majority (five risks) relating to staffing shortages- active recruitment plans, workforce development strategies and temporary staff usage are in place. All these risks are closely monitored via the Board sub committees.

Two risks relate to the inability to meet contractual targets; referral to treatment targets (RTT) as above, and toxin positive clostridium difficile. One risk relates to potential disruption of radiotherapy treatment capacity should breakdown occur. A final risk relates to the incidence of pressure ulcers in the Trust, which also features as a priority in the Trust quality account.

These risks have been notified to the Board and all are closely monitored via the Board sub committees and have programmes of work associated.

With regard to overall performance the Trust has met the majority of the national standards for the year, including Cancer, but in the same way as the majority of Trusts across the country, the Trust did not achieve the A+E trajectory in March 2018.

The referral to treatment (RTT) 92% standard has not been achieved at aggregate level, since August 2017 and as at March 2018 was 87.2%.

The main driver for this decline has been a loss of capacity in Oral Surgery, and both the position and recovery of this metric has been the subject of papers to the board.

The Trust had one case of MRSA bacteraemia in 2017 which was deemed a contaminated sample rather than a true clinical infection, this represents an opportunity to improve practice with sample collection. The Clostridium difficile target has been extremely challenging reaching 24 against a target of no more than 15 cases at the end of March 2018. However, the incidence has dropped significantly in quarter four when just one case was reported.

The Trust has met the stroke 90% standard for every month from April to February. (80% of patients should spend at least 90% of their time on a stroke unit)

The Trust did not achieve the four hour standard in 2017/18, but did meet the NHSI trajectory, with the exception of quarter four.

The 15 'key diagnostic tests' standard (DM01 return) of no more than 1% of patient waiting more than 6 weeks at month end has been delivered in six of the 11 months to date in 2017-18

The Cytology Screening standard (Wessex standard 98% in 14 days) has been consistently achieved despite various increases in demand and reductions in capacity, which is to be commended.

Information Governance Toolkit Progress Report; The Trust's 2017/18 submission scored 84% "satisfactory", which had been validated by internal audit. This target is consistent with last year's submission and was our projected position at the beginning of the financial year.

By achieving the minimum of Level 2 across all requirements, which we will achieve enables us to achieve an overall textual score of 'Satisfactory'.

The foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust received an overall rating of good in its inspection visit completed in September and October 2017; this included an overall rating of good in the well-led domain. The Trust underwent a well led review following NHS Improvement's Well Led Review Framework in the autumn of 2016. The main findings from the review were that the Trust is a well-run organisation with clear strengths across all of the well led domains within the framework.

The CQC comprehensive inspections of NHS Trusts have shown a strong link between the quality of overall management of a Trust and the quality of its services. For that reason, the CQC looked at the quality of leadership at every level. They also looked at how well a Trust manages the governance of its services – in other words, how well leaders continually improve the quality of services and safeguard high standards of care by creating an environment for excellence in clinical care to flourish.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

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

The Foundation Trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Review of economy, efficiency and effectiveness of the use of resources

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

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

Board of Directors: - A Non-Executive Director chairs the Audit and Governance Committee at which representatives of the internal and external auditors attend. The committee reviewed and agreed the audit plans of both the internal and external auditors. The plans specifically include economy, efficiency and effectiveness reviews which have been reported on. A Non-Executive Director also chairs the Finance and Investment Committee which reviews the Trust's finance plans and performance and the Workforce and Organisational Development Committee is also chaired by a non-executive director.

The Board of Directors receives both performance and financial reports at each of its meetings and receives reports of its sub committees to which it has delegated powers and responsibilities.

The Trust also has a significant transformation programme to ensure the Trust maximises the use of all available resources and identifies and manages a number of cost improvement programmes to ensure that scarce resources are used in the most effective manner. As part of this process, the Trust is fully engaged with the productivity and efficiency work streams arising from the Carter report.

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

The Trust received a rating of 'good' for use of resources in NHS Improvement's assessment in November 2017.

Information governance

During the period 2017-2018 there has been two cases of serious data losses recorded, these were reported to the Information Commissioner's Office (ICO) and NHS digital and treated as a serious untoward incident. Both cases were appropriately investigated, and following liaison with the ICO, they considered that the Trust had taken appropriate actions and therefore no further action was required. Details of both incidents are summarised below:

- **Date of Incident: 16/04/2017**

  Summary of Incident:
  Patient sent home with own hand held records, but in addition to collating her own records she picked up in error a central delivery admissions book containing demographic information of 698 other patients.

Action Taken:

The incident was reported to the Trust's Caldicott Guardian and SIRO. It was also reported as a serious untoward incident. All action was taken to recover the data and prevent future loss.

- **Date of Incident: 25/8/17**

  Summary of Incident:

  A letter containing personal/sensitive information relating to a child and their mother was sent to an incorrect address.

  Action Taken:

  The incident was reported accordingly to the Trust's Caldicott Guardian and SIRO. It was also reported as a serious untoward incident.

  The Trust liaised with the ICO and provided additional documentation to them to assist with their enquiries. Data subjects were informed by phone and followed up with a letter of apology and the offer of a meeting to discuss the incident further.

Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation Trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*.

The production of the quality report is led by the Director of Nursing and reflects the discussions and decisions of the Board of Directors and the Quality, Safety and Performance Committee during the preceding year.

The Trust has engaged clinical staff, the board, Governors, Health Watch and local health scrutiny panels in the process of building the quality report.

The data used in the quality report has been reviewed and a number of data items are the subject of external audit scrutiny to check their validity.

Clinical quality and patient safety have been at the forefront of meetings of the Board of Directors and the Trust has continued to hold a regular Quality, Safety and Performance Committee to provide further assurance on the arrangements for maintaining clinical quality and patient safety. The Trusts governance structure has been updated during the year and the Board of Directors has undertaken a review if their effectiveness during March 2016.

The reporting of Referral to Treatment (RTT) access times is a key NHS metric, and part of the NHS Constitution. The accuracy and timeliness of RTT data, that underpins both day to day operational management of elective care and also for reporting against this access standard is crucial.

The RTT team undergo daily ongoing validation, picking up staff training needs, patients that require expediting and records that may need amendment to ensure the patient pathway is accurately reflected. There are also weekly reconciliations undertaken as well as month end checks by the lead analyst in preparation for month end reporting. RTT reports including patient level data are made available to the Operational and General Managers at least weekly, with self-service reporting updated daily.

RTT is part of the Data Quality Framework, which is a standing item with the Data Quality Management team and presented annually to the Audit and Governance Committee. RTT is currently subject to Annual External Audit, this is part of a rolling DQ review with Internal Audit.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, risk/ clinical governance committee/ quality, safety and performance committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Conclusion

Based upon available Department of Health guidance, and the Trust's internal and external auditors' views, the Board of Directors has not identified any significant internal control issues at this time.

Signature

Debbie Fleming, Chief Executive

Date: 23 / 5 / 18

SECTION C: QUALITY REPORT

PART 1 - STATEMENT ON QUALITY

Chief Executive's Statement

Whilst there is no doubt that increasing demand for our services and on-going financial pressures have impacted on the Trust during 2017/18, we are once again very proud of what our teams have achieved over the past 12 months. Delivering excellent patient care centred around the core values of "the Poole Approach" has remained at the heart of everything we do and as a consequence, despite these challenges, the organisation continues to drive improvements.

I continue to be really proud of the quality of care that we provide, and I know first-hand just how much local people value our services. In a recent national publication, Poole Hospital was ranked the 10th best Trust in the country for "Use of Resources", which is really impressive. The aim of the assessment is to understand how effectively providers are using their resources to provide high quality services across the whole organisation. I am also delighted that Poole Hospital has come in the top five acute Trusts nationally for staff recommending it as a place to work or receive care according to the results of the latest NHS staff survey, published in early March 2018.

Areas of excellent performance included:

- Feeling valued by your manager
- Quality of training
- Equal opportunities to progress
- Being able to contribute to improvements
- Motivation at work
- Recommending the hospital as a place to work or receive care.

The overall staff engagement mark also featured in the top 20 per cent nationally, while 13 further areas were rated as 'better than average'.

Our services continue to be highly valued by our local community and our most recent friends and family test results show that 93.3% of patients attending for treatment would recommend Poole Hospital to others.

Our staff also endorses Poole Hospital as a great place to work with 90% also recommending our care in the latest staff friends and family test.

The Trust had excellent patient feedback from both the National Emergency Department Survey and National Cancer Patient Experience Survey. Results showed that patients rate their care in the Emergency Department as 8.6 out of 10, better than the national average. Likewise, 90% of cancer patients felt they were treated with dignity and respect, compared with 88% nationally.

The Trust's new people strategy (approved by the Board in November 2017) sets out how we will continue to support our staff to provide the highest possible quality of care to patients in an environment of high demand and change. Our Quality strategy was further revised to reflect the ever changing NHS landscape aligning our quality improvement aims more closely with our strategic objectives.

Following the clinical commissioning group's (CCG's) decision that Poole Hospital will become east Dorset's planned care hospital, and the Royal Bournemouth the area's major emergency hospital, this relationship will be more important than ever. We welcome the end of the uncertainty that the CCG's decisions on the clinical services review has brought, and our role now is to work with colleagues in health and social care in Dorset to design and deliver the very best services possible

Discussions with colleagues at The Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust continue as we explore merger. Formally coming together as one organisation will mean that the full benefits of the Clinical Services Review can be fully realised. It's the view of both boards of directors that all of these benefits can only be delivered as one organisation. We have long enjoyed a close working relationship with our colleagues at the Royal Bournemouth, and the prospect of merger will mean even closer ties.

Collaborative working under the banner of the Dorset Cancer Partnership to reduce waiting times for cancer services and the new GP streaming facility where we are working more closely than ever before with local GPs to improve access to services for patients has been a key priority. Developments of this kind can only be delivered through effective partnership and system working – with the needs of patients being given higher priority than those of an individual organisation.

The Dorset Care Record (DCR) has now gone live with the first release of the service. This is an important development and the biggest health and care IT project that local partners have ever attempted. Collaborative working across the eight Dorset partners has been key to ensure better joined up information for our patients.

Our new integrated discharge services bureau was officially opened in October, bringing together our own discharge teams with colleagues in health and social care a great example of partnership working, and one that will directly benefit patients. The Poole Approach in action, whereby we support each other to do the very best we can for our patients, there is no doubt that we are going through a time of significant change here in Poole, but we clearly have a strong platform to build on, with really dedicated staff, who want to play a part in creating a positive future. In developing our joint plans with RBCH, we shall be better placed to tackle our collective financial and workforce challenges, and will be able to establish more resilient services.

Over the winter period patients admitted to our hospital were staying in far longer than usual, which in turn put more pressure on services and staff across the organisation. The situation was exacerbated by a high number of patients with flu, which given its infectious nature means that staff and visitors have to take extra precautions. We are fortunate that so many of our frontline staff (84.5%) have had a flu vaccination this winter. This means that we were better protected than most Trusts for this situation, and better placed to be able to continue providing high quality care.

ED performance has been meeting the national trajectory and this has been further supported by the new urgent primary care centre whereby patients who arrive at the emergency department will be streamed into the urgent primary care centre if it is decided that their treatment would be better suited for a GP rather than emergency staff. A GP will be available to see patients 12 hours a day, seven days a week. However, this year's winter pressures have been more challenging than ever before and this has undoubtedly impacted on our ability to meet the ED performance target and our RTT times for the final quarter of the year.

The Care Quality Commission (CQC) has given the hospital a rating of 'good' following a re-inspection of some services in September 2017. The new rating marks an improvement on the previous 'requires improvement' evaluation. During the course of their visit, inspectors looked at surgery, critical care and services for children and young people. Critical care and services for children and young people have improved their positions and are now rated 'good', whilst surgery has been assess as 'requires improvement'. The reasons for this are known and understood, and will form part of the action plan going forwards. Inspectors also looked at whether or not the Trust overall is 'well-led', and carried out a detailed assessment of the new 'use of resources' indicator. I am pleased to confirm that the Trust was rated as 'good' for both of these corporate indicators.

Inspectors noted our track record in delivering effective, caring and well-led services, and the significant improvements made since their visit in 2016. They also highlighted our readiness to play a full role in implementing the outcomes of the clinical services review. Myself and the Board of Directors are delighted with our improved rating, which reflects the positive culture of the hospital and the hard work that takes place every day to provide the best possible care for patients. Of course, there remains room for improvement, and we cannot be complacent about the things that need to be tackled in order to consistently provide safe, high quality services, across the whole 24 hour period. This new rating is a significant achievement for a Trust with a much challenged financial position, facing a major programme of change.

I continue to be really proud of the quality of care that is provided within Poole Hospital, the innovation that is a constant feature of the Trust, and the way in which staff across the organisation support each other to do a good job.

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

Signature:

Debbie Fleming, Chief Executive

Date: 23 / 5 /18

PART 2 – PRIORITIES FOR IMPROVEMENT AND STATEMENTS OF ASSURANCE FROM THE BOARD

QUALITY IMPROVEMENT PLAN 2017-2018 - The details of our plans for quality improvements in 2017-18 are detailed below. These are monitored via the Quality, Safety and Performance Committee. For the period 2018-2019 (in conjunction with external scrutiny bodies, Health Watch and the Trust Governors) the Trust has agreed to continue to expand and develop some of the current improvement topics (2016-17) and introduce a number of new topics for 2018-19.

1. Supporting patients to return home (effective discharge planning and communication)
Quality priority :
During 2016/17 the Trust focussed on improving our internal processes including a comprehensive review of the discharge planning tools and the discharge policy.
Supporting patients to return home is a complicated and multifactorial process. The Trust is working with partners to further develop effective discharge processes and improve communication both internally and externally to the organisation.
A key focus is delivering personalised arrangements for discharge home to enable all patients to achieve their best possible outcomes.

Aims	How will we achieve this	Measure (S.A.F.E.R)	Progress March 2018	Due	Lead
Implement 'Discharge to Assess' (D2A) and Trusted practitioner (TP) initiatives with the aim to reduce length of stay.	Assessing the needs of patients in the right place such as usual place of residence Reduction in length of stay, occupied bed days and DToC rate.	Monthly data and delivery group meetings in place. Reporting to multi-agency groups.	Update; Operational delivery of TP and D2A are being overseen through a series of multi-agency monthly meetings known as 'Ready to Leave'. A 'Ready to Leave data set has been integrated into the Trust operational flow chart. Executive approval has been obtained for ready to leave to be updated by care group managers as part of the quarterly performance reports. Work continues across both TP and D2A to promote timely discharge and to reduce delays. The data demonstrates positive changes have been made over the last 12 months.		JP/LW/AT

Aims	How will we achieve this	Measure (S.A.F.E.R)	Progress March 2018	Due	Lead
CQUIN 2017-2019 monitored via CCG- increasing % of patients discharged to their usual residence within 7 days To continue to improve discharge information and communication working in closer partnership with Poole Borough Council and local healthcare providers To work with patients/relatives and local bodies such as Health Watch to identify improvement opportunities to the discharge process	Careful monitoring of readmission rates Continue to embed SAFER flow bundle across all relevant areas of the Trust. Including an additional question on the Wednesday ward watch monthly audit. Ensure that patients experience high quality communication throughout their journey within the hospital and back into the community to assist a seamless transfer of care. Embed and develop the My Ticket Home and Welcome Letter with patients, colleagues, and partners.	CQUIN; Increase discharge to usual residence by 2.5% (Year 1 Q3andQ4) CQUIN; Readmission rates Increase in the number of patients leaving hospital by 12:00 midday. Reduce the number of patients with extended length of stay in line with national guidance (e.g. 3.5% or below). Hospital wide compliance with the SAFER audit. Progress against the discharge quality standard audit action plans (twice yearly).	D2A is in place with Borough of Poole in DME, Medicine, surgery and Trauma, with occasional patients being identified in other parts of the Trust for example Cornelia suite. Further training planned to increase the number of Trusted Practitioners. Currently exploring how the D2A process can support End of Life Care Bournemouth Borough Council has commenced roll-out of D2A with 2 wards in DME and has now moved to include Trauma (B2). Dorset County Council has confirmed that they are working to start D2A however are undergoing a reorganisation in the community teams which must be completed first. Improvements in quality of reporting and monitoring patient destinations via the use of the recently introduced discharge summary document on the Electronic Patient Record system. Baseline 34.4%. 2017/18 target 36.9%		

Aims	How will we achieve this	Measure (S.A.F.E.R)	Progress March 2018	Due	Lead
			Q1 achieved 37.4% Q2: 35.9% Q3: 38.4% February 2018 35.7% Year to date: 37.1% SAFER board rounds are being refreshed as part of D2A embedding across the Trust.		

2. Quality improvement priority- Deterioration of patients (including sepsis and acute kidney injury (AKI)
Quality priority :
The 'deteriorating patient', has been identified as a key work area in the Trusts safety Plan supporting the Sign Up to Safety campaign. Work to increase staff awareness and the timely escalation of the deteriorating patient to clinical experts within the hospital will increase safety and reduce the risk of harm for all patients.
National prioritisation of this work is also being driven through CQUIN targets for Injury and Sepsis, two principle causes of deterioration in patients.

<table>
<tr><th>Aims</th><th>How will we achieve this</th><th>Measure</th><th>Progress March 2018</th><th>Due</th><th>Lead</th></tr>
<tr>
<td>Reduction in the number of serious incidents where failure to escalate is a feature.

Increased compliance with implementation in National Early Warning System (NEWS) track and trigger system for the deteriorating patient.

For at least 95% of patients to have vital signs recorded in accordance with agreed plan of care.</td>
<td>By auditing and collecting data for analysis and submission in support of Sepsis CQUIN 2017-18.</td>
<td>Percentage compliance with implementation in NEWS track and trigger.

Number of serious incidents relating to failure to escalate the deteriorating patient.

Percentage of patients having a full set of vital sign</td>
<td>Whole Trust Audit of NEWS compliance 2017 (Green is 2016 for comparison)
<table>
<tr><td>Number of charts audited</td><td colspan="2">408 (415)</td><td></td></tr>
<tr><td>Number of sets of observations in 24 hours</td><td colspan="2">1654 (1707)</td><td></td></tr>
<tr><td>Frequency of observations</td><td>0.5
1 hourly
2 hourly
4 hourly
6 hourly
8 hourly
12 hourly
No/Alt obs</td><td>3 (0)
8 (3)
12 (7)
58 (54)
180 (178)
25 (17)
106 (142)
13 (13)</td><td>(7 in critical care)</td></tr>
<tr><td>Protocol
Escalated
Limited</td><td colspan="2">236 (281)
125 (62)
34 (61)</td><td></td></tr>
<tr><td>% Complete observations</td><td colspan="2">99% (99%)</td><td>11,578 parameters – 71 not recorded on 21 patients.</td></tr>
<tr><td>Highest graded response in last 24 hours</td><td>Low
Medium
High

Critical</td><td>283 (326)
90 (55)
17 (19)

5 (5)</td><td>10/17 documented action, 2 reasonable rationale for non-escalation, 1 missed data.
1 NEWS, 3 TEP's not for NEWS, 1 no NEWS</td></tr>
<tr><td>Critical risk at any time</td><td colspan="2">35 (36)</td><td>12 patients had a NEWS call placed
13 TEP not for NEWS</td></tr>
</table>
</td>
<td></td>
<td>PE/LS</td>
</tr>
</table>

<table>
<tr><th>Aims</th><th>How will we achieve this</th><th>Measure</th><th>Progress March 2018</th><th>Due</th><th>Lead</th></tr>
<tr>
<td>For at least one ward in each care group to be involved in a service improvement project.

To increase the number of departments receiving simulation training</td>
<td>By joining the Academic Health Science Network's 2016/7 work stream; 'the deteriorating patient', and implement active service improvement projects.</td>
<td>observations recorded within the agreed plan of care timescale.

Number of departments participating in service improvement projects and the measurement for improvement data collected.</td>
<td>
<table>
<tr><td></td><td></td><td>10 no NEWS on 3, other 7 had appropriate reviews at the time = 86% compliant</td></tr>
<tr><td>Red Clock %</td><td>7% (8%)</td><td>Target is < 5%</td></tr>
<tr><td>Observations at night %</td><td>20% (17%)</td><td>Target is 18-24%</td></tr>
</table>
The overall compliance has improved from 77% in 2016 – 82% in 2017
99% compliant with completing full sets of observations. 92% of observations are completed within the prescribed timeframe Jan – Dec 2017
All NEWS calls are followed up by the Resuscitation Department and any non-adherence to graded response protocol is addressed through discussion with the ward areas and reported on Datix if appropriate.
Paediatric areas within the Trust use a scoring system called COAST, these have been recently revised and there is now a greater emphasis on blood pressure recording in children. COAST is currently a paper version but work is ongoing to try to convert this into an electronic format which may be possible with the next Vital Pac upgrade. Maternity use a scoring system on paper called Modified Obstetric Early Warning System (MEOWS), which also has a built in Graded Response.
See SEPSIS monitoring table below;
</td>
<td></td>
<td></td>
</tr>
</table>

		Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Timely identification of patients with sepsis in emergency departments and acute impatient settings	A minimum of 50 records per month after exclusions for ED and 50 for inpatients	73	75	58	107	140	118	95	92	113	129	101	120
Timely treatment of sepsis in ED and acute inpatient settings	Number of patients found to have sepsis receiving antibiotics within 1 hour	75%	79%	81%	89%	82%	82.5%	87%	84%	76%	82%	86%	79%

3. Quality improvement priority – Medication errors

Quality priority :

The Trust has focussed on the number of medication errors occurring across the Trust and the monitoring mechanisms in place during 2016/17

The electronic prescribing project has been initiated with a 12-18 month implementation plan.

A new medication Governance structure has been introduced with all the medicine related groups reporting into the new Medicines Optimisation Group.

The new Medicines Governance policy was approved by the Hospital Executive Group in January 2016.

A lead Pharmacist for Medication/Governance Safety is in place.

The monitoring and management of medication errors will continue to be a priority for 2017/18

Aims	How will we achieve this	Measure	Progress March 2018	Due	Lead
Medicines optimisation – CQUIN 2017-2018 To embed the medicines governance policy into daily working and to continue to improve the policies, procedure and systems in place to ensure the safe and effective administration of medication to patients. To improve the understanding of safe administration and management of medicines, analyse themes and ensure actions are delivered to address these. To improve learning and sharing from medication incidents – to publish 6 medication safety bulletins. To implement electronic prescribing across the	By optimising the use and management of medicines By monitoring the implementation of the Electronic Prescribing System. By sending medicines dashboard reports to Medicines Optimisation Group and Hospital Executive Group. By auditing programmes to monitor prescribing errors, incidents and controlled drugs related incidents. Through pharmacy intervention audits. By monitoring of the Medicines Optimisation work plan.	Adoption of best value medicines Improvement in drug data quality Completion of the implementation of the electronic prescribing project in each key area. Review and monitor the implementation of the new medicines governance structure. Continue to monitor, review and reduce missed doses. Improve and expand the use of the Medicine Optimisation dashboard. Include Medicine Optimisation into the Integrated Performance Reporting process (IPR).	Reduce spending on high cost drugs by 1% monitored via separate CQUIN reporting Controlled drug audits by pharmacy at 100% in January, 96% in February and 100% in March. Ward storage of medicines continues to be reviewed and where appropriate added to directorate risk registers. Medicines related incidents for Q4 have increased and staff shortages alongside bed pressures are felt to have contributed as timing of doses being administered was noticed as one theme. Administration of medicines remains most frequent subgroup. Where able to pharmacists now attend and contribute to directorate risk management meetings, feeding back on medicines safety issues. Medicines Optimisation dashboards are routinely used as part of pharmacy quality and performance reviews including IPR. Medicines Optimisation lead consultants also identified for care groups to ensure leadership on the topic and engagement		NB

Aims	How will we achieve this	Measure	Progress March 2018	Due	Lead
Trust in phase 1 prescribing areas – this will be partially completed in some areas during 16/17. Increase reporting of medication errors by 10%. Decrease severe and moderate harm errors by 5%.	Through external audit of medication errors and action plan implementation.	Number of reported medication incidents causing severe or moderate harm.	with clinicians. A pharmacy intervention audit performed in January showed 360 interventions were made by the team in one day. Of these results 1 was classed as major, 119 were minor, 52 were moderate and 188 were no harm. This will be repeated in June and again post EPMA implementation. Themes from the audit were Medicines incident report numbers are on a gradual increase when viewed over a two year period () with the largest proportion being no harm or near miss incidents. No medicines related STEIS incidents reported for Q4. Medicines newsletters produced during quarter including details of relevant safety alerts and themes from reported adverse incidents. Electronic prescribing will be piloted inJune'18. The delay has been due to necessary upgrades to the Trust's electronic patient management system and awaiting upgrades to the prescribing software which was felt in its current form to pose too many risks for a new site when reviewed by the implementation team.		

4. Quality improvement priority – Pressure ulcers

Quality priority :

The numbers of hospital acquired pressure ulcers fluctuate each month but an increase in pressure ulcers in the autumn of 2015 prompted a full risk assessment and addition of a new risk onto the Trusts risk register alongside a detailed action plan.

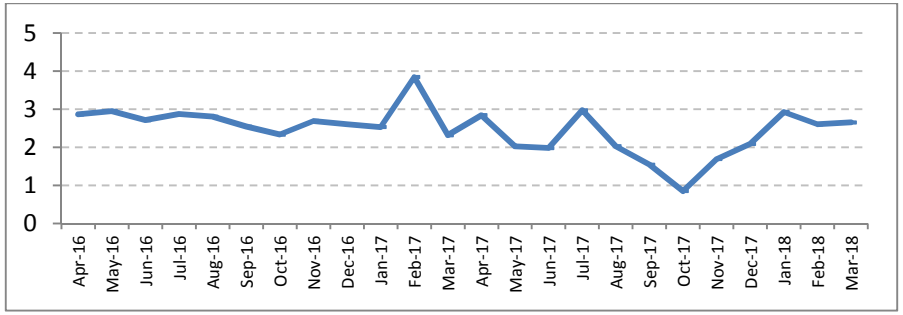
The Trust nursing standard is that all patients should be risk assessed within 6 hours of admission to hospital and an appropriate plan of care put in place.

Pressure ulcers are monitored and reported monthly via the electronic incident reporting systems. Occurrence of pressure ulcers can be 'inherited' where a patient is admitted to hospital with a pressure ulcer or 'acquired' where a patient suffers a pressure ulcer while in hospital.

Aims	How will we achieve this	Measure	Progress March 2018	Due	Lead
To reduce the number of avoidable hospital acquired pressure ulcers grade 2 and above. For all registered nurses and healthcare assistants in adult in-patient wards to have completed specific training on pressure ulcer prevention. To ensure all patients are risk assessed on admission within 6 hours. For all patients to have a personalised care plan for pressure ulcer prevention.	By developing the 'Safety Pins' link staff group. Use of service improvement methodology to drive changes in practice. Development and implementation of Electronic Nursing Assessment tool. Revision to the Trust documentation and care planning tools for pressure ulcer risk assessment and care planning.	Number of pressure ulcers of each grade occurring on each ward per month. Number of moisture lesions occurring on each ward per month. Percentage of healthcare assistants and registered nurses having completed specific training on pressure ulcer prevention. Percentage compliance with nursing assessments completed within 6 hours of admission. Percentage compliance with completion of the pressure ulcer care bundle.	UPDATE Report produced monthly- see data in graphs below; Trust joined the national QI programme run by NHSI in October 2017 and worked with 24 other hospitals to devise strategies to assist pressure ulcer reduction. Based around ward based small cycles of change using QI principles. A4, B3 and Critical care principle stakeholders. Comprehensive 4 part strategy in place to address four key areas – equipment, specialist skills, data and information, organisation of care. New TVN commenced 15th January enabling targeted work with each Care Group. E nursing assessment tested in 3 early adopter wards in 2017 and rolled out Trust wide on March 5th 2018. New care planning and documentation completed and initiated with ENA. Pilot of continence nurse during the		DR

Aims	How will we achieve this	Measure	Progress March 2018	Due	Lead
			year and focusing on moisture lesions and continence equipment in use in the Trust. **March 2018 update** Overall the Trust made steady progress in reducing pressure ulcers during the first three quarters of the year. However, the winter season saw a rise in pressure ulcers. Further work is ongoing to embed revised nursing practices and understand the variation in pressure ulcer incidence.		

The number of pressure ulcers acquired at the Trust in in-patient areas per 1000 occupied bed days.



The number of grade 3 and 4 pressure ulcers acquired at the Trust in in-patient areas per 1000 occupied bed days.

5. Quality improvement priority – Nursing patient assessments including learning disabilities Quality priority : Nursing assessment forms a vital part of the patient's record whilst in hospital and ensures a personalized approach to the provision of care and treatment to each individual patient. Separate nursing assessment documentation is currently in use including assessment of patients with learning disabilities. Nursing documentation audit results show varied compliance with nursing assessment documentation with a significantly low number of patients with learning disabilities having a completed learning disabilities specific nursing assessment.					
Aims	**How will we achieve this**	**Measure**	**Progress**	**Due**	**Lead**
For all patients to have a nursing assessment of core care needs within 6 hours of admission. For all patients with an identified Learning Disability to have a 'reasonable adjustment' assessment in addition to the standard nursing assessment. For all elective admissions of patients with a Learning Disability the reasonable adjustment record should be completed prior to admission.	Review the current nursing assessment priorities and standards. Implement Electronic Nursing Assessment. Workshops to raise awareness of Learning Disabilities. Inclusion of reasonable adjustment into induction and mandatory update training.	Percentage of patients receiving the nursing assessment with 6 hours of admission.	Electronic nursing assessment of Falls Risk, Infection Prevention and Control, VTE and Pressure Ulcer Risks went live on adult in-patient wards on 5th March 2018. • Electronic nursing assessments for Nutrition (MUST) will be implemented during May 2018. • An additional 70 hand held devices have been supplied to support this implementation. **Falls assessments compliance**: September 97% October 95% November 94% December 97% January 98% February 98% March xx% **Pressure Ulcers assessment** compliance September 98% October 96% November 98%		DR/YJ

Aims	How will we achieve this	Measure	Progress	Due	Lead
		Percentage compliance with a reasonable adjustment assessment for patients with an identified learning disability.	December 95% Jan 97% February 99% March 99% Update on Learning Disabilities • The Adult Safeguarding Nurse continues to develop support mechanisms available for the people with Learning Disabilities including building much stronger links with the local specialist service providers. The local Learning Disability Specialist Nurse lead has joined the Adult Safeguarding Group to further develop these links and community teams are beginning to contact the hospital when a patient under their care is admitted to Poole Hospital. • A mechanism has been put in place to proactively identify patients admitted with a known LD. • The safeguarding pages on the hospital intranet have been strengthened to include links to easy read information, other support services and local learning disability forums. Progress continues on the development of ward learning disability information folders. • Work is ongoing to add a Critical Patient Information flag to the EPR system when a patient is identified as having an LD. This is being supported by the Matrons through the addition of LD to the daily Matrons Safety Triggers checklist.		

Aims	How will we achieve this	Measure	Progress	Due	Lead
			• A new tool is being developed to support partners in care during hospital admission to ensure continuity of care and support for patients with specialist needs. • A 'mystery shopper' event has been held to provide expert by experience feedback.		

		April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Percentage of FALLS assessments completed within 24 hours of admission	95% - Green 85% - 95% - Amber Under 85% - Red	96%	98%	99%	98%	97.00%	97.0%	95.00%	93.00%	97.00%	98.00%	98.00%
Percentage of VTE risk assessments completed upon admission		97.3%	97.9%	97.4%	96.5%	96.6%	96.3%	95.7%	96.0%	96.5%	96.4%	95.9%
Percentage of admissions screened for NUTRITION within 24 hours of admission to hospital		93%	90%	90%	83%	94.00%	86.00%	89.00%	91.00%	89.00%	89.00%	92.00%
Percentage of admissions that have a PRESSURE ULCER risk assessment completed within 6 hours of admission		97%	99%	99%	97%	98.00%	98.0%	96.00%	97.00%	95.0%	97%	99.00%

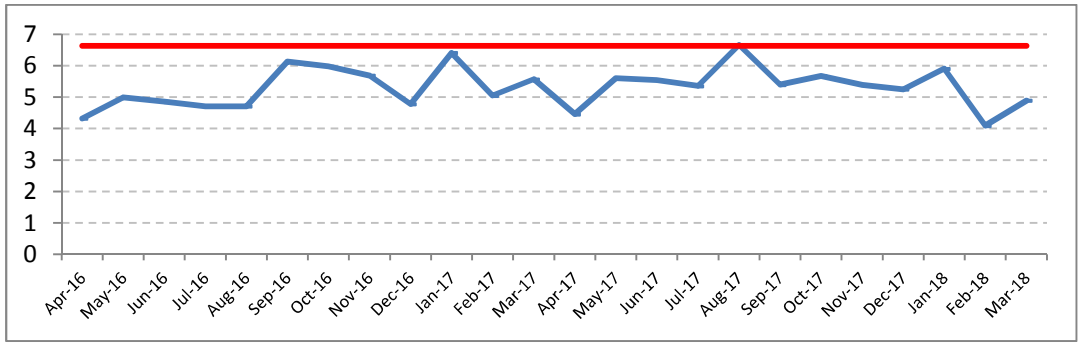


Table above; Number of falls in inpatient areas

6. Quality improvement priority - Care of the dying pathways

Quality priority :

1. Awareness campaign to promote the importance of end of life care:
   - "End of life care" = Care in the last year of life
   - Everyone's business
   - One chance to get it right
2. Advance care planning and treatment escalation plans – encouraging patients and staff to think and plan ahead
3. Seven day working in the specialist palliative care team (hospital and community settings)

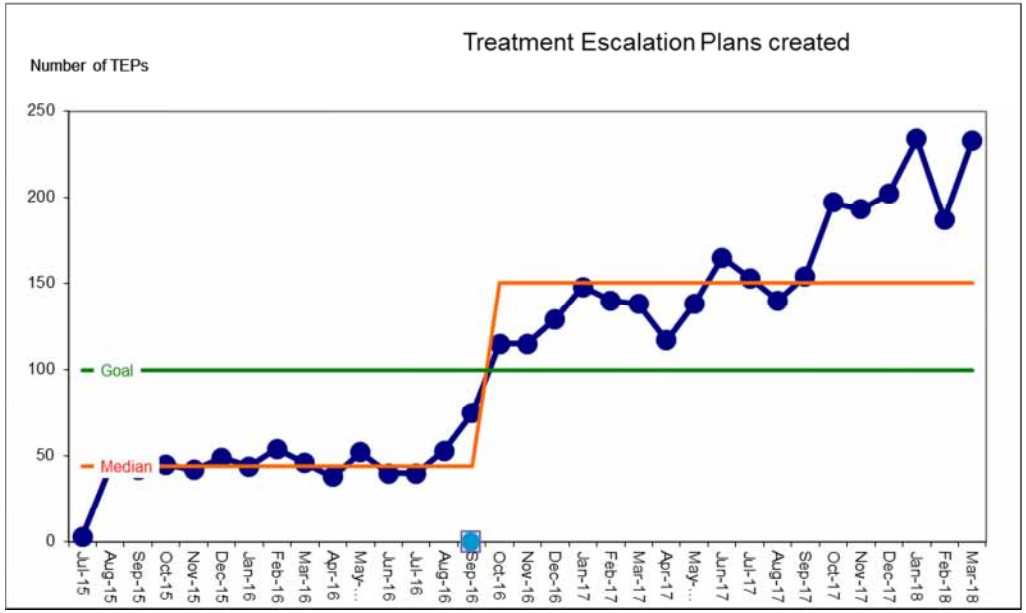
Aims	How will we achieve this	Measure	Progress	Due	Lead
1: To educate all staff that end of life care relates to last year of life not just to last days. To ensure all staff are aware that end of life care is everyone's responsibility To improve identification of patients during last year of life	• EOLC education included in induction and mandatory training • August Awareness campaign aimed at all staff • Recurring use of internal media to highlight awareness of EOL • Ward based End of life care Champions	All eligible staff to receive EOLC training during Induction and/or mandatory training. EOLC Awareness training available to all staff within Trust without exclusions Provide education to EOLC Champions	Mandatory training sessions for EOLC conducted twice every month. Induction training in EOLC conducted monthly. 610 staff attended Awareness Training Quarterly study half day for EOLC Champions Q3 • Mandatory training twice monthly. • Induction training monthly. • Collaboration with HPCT and EoLC Nurse Specialist to review induction and mandatory training for end of life care modules with view to increased emphasis of key messages.		CH/SD/AP

Aims	How will we achieve this	Measure	Progress	Due	Lead
			• EoLC Champions Quarterly study half days ongoing. EolC training sessions provided on request to multi-professional groups (an additional 210 staff have received education). **Update Q4** • **Mandatory training continues twice monthly.** • **Induction training continues monthly.** • **Following collaboration with HPCT and EoLC Nurse Specialist to review induction and mandatory training for end of life care, future modules will have an increased emphasis of key messages.** • **EoLC Champions Quarterly study half days ongoing.** **EolC training sessions provided on request to multi-professional groups**		
2.To encourage and facilitate discussion and planning ahead for end of life care. We anticipate that this will: - Improve experience for patients and for families - Reduce unplanned hospital admissions - Reduce deaths in hospital	• Improve awareness and use of Treatment Escalation Plans (TEPs) Develop and test a new Advance Care Plan (ACP) See Fig 1 and 2 below;	Sustain improvement in use of TEPs across hospital above baseline of median 44/month Target ward Durlston to achieve 50% of haematology inpatients having a TEP at midday Friday (Base line April 2017 =18.75%)	Median for QTR 1-2 = 138 (see figure 1 below Median May-August = 63.75% (see figure 2 below) New ACP has been developed in Partnership with Patient Focus Group and currently being piloted within Trust. The Poole developed ACP has		

Aims	How will we achieve this	Measure	Progress	Due	Lead
- Reduce overall healthcare costs - Improve staff experience			received good feedback from the Dorset EOL group with plans to introduce across Dorset. Q3 • Sustained use of TEP with an increase in uptake during last Quarter (figure 1). • Plan to combine TEP and PEACE. EPR proposal agreed – awaiting allocation of IT developer to progress. Internal working group identified to support project; external partners being recruited. • Pilot of new ACP completed and now being evaluated. Planned full launch of new ACP Trust wide January 2018. • Web page created on Trust internet site to give external access to ACP Update Q4 • Continued upward trend in number of TEPs created monthly (see Figure 1 below) • Plan to combine TEP and PEACE progressing; preparatory work being undertaken to develop prototype templates; IT		

Aims	How will we achieve this	Measure	Progress	Due	Lead
			developer now ready to commence building electronic tool with meeting set up for 10/04/2018 to begin work. Internal working group identified to support project; external partners being recruited. • Following pilot and evaluation of new ACP, amendments to document made and ratified and new document printed. • To promote use of ACP in target areas including Outpatients and selected wards. • Following discussions with partners across Dorset, new ACP tool looks likely to be adopted Dorset wide with uptake from acute, secondary and voluntary sector organisations. • Web page created on Trust internet site to give external access to ACP • Work has begun on developing an Intranet resource for ACP.		

Aims	How will we achieve this	Measure	Progress	Due	Lead
3: To ensure that everyone has access to palliative and end of life care when and where they need it	• Review model of previous 7/7 working. • Integrated model of working between hospital and Community SPC team to cover weekends • Recruit into vacant posts within SPC teams	Currently no 7/7 working to measure. Balancing measure - exponential increase in referrals to community palliative care in the past 12 months	Aiming to start in Autumn 2017 (recruitment to vacant post May/June 2017). Cost pressure currently re unsocial hours supplement. Initial evaluation will inform further business case for continuation of service. **Update Q4** **Seven day working commenced February 2018, covering both hospital and community.**		



2.6 GOVERNANCE ARRANGEMENTS - MONITORING OUR PROGRESS

The Trust's overall vision is to deliver excellent patient centred emergency and planned care. This vision is underpinned by the Trust's values – The Poole Approach, and delivered through the five key strategic objectives:

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

Our Quality Strategy is designed to support the achievement of the strategic objectives, but specifically ensures that safe, responsive, high quality care is delivered through robust quality governance arrangements. This is supported by the Trusts most recent CQC rating of 'good' in January 2018 which reflects the Trusts ability to grow and improve. The key elements of our quality journey are outlined in the 'Quality wheel' – see below.

Our strategic objectives focus on a number of quality improvement topics as part of the quality account for the coming year; 2018-2019:

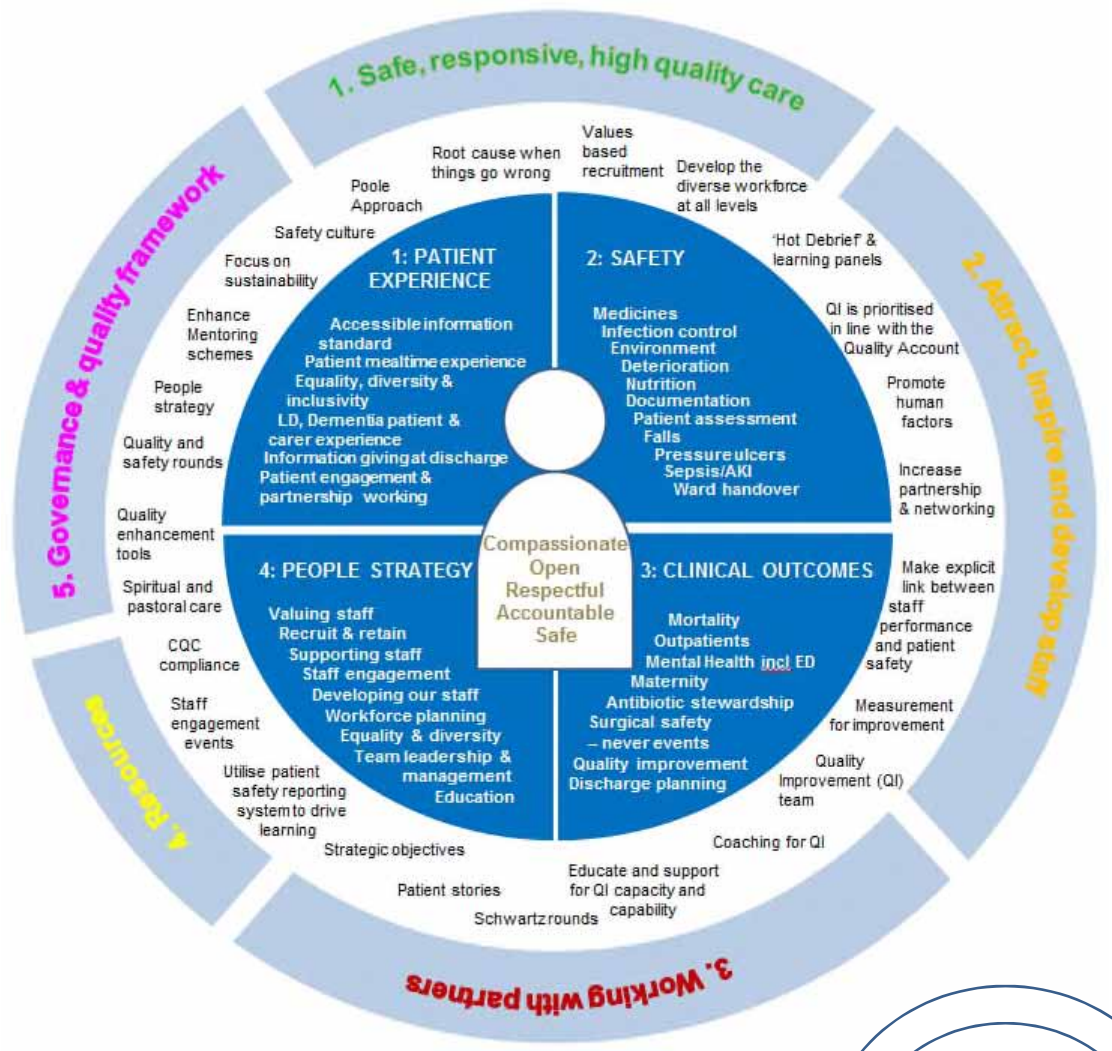
- Reducing the number of patients developing a pressure ulcer
- Reducing the number of patients who fall and who suffer an injury due to a fall
- Reducing the number of term babies admitted to NICU as part of the 'saving babies lives' campaign
- Reducing the number of medication errors
- Improving the nutritional assessment and management of all patients
- Improving mental health pathways with a focus on patient experience in the Emergency Department

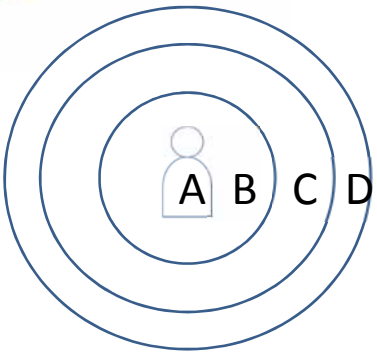
Our quality progress and achievements are monitored via the Quality, Safety and Performance Trust board sub-committee, chaired by a Non-Executive Director. The clinical care groups also produce a quarterly quality report that supports the achievement of our quality strategy and quality improvement goals.

External bodies, Commissioners, members of overview and scrutiny committees including Health Watch and patients representatives are all actively involved in monitoring quality at Poole hospital and have visited areas across the Trust accompanying the director of nursing, the Medical Director and matrons on rounds and visits. They have heard first-hand from patients, their families and friends about the care and treatment being given. They have also talked to staff about their views and experiences.

Progress following these discussions is monitored through the key quality improvements set out earlier in this report. During each year we engage regularly with our external Overview and Scrutiny bodies, Health watch and Trust Governors who all contribute to the quality monitoring process and identification of ongoing quality improvement goals.

Quality Wheel





A. Aim
B. Quality Improvement
   - Priorities
   - National
   - Local
C. Quality journey
D. Strategic priorities

A number of key risks have been identified on the Trust's risk register that link to the quality improvement programme and the actions required in resolving these risks are also supported by the improvement topics above. An example of the type of risks is; Pressure Ulcer development and/or deterioration of existing ulcers. All risks are closely monitored.

The Trust is fully committed to complying with the national guidance with regard to the 'Duty of Candour'. The Trust has a policy which links the duty of candour with the principles of 'being open' to provide a continuum of dialogue with patients and families in support of an open, honest and transparent culture. An annual audit of compliance with the duty of candour is carried out. For 2017-2018 a very high level of compliance was achieved ensuring patients were informed appropriately of a patient safety incident.

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

The Trust has a number of 'Freedom to speak up guardians' – Their role, the time required and training available is currently under review. Communication Trust wide will be expanded to ensure all staff are aware of the role of the Guardians and how to contact them if they have a concern.

2.8 OTHER QUALITY IMPROVEMENTS

During 2017-2018 Poole Hospital NHS Foundation Trust made progress on improving the quality of patients care in a number of areas, including:

2.8.1 New Radiotherapy unit for Dorset

The new Robert White Radiotherapy Unit and cancer outpatients department at Dorset County Hospital marks a significant step change in the provision of cancer services to the patients of west Dorset. "We know that our dedicated cancer teams offer world-class care to patients each and every day and this new building will mean that care will be given from world-class facilities too, which will make a huge difference." The building has been funded in part by an extraordinarily generous legacy from Poole businessman Robert White, which together with NHS funds secured by Poole Hospital will provide for two Linear Accelerator (LINAC) radiotherapy devices, at a combined investment of £7.4m.

As part of this project, Dorset County Hospital Charity, supported by Fortuneswell Cancer Trust, is raising £1.75 million to build an outpatient department for all cancer patients above the new radiotherapy facility. The Radiotherapy Unit will act as a satellite centre of the Dorset Cancer Centre and will significantly reduce the journey time that people in the North, South and West of the county currently face in travelling to Poole for vital radiotherapy treatment. Oncology consultant Dr Mike Bayne, who treated Robert White, said: "I know Robert would have been delighted that his legacy is making such a huge difference. It has enabled us to all work together to create cancer services which will match the best in the world and to improve care for all our patients and their families battling cancer."

2.8.2 PET/CT scanner first of its kind in the country

Our new state-of-the-art static PET/CT scanning service has imaged its first patients. The purpose-built facility, next to our nuclear medicine department, replaces the mobile Alliance Medical unit. It's the first static scanner in Dorset, and the first of its kind in the country. It provides the most detailed imaging ever, using lower doses of radiation to make it safer for patients. The scanner offers hybrid diagnostic imaging – a combination of PET and CT images, while the unit's layout is far more spacious and comfortable for patients than the mobile facility was. It will mainly be used to image and stage cancers - helping to identify changes in size and location as well as indicating how effective treatment is. It also allows greater scope than the mobile unit, meaning children and inpatients can now be scanned for the first time, as well as being put to use in research studies. The scanner will be operated by Alliance Medical, in partnership with our nuclear medicine and medical physics teams. Radiologists from Poole and Bournemouth Hospitals will continue to provide the resultant clinical reports. The scanner's arrival has been made possible thanks to a £500,000 donation from the Poole Hospital Cancer Treatment Trust charity, and forms part of a national agreement between Alliance Medical and NHS England to provide more static scanners across the country.

2.8.3 Right Referral, Right Care

We are working with our Royal Bournemouth and Dorset County colleagues, as well as those in primary and community care, to optimise the specialist care we provide to our patients. This programme will build on quality improvement to ensure we add value and reduce risk to patients' pathways. The aims include:

- ensuring patient referrals are received at the right time, for the right clinic, with the right information and 'work up';
- providing personalised care and services which support self or primary based care where appropriate;
- alternatives to operative or specialist intervention where these would not currently be optimal for the patient
- wellbeing support programmes for patients to maximise their fitness for, and outcomes from any specialist Interventions;
- education for patients on specialist interventions to support shared decision making.

The Dorset-wide work will focus on the following nine specialities initially Cardiology, Dermatology, ENT, Gastroenterology, Neurology, Ophthalmology, Oral, Orthopaedics, Urology

Initiatives already being worked on include ways to support patients in primary care and avoid unnecessary and often stressful hospital appointments, as well as producing educational films for patients considering major orthopaedic surgery so they are better informed of the risks and benefits.

2.8.4 Charity of the year – with Morebus

Bus operator Morebus has named Poole Hospital Charity as their charity of the year. Staff from both the hospital and Morebus saw the launch of a specially-designed branded bus.

Debbie Fleming, Chief Executive, said: "We really appreciate all the support given to the hospital by Morebus. They are providing our charity with a fabulous opportunity to involve the community in plans to improve the services and facilities at the hospital during the year."

2.8.5 Children's assessment unit refurbished

Our redesigned and refurbished children's assessment unit has been officially opened. Established in 1997, the unit was one of the first assessment facilities dedicated to children in the country, and opened from 8am-8pm Monday to Friday and caring for around 2,000 children each year. Previously children referred to the hospital by their GP were admitted to one of three wards, alongside younger patients already admitted and with established treatment plans. In 2011, the unit moved to a 24 hour, seven day service, 365 days a year. The unit now cares for around 7,000 children annually. The unit has now undergone a major £250,000 refurbishment, including new reception area, waiting room with play facilities, nursing assessment room, stabilisation and resuscitation room and oncology therapy room.

2.8.6 Four Legged Therapy Team

A pet therapy programme is aiding patients' recoveries provided by a volunteer with the Caring Canines charity, together with pooches Bruce and Poppy. Portland ward cares for people with acquired brain injuries or neurological conditions, and has welcomed the Caring Canines team for the past year. The dogs, which are all temperament-tested, trained, vaccinated and insured, can help ease patients who may be anxious, or who may not be able to verbally communicate, by creating a sense of connection with the dogs sometimes not possible with staff or visitors.

2.8.7 Top Hospitals Award – CHKS

Poole Hospital has been awarded the CHKS Top Hospitals for 2017 award. Presented at an awards night in London, the accolade is highly regarded across the NHS and the private health sector both in the UK and internationally. The Top Hospitals award is based on over 22 key performance indicators covering safety, clinical effectiveness, health outcomes, efficiency, patient experience and quality of care.

2.8.8 Delivery Suite Redesigned

The delivery suite at Poole Hospital's maternity unit has undergone a £125,000 redesign and refurbishment to improve the quality of care offered. Two rooms in the delivery suite at St Mary's have been enlarged and new end-suite facilities added. Each room has wall-mounted units, which enable temperature regulation for babies, as well as resuscitation should this be required. The Trust board has also agreed a further £200,000 to improve four more rooms to the same standard, with the remaining two labour rooms earmarked for improvement in the following year**.**

2.8.9 New cancer inpatient rooms for teenagers.

A new facility for teenagers and young adults with cancer has opened in the Dorset Cancer Centre. Each room has been designed to create a non-clinical and more homely environment for young patients, with a PlayStation 4, smart TV and Wi-Fi connectivity. There is also a sofa bed for a parent, friend or partner to stay overnight. The project was supported by fundraising for Poole Hospital Charity and the generosity of previous patients and their families. "The two rooms will offer young patients from Poole, Bournemouth and Dorchester the opportunity and choice to receive their inpatient care much closer to home." "The rooms are designed specifically for teenagers and young adults using local themes as a backdrop and incorporating a vibrant feel which will appeal to the younger patient. "It has taken a long time from concept to completion and we are pleased to be able to make a positive difference to young patients having treatment for cancer at Poole Hospital".

2.8.10 New CT scanner

A new replacement scanner that will provide high quality scans has been installed in the radiology department. The new scanner gives patients the benefit of improved quality with lower radiation doses and faster scanning times than the older model that it replaced. The scanner sits in a new CT and ultrasound suite.

2.8.11 Best in country for hip fracture care

The hospital has been named as one of the best in the country for treating patients with broken hips. Results from the recent National Hip Fracture audit show that Poole has recorded amongst the lowest mortality rates and shortest lengths of stay in mainland Britain. Almost 100 per cent of patients were reviewed by a senior orthogeriatrician within 72 hours of admission, with 90 per cent of these seen in the first 24 hours. The average patient time in hospital was 14.9 days, compared to the national average of over three weeks. This is all despite Poole being the busiest hip fracture unit in mainland Britain with nearly 1,000 patients seen every year.

2.8.12 Urgent primary care centre opens

Our urgent primary care centre opened in November as part of a new GP streaming service. The five room centre is designed to improve patient access to GPs and to ease pressure on both our emergency department and GP practices in the area. Patients who arrive at the emergency department will be streamed into the urgent primary care centre if it is decided that their treatment would be better suited for a GP rather than emergency staff. A GP will be available to see patients 12 hours a day, seven days a week. There will be two streaming slots an hour and the centre will be run by locality GPs until 6.30pm on weekdays, while at evenings and weekends it will be staffed by the South Western Ambulance Service NHS Foundation Trust. Patients will either come from the emergency department or from booked appointments by local GP practices.

2.8.13 New patient discharge service

The hospital's Integrated Discharge Services (IDS) Bureau has been officially opened. Since the introduction of the bureau earlier this year, the hospital's delayed transfer of care rate has greatly improved, freeing up more beds every day. On average we discharge between 75-100 patients a day with the IDS Bureau managing up to 25 complex patient discharges daily. The bureau accommodates more than 50 staff. The 'multi-agency' project is supported by all the hospital's key health and social care partners across the county. The facility was officially opened in November The IDS Bureau works using multi-disciplinary teamwork centred on the needs of patients, making sure they're getting the right care in the right place at the right time. "It will be particularly beneficial to the growing number of elderly and frail people in our hospitals who have complex needs that can only be addressed by a multi-disciplinary team. "The bureau demonstrates the partnership working between the NHS and local authorities of which people are striving to achieve in the rest of the country".

2.8.14 Prostate Cancer Drug

A drug that is proven to increase the quality of life for patients with advanced prostate cancer has been made available at the hospital for the first time. The medication, Xofigo, is a type of radium therapy that relieves bone pain. It specifically targets cancer cells that have spread to other parts of the body. Radium therapy is a unique palliative treatment that is administered via a course of monthly injections, slowing cancer growth after the body has stopped responding to hormone treatment. Poole is the first and only hospital in Dorset that has the approval to administer Xofigo and it is anticipated that around 20 patients a year will benefit from the therapy. Patients with advanced prostate cancer won't have to travel 35 miles to Southampton and can instead see a clinician they already know in a hospital closer to their home and their family. This treatment will be benefit to patients' quality of life and will result in an improved patient experience.

2.8.15 Memory Boxes for Children

Staff on the CCU have introduced a project that helps children come to terms with the loss of a parent or guardian. Memory boxes are offered to the families of patients and contain items that provide a lasting and personal memory of a parent after their death. Among the items included in each box's three compartments are teddies, books, a clay handprint of the parent and a lock of hair. Children are also encouraged to add personal objects that may remind them of their parent such as perfume, jewellery, photographs or letters. The initial funding for the boxes originated from a £200 donation by a former patient and approximately £500 has now been donated by charitable contributions. The scheme started just over a year ago when a patient on the unit, who had very young pre-school children, passed away very suddenly. The staff wanted to do something for her children so made a box full of memories. This inspired them to create a way for all families to help cope with the grieving process and to remember who their mother or father was when they grow up.

2.8.16 Flu team wins National Award

The team behind our recent flu vaccination campaign has picked up a prestigious national award. The Trust's efforts were recognised as the most improved in the country at the NHS Employers Flu Fighter Awards in late March. The concerted winter 2016/17 campaign led to an increase in flu vaccine uptake by frontline staff from 31.1 per cent to 80.6 per cent. The hospital's flu fighter team, which included representatives from occupational health, human resources and communications, ran a successful campaign to encourage staff to be vaccinated. This is very inspiring local work by staff who go the extra mile to keep their colleagues and patients safe.

2.8.17 Fourth best in country for Dementia Care

Poole Hospital has been rated fourth best in the country by carers of patients with dementia for the care provided. The National Audit of Dementia looks at a range of performance indicators, as well as surveys of patients and carers. The report shows the hospital performing well in many areas. Nearly 90 per cent of carers questioned said that the care their loved one received was high quality. More than 80 per cent said that communication with them by staff was good, placing the hospital 11th in the country. The hospital was placed 16th best in the country for its governance – how well dementia care is monitored and how well-led the service is - for patients with dementia. The hospital has introduced a number of initiatives to support care for patients with the condition, including:

- establishing a comprehensive awareness and training programme open to all clinical and non-clinical staff – c1,000 staff have already received this training;
- delivering dementia training as part of routine staff induction sessions;
- introducing blue clips on a patient's ID band which indicates that they have dementia to highlight this to other departments, for example x-ray, theatres, porters outside of the ward environment that the staff member may need to change their approach and communication with the patient;
- establishing a programme of innovative music therapy sessions with the Bournemouth Symphony Orchestra;
- launching a £150,000 Consider Dementia fundraising appeal to help the hospital become dementia-friendly throughout. The audit also found areas that could be improved, including communication between staff. More and more people are being diagnosed with dementia and it is vital that we continue to place their needs among our highest priorities.

2.8.18 Emergency care better than expected

Poole Hospital has been named as one of only six hospitals in the country providing emergency care better than expected by patients, a new report has found. Based on surveys of patients using accident and emergency services, regulator the Care Quality Commission found the hospital to be among the top performing in the country. Patients were asked a range of questions, including their overall experience of emergency departments. Respondents gave the department a rating of 8.6 out of 10 for their overall experience there. Patients also rated the service 9.3 out of 10 for being treated with dignity and respect.

2.8.19 Trusts safety plan now in its third year.

The Trust has been actively involved in the national 'Sign up to safety' campaign and is in the 3rd year of this journey. The campaign aims to identify a small number of safety topics each year to enable a focussed improvement plan to be put in place. The Trust has aligned this plan with the quality improvements identified within its quality account. The safety plan can be found below;

Pressure Ulcer Prevention	Reducing the number of falls and falls with injury	Infection Prevention	Sepsis	AKI – Acute Kidney Injury	Nursing Handover	Maternity – Saving Babies Lives
Executive Lead: Patricia Reid	Executive Lead: Patricia Reid	Executive Lead: Patricia Reid	Executive Lead: Angus Wood	Executive Lead: Angus Wood	Executive Lead: Patricia Reid	Executive Lead: Patricia Reid
Patient Safety Lead: Denise Richards	Patient Safety Lead: Denise Richards	Patient Safety Lead: Denise Richards	Patient Safety Lead: Denise Richards	Patient Safety Lead: Denise Richards	Patient Safety Lead: Denise Richards	Patient Safety Lead: Denise Richards
Clinical Lead: Katie Murphy	Clinical Lead: Adam Wheldon / Julie Haddock	Clinical Lead: Liz Sheridan / Kate Crowther	Clinical Lead: Fran Haig /James Bromilow	Clinical Lead: Craig Prescott /Laura Smith	Clinical Lead: Jodie Uphill	Clinical Lead: Daniel Webster / Sandra Chitty
Patient Representative:	Patient Representative:	Patient Representative:	Patient Representative:	Patient Representative:	Patient Representative:	Patient Representative:
Working Group: Safety Pins	Working Group: Falls Prevention Steering Group.	Working Group: Infection Control Group	Working Group: Critical Care, Resuscitation and Outreach Group	Working Group: AKI Group / Critical Care, Resuscitation and Outreach Group	Working Group: Safety Pins	Working Group: Maternity Risk Group
Reporting Committee: Nursing and Midwifery Group Chair: Patricia Reid	Reporting Committee: Risk Management and Safety Group Chair: Patricia Reid	Reporting Committee: Risk Management and Safety Group Chair: Patricia Reid	Reporting Committee: Clinical Governance Group Chair: Angus Wood	Reporting Committee: Clinical Governance Group Chair: Angus Wood	Reporting Committee: Nursing and Midwifery Group Chair: Patricia Reid	Reporting Committee: Risk Management and Safety Group Chair: Patricia Reid
Outcomes						
1. Reduce the number of avoidable hospital acquired pressure ulcers grade 2 and above. 2. Reduce the number of patients with hospital acquired moisture lesions.	3. Reduce the number of in-patient falls resulting in harm. 4. Improved compliance with post - falls management care bundle	5. Reduce the number of hospital attributable Clostridium difficile. 6. Improve compliance with infection prevention standard precautions.	1.Increase the number of patients having timely recognition of sepsis. 2.Increase the number of patients receiving timely treatment with antibiotics. 3. Increase the number of patients receiving a review of abx by day 3.	1. Reduce the number of patients developing AKI during the in-patient stay. 2. To increase the number of patients receiving appropriate care on recognition of AKI.	1. For all transfers of care to be supported by accurate transfer of patient information.	1.Halve the rate of stillbirths by 2030.
Key Measures for Safety Improvement						
a. Number of avoidable pressure ulcers b. Number of moisture lesions reported each month c. % Compliance with bundles (assessment and SSKIN) d. Safety Thermometer metrics. e. Adverse Incident Reporting metrics. f. % compliance with nursing assessments completed within 6 hours of admission. g. % of nursing staff receiving training. h. Attendance at Safety Pins meetings.	a. Number of falls causing harm b. % Compliance with bundles (including assessment and care). c. % Compliance with post fall protocol care bundle. d. Safety Thermometer metrics. e. Adverse Incident Reporting metrics. f. Attendance at Safety Pins meetings.	g. Reduction in the number of hospital acquired CDI. h. % compliance with Saving Lives Care Bundles. i. % compliance with hand hygiene. j. % compliance with antimicrobial prescribing policy. k. Attendance at Safety Pins meetings.	a.Percentage of patients meeting the criteria who were screened for sepsis. b. % of ED and assessment unit patients receiving abx within 1 hour of prescribing. c. % of patients who had a abx review within 3 days of initiation. d. % of existing in-patients who received abx within 90 minutes where relevant sepsis dx made.	a. % of relevant patients with a discharge summary that includes AKI and future testing required. b. % of patients with AKI who have a documented assessment and initiation of 'care bundle'.	a. % of patients transferred between wards with a complete handover tool.	a. Rate of stillbirths per 1000 deliveries. b. Rate of avoidable stillbirths per 1000 deliveries.

2.10 STATEMENTS OF ASSURANCE FROM THE BOARD OF DIRECTORS

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

2.10.1 Provision of Clinical Services

During 2017-2018, Poole Hospital NHS Foundation Trust provided a range of NHS services and did not sub-contract any services:

- The Trust has reviewed all the data available on the quality of care of these NHS services;
- The income generated by the NHS services reviewed in 2017-2018 represents 100 per cent of the total income generated from the provision of these services;
- During 2017-2018 39 national clinical audits and 2 national confidential enquiries covered the relevant health services that Poole Hospital NHS Foundation Trust provides.

2.11 CLINICAL AUDIT AND NATIONAL CONFIDENTIAL ENQUIRIES

Quality Accounts 2017/18: Participation in Clinical Audits

The following report provides information on national and local clinical audits as requested in the Quality Accounts reporting requirements for 2017/18 (NHS Improvement: publication code 25/18, January 2018). The Clinical Audit department do not manage the national confidential enquiry process and therefore this information is not included in this section.

As per the Clinical Audit Policy, the Trust states its intent to participate in national audits as below:

“The Trust seeks as a priority to participate where applicable in the national clinical audits which NHS England advises Trusts to prioritise for participation and inclusion in their Quality Accounts. Where a national clinical audit falls outside of these terms, participation is at the discretion of the specialty or the Lead Clinician for Clinical Audit”.

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

Participation in Clinical Audits

- During 2017/18, 39 national clinical audits covered relevant health services that Poole Hospital provides.

- During that period Poole Hospital participated in 97% of the national clinical audits which it was eligible to participate in.

- The national clinical audits that Poole Hospital was eligible to participate in during 2017/18 are as follows:

Eligible and participated	
1	Acute coronary syndrome or acute myocardial infarction (MINAP)
2	Adult critical care: case mix programme (ICNARC CMP)
3	Blood management in adults undergoing elective, scheduled surgery (NHSBT)
4	Bowel cancer (NBOCAP)
5	Cardiac arrest (NCAA)
6	Cardiac rhythm management (CRM)
7	Diabetes (adult) (NADA)
8	Diabetes (paediatric) (NPDA)
9	Elective surgery (national PROMs programme)
10	Endocrine and thyroid national audit
11	Falls and fragility fracture audit programme: Fracture liaison service database
12	Falls and fragility fracture audit programme: Inpatient falls audit
13	Falls and fragility fracture audit programme: National hip fracture database
14	Fractured neck of femur – care in the emergency department
15	Head and neck cancer audit
16	Heart failure
17	Lung cancer (NLCA)
18	Major trauma: the trauma audit and research network (TARN)
19	National audit of breast cancer in older patients
20	National audit of dementia
21	National chronic obstructive pulmonary disease (COPD): secondary care work stream
22	National clinical audit of care at the end of life
23	National comparative audit of transfusion associated circulatory overload (TACO)
24	National diabetes foot care audit (NDFA)
25	National diabetes inpatient audit (NADIA)
26	National emergency laparotomy audit (NELA)
27	National joint registry (NJR)
28	National maternity and perinatal audit
29	National pregnancy in diabetes audit (NPID)
30	Neonatal intensive and special care (NNAP)
31	Oesophago-gastric cancer (NOGCA)
32	Pain in children – care in the emergency department
33	Procedural sedation in adults – care in the emergency department
34	Prostate cancer
35	Sentinel stroke national audit programme (SSNAP)
36	Serious hazards of transfusion (SHOT): UK national haemovigilance scheme
37	UK Parkinson's audit
38	Use of blood in haematology (NHSBT)
Eligible but did not participate	
39	Inflammatory bowel disease (IBD) registry

The national clinical audits that Poole Hospital participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit as a percentage of the number of registered cases required by the terms of that audit.

Eligible and Participated		Data collection completed in 2017/18	% Cases Submitted	Comments
1	Acute coronary syndrome or acute myocardial infarction (MINAP)	Yes	No formal case ascertainment rates are published for Poole for this national audit as the number of eligible cases is too low.	
2	Adult critical care: case mix programme (ICNARC CMP)	Yes	Continual data submission process. Awaiting national report to confirm case submission numbers for 2017/18. Data on 781 cases submitted for 2016/17.	
3	Blood management in adults undergoing elective, scheduled surgery (NHSBT)	No	Data collection completed for this national audit in 2016/17. Data for all (100%) eligible cases were submitted.	
4	Bowel cancer (NBOCAP)	Yes	Awaiting publication of the 2018 national report to confirm formal case ascertainment rate. Case ascertainment rate was 103% within the 2017 national report.	
5	Cardiac arrest (NCAA)	Yes	69 cases submitted	Continual data submission process. No formal case ascertainment rate calculated due to the nature of the audit.
6	Cardiac rhythm management (CRM)	Yes	Awaiting publication of 2018 national report to confirm formal case ascertainment rate. Most recent national report (published Feb 17) covered 2015/16, for which 191 cases were submitted and reported.	
7	Diabetes (adult) (NADA)	Yes	100%	2195 cases submitted.
8	Diabetes (paediatric) (NPDA)	Yes	Awaiting publication of the 2018 national report to confirm formal case ascertainment rate. Most recent national report (published Mar 18) covered 2016/17, for which 220 cases were submitted and reported.	
9	Elective surgery (national PROMs programme)	Yes	Continual data submission via patient questionnaire. Awaiting finalised national data to confirm formal questionnaire completion rate for 2017/18. For 2015/16 (most recently finalised data) 64% of eligible patients completed a pre-operative questionnaire.	
10	Endocrine and thyroid national audit	Yes	100%	Contribution to the audit is a pre-requisite to performing any thyroid or endocrine surgery.
11	Falls and fragility fracture audit programme: Fracture liaison service database	Yes	33%	1583 cases submitted of a reported estimated 4840 cases.
12	Falls and fragility fracture audit programme: Inpatient falls audit	Yes	100%	
13	Falls and fragility fracture audit programme: National hip fracture database	Yes	Awaiting 2018 national report to confirm formal case ascertainment rate for 2017/18. Case ascertainment rate was 97.3% (968 cases) within the 2017 national report.	
14	Fractured neck of femur – care in the emergency department	Yes	100%	50 cases submitted.
15	Head and neck cancer audit	Yes	Awaiting publication of the 2018 national report to confirm formal case ascertainment rate.	

Eligible and Participated		Data collection completed in 2017/18	% Cases Submitted	Comments
16	Heart failure	Yes	Awaiting national report to confirm formal case ascertainment rate for 2017/18. Case ascertainment was 109% for 2015/16 (most recently published national report – Aug 17).	
17	Lung cancer (NLCA)	Yes	Awaiting national report to confirm formal case ascertainment rate for 2017/18. 174 cases submitted and reported within the 2017 national report.	

18	Major trauma: the trauma audit and research network (TARN)	Yes	Awaiting publication of the 2018 national report to confirm formal case ascertainment rate. Most recent national report (published Aug 18) covered 2016, for which 602 cases were submitted (88-100+% case ascertainment banding, as reported by TARN).	
19	National audit of breast cancer in older patients	Yes	First national report containing patient-level data due for publication June 2018. Not appropriate to report case submission rate as data is obtained through existing sources of patient data collected by national organisations, such as the National Cancer Registration and Analysis Service (NCRAS) in England and the Cancer Network Information System Cymru (CANISC) in Wales.	
20	National audit of dementia	No	Data collection completed for this national audit in 2016/17. Data for all (100%) eligible cases were submitted.	
21	National chronic obstructive pulmonary disease (COPD): secondary care work stream	Yes	Data collection started February 2017. Awaiting publication of the 2018 national report to confirm formal case ascertainment rate.	
22	National clinical audit of care at the end of live	No	Data collection planned for 2018/19 (April 2018 cohort).	
23	National comparative audit of transfusion associated circulatory overload (TACO)	Yes	70%	28 of a required 40 cases submitted.
24	National diabetes foot care audit (NDFA)	Yes	Continual data submission process. Most recent national report covers up to 2016/17, for which 42 cases submitted. No formal case ascertainment rate calculated / provided.	
25	National diabetes inpatient audit (NADIA)	Yes	80 cases submitted	No formal case ascertainment rate provided.
26	National emergency laparotomy audit (NELA)	Yes	89%	96 cases submitted. Estimated 9 cases per month.
27	National joint registry (NJR)	Yes	Awaiting 2018 national report to confirm case ascertainment rate for 2017/18. 169 cases were submitted and reported in the 2017 national report (reported 104% case	

			ascertainment rate).	
28	National maternity and perinatal audit	Yes	Continual data submission process. Most recent national report covers 2015/16, for which 5036 cases were submitted. No formal case ascertainment rate calculated / provided.	
29	National pregnancy in diabetes audit (NPID)	Yes	Awaiting national report to confirm formal case ascertainment rate for 2017/18. Most recent national report (published Oct 17) covered 2014-2016, for which 55 cases were submitted and reported.	
30	Neonatal intensive and special care (NNAP)	Yes	100%	
31	Oesophago-gastric cancer (NOGCA)	Yes	Awaiting 2018 national report to confirm formal case ascertainment rate for 2017/18. Case ascertainment rate was reported as 81 to 90% within the 2017 national report.	
32	Pain in children – care in the emergency department	Yes	98%	49 cases of a required minimum of 50 submitted.
33	Procedural sedation in adults – care in the emergency department	Yes	100%	50 cases submitted.
34	Prostate cancer	Yes	MDS-1 (initial management) data submitted via the Urology MDT at RBH. MDS-3 (radiotherapy) data submitted by Poole Hospital (PHFT). 277 PHFT MDS-3 records reported on within the 2017 national report, but no formal case ascertainment rate provided.	
35	Sentinel stroke national audit programme (SSNAP)	Yes	Awaiting national report to confirm formal case submission rate for 2017/18. Case ascertainment rate was 90%+ (banding as reported by the Royal College of Physicians) in the 2017 annual report (cohort 2016/17).	
36	Serious hazards of transfusion (SHOT): UK national haemovigilance scheme	Yes	Data is submitted as required to SHOT but, due to the nature of the project, no formal case ascertainment rate is provided / calculated.	
37	UK Parkinson's audit	Yes	100%	
38	Use of blood in haematology (NHSBT)	Yes	24 cases submitted but no formal case ascertainment rate provided / calculated.	

The reports of **27** national clinical audits were reviewed by the provider in **2017/18** and **Poole Hospital** intends to take the following actions to improve the quality of healthcare provided.

National Clinical Audits Reviewed in 2017/18 and Local Action Plans

No	Title	Actions being taken
1	National Diabetes Foot Care Audit (NDFA) (1st August 2015 to 31st July 2016)	1. Ongoing participation in audit. Encourage podiatrists to ensure as many patients as possible are included in audit – only approximately 30% of new patients seen have been included in the audit. 2. Continue to work with commissioners and service managers regarding service delivery and a review of resources across all Dorset Trusts – a diabetic foot work stream is being established at the Diabetes Stakeholder Event organised by Dorset CCG on 24 May 2017.
2	National Audit of Severe Sepsis and Septic Shock in Adults (RCEM) 2016/17	1. Encourage all clinicians to record 'senior review' in notes or on Symphony 2. Ensure fluid balance chart started 3. New sepsis proforma recently introduced in the hospital
3	Myocardial Infarction National Audit Project (MINAP) (1st April 2015 to 31st March 2016)	No local action plan required.
4	National Diabetes Transition Audit (NDTA) 2003-2014	No local action plan required.
5	National Sentinel Stroke Audit Programme (Combined SINAP and SSNAP) (1st April 2016 to 31st March 2017)	1. Vanguard Stroke plans - 1 HASU 2. Pilot of Ambulatory Care 3. Increase resource to ESD
6	The Trauma Audit and Research Network (TARN) (1st January 2016 to 31st December 2016)	No local action plan required.
7	National Audit of Moderate and Acute Severe Asthma - Adult and Paediatric (RCEM) 2016/17	Repeat the audit using the same patient details
8	Intensive Care National Audit and Research Centre (ICNARC): Case Mix Programme (1st April 2016 to 31st March 2017)	No local action plan required.
9	The National Hip Fracture Database: National Report 2017 (1st January 2016 to 31st December 2016)	Trauma is undergoing another review and so is looking at the Trauma pathway including the NOF pathway, especially getting the NOF to theatre within 36hrs
10	The National Heart Failure Audit and Meeting National Standards (1st April 2015 to 31st March 2016)	Commence urgent business case for a second heart failure nurse appointment for the third time in 4 years. There is clear evidence that the prevalence and burden of heart failure is increasing and the existing nurse is overworked
11	National Audit of Dementia Round 3 - 2016	Develop a full action plan at the Dementia Steering Group
12	National British Thoracic Society (BTS) Adult Asthma	Consultant to repeat the audit

	Audit (1st September 2016 to 31st October 2016)	
13	National Neonatal Audit Programme (NNAP) (1st January 2016 to 31st December 2016)	No local action plan required.
14	National Pregnancy in Diabetes (NPID) 2016	No local action plan required.
15	National Elective Surgery Patient Reported Outcome Measures (PROMs) (1st April 2015 to 31st March 2016)	No local action plan required.
16	National Emergency Laparotomy Audit (NELA) (1st December 2015 to 30th November 2016)	To attempt to provide greater access to emergency theatre.

17	National Joint Registry (NJR): 14th Annual Report (1st January 2016 to 31st December 2016)	No local action plan required.
18	National Diabetes Audit of Foot Care (NDFA) (1st April 2016 to 31st March 2017)	1. To increase numbers included in the audit 2. Work with CCG to consider future self-referral
19	National Audit of Inpatient Falls (Round 2 - May 2017)	Review by the Falls Steering Group
20	National Falls and Fragility Fractures Audit Programme (FFFAP)– Fracture Liaison Service Database (FLS-DB) 2016	1. All new patients to be entered onto the FLS-DB 2. All patients recommended for treatment are f followed up at 12-16 weeks and 48-52 weeks 3. Fracture Prevention Service to engage in regular regional updates on implementation of FLS-DB
21	ICNARC: National Cardiac Arrest Audit (NCAA) (1st April 2016 to 31st March 2017)	No local action plan required.
22	National British Thoracic Society (BTS) Paediatric Pneumonia (1st November 2016 to 31st January 2017)	Re-audit, national programme, date to be advised
23	National Bowel Cancer Audit (1st April 2015 to 31st March 2016)	No local action plan required.
24	National Clinical Audit of Oesophago-gastric Cancer (1st April 2014 to 31st March 2016)	No local action plan required.
25	National Lung Cancer Audit (1st January 2016 to 31st December 2016)	Continued working with Royal Bournemouth Hospital regarding Clinical Service Review and possible combining of resources to help with Lung CNS distribution and possible increase recruitment
26	National Prostate Cancer Audit (from 1st April 2015)	No local action plan required.
27	National Maternity and Perinatal Audit (NMPA) 2016	Revised PPH guideline: introduce Tranexamic acid for vaginal delivery >500mls or > 1 Litre in caesarean section.

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

No.	Title
1	National Diabetes Audit - Adults (ANDA) (1st April 2016 to 31st March 2017)
2	National Diabetes Inpatient Audit (NADIA) September 2017

The reports of 110* local clinical audits were reviewed by the provider in 2017/18 and Poole Hospital intends to take the following actions to improve the quality of healthcare provided:

*Of the 110 local clinical audits reviewed, 13 identified that change in practice was not required due to good performance.

Of the remaining 97, Poole Hospital has undertaken the following actions to improve the quality of healthcare provided. The following are a number of examples:

Patient information and support

- Patient information leaflet on transient loss of consciousness (TLoC) made available.
- Self-management advice for patients with inflammatory arthritis is now provided at the point of initial diagnosis.
- An education group has been set up for patients with inflammatory arthritis. Information on this group is provided to patients at the time of diagnosis as well as at subsequent follow-up appointments.

Staff education and training

- Education sessions have been undertaken in the Emergency Department on the assessment and treatment of a febrile child.
- Education sessions have been undertaken in the Emergency Department on the prompt identification of patients at risk of subarachnoid haemorrhage, as well as on the importance of performing / documenting thorough neurological examinations.
- Staff training provided on best practice regarding microbiology urine testing in older patients.
- Education sessions for junior doctors have been undertaken on atrial fibrillation and stroke prevention.
- Training sessions on CHC (continuing healthcare) have been provided to all relevant ward areas in order to assist the discharge planning process.
- Training received by dietitians on the ability to pass nasogastric tubes and bridles.
- Dissemination of relevant literature on wound dressing / care products to the Orthopaedic surgeons.
- An education session on the Down syndrome care pathway has been undertaken as part of the community paediatric teaching.
- Refresher training provided for all paediatric nursing staff on weight, height and supine length measurements in children.

Policy and guidance documents

- Update to the standard operating procedure regarding reporting for frozen section cases.
- Updates have been made to the local policy on the use of antifungals.
- Nasogastric tube feeding / documentation have been developed into a Local Safety Standards for Invasive Procedures (LocSSIPs).
- Update of guidelines on referral of patients to palliative care.
- New guidelines and associated tool to aid decision making, in the use of antibiotics for neonates on postnatal and transitional care unit, have been implemented.
- Update to the local guidelines on the use of propranolol in the management of paediatric haemangiomas.
- Locally agreed guidance on weight, height and supine length measurements in children has been introduced.

Documentation: Proformas / Charts / Forms

- Gold score (monitoring of patients with type 1 diabetes) paperwork has been amended to include a prompt regarding need to request a thyroid function test.
- Paracetamol overdose proforma updated to include a box for 'time given' next to the prescription for N-Acetylcysteine (NAC).
- Introduction of a new electronic proforma for the recording of outcome measures for patients under the care of the neurology therapy team.
- Revision of nasogastric tube feeding document so that it can be used electronically within Critical Care.
- Trust wide roll out of sepsis screening and management tools.
- A new Oral Maxillofacial emergency admission proforma has been designed and introduced.
- Neonatal hearing screen test results are now documented electronically.
- An electronic rapid discharge planning tool to enable a timely discharge, through a supportive process, for patients receiving end of life care, is now in use.
- Purchase of iGrow software which will support the process of calculating and recording growth centile and BMI centile information for children.

Clinical working practice

- Purchase of an additional 23 hospital mattresses for escalation stock in winter.
- Identification stamps are now provided to foundation doctors to enable medical documentation entries to be signed off in an identifiable way.
- 'Well-being' round have been introduced across all of the elderly care wards.

- Change in the use of urine dipsticks on the inpatient wards.

- "Ward champions" for good fluid balance monitoring / management have been identified across the hospital, with the expectation being that these champions will train and enforce correct fluid balance management in their area.

- Introduction of a competency based approach to fluid balance charts in elderly care in order to mandate compliance.

- The amount of contrast used for a CT pulmonary angiography has been reduced in order to reduce risks of allergic reactions or nephropathy.

- A new electronic system has been set-up which enables notification to South Western Ambulance Service of patients that have been discharged with a 'do not attempt resuscitation' order in place.

- A new system is now in place within the Outpatients department so that all elderly care, gastroenterology and cancer patients are routinely weighed and consultants alerted if weight / nutrition issues are identified.

- There is now an extra trained theatre practitioner in place within obstetrics recovery to enable better cover, especially for out of hour's cases, for the monitoring of women post caesarean section.

- New protocol introduced which allows for midwives to dispense 75mg of aspirin for women with a BMI >35 at the time of booking.

- A generic email account has been set up for purposes of referral of patients to palliative care. The email account is reviewed daily by the administrative team in order to promptly pick up and act on referrals.

2.12 National confidential enquiries

The national confidential enquiries that the Trust participated in during 2017-2018 are as follows;

- Inspiring change- A review of the quality of care provided to patients receiving acute non-invasive ventilation
- Treat as one- Bridging the gap between mental and physical healthcare in general hospitals

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

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

From a total of 8 open NCEPOD action plans the Trust has currently reviewed its compliance against the recommendations for 7 and with 1 review outstanding. Outstanding partially completed action plans are reviewed annually. Cross reference with NCEPODs against new NICE Guidance is undertaken to identify any links to enable effective joint working.

Any exceptions in compliance against the recommendations are escalated to the relevant board sub-committee and Board of Directors as appropriate.

Participation in Clinical Research

Quality Accounts 2017/18: Participation in Clinical Research

The following report provides information on participation in clinical research as requested in the Quality Accounts report requirement for 2017/18. The following report provides information on ethically approved research studies as requested in the Quality Accounts reporting requirements for 2017/18 (NHS Improvement: publication code 25/18, January 2018).

The following information is based on Poole Hospital recruitment figures due to the lag time in receipt of the National Institute of Health Research (NIHR) figures. All data is subsequently cross checked with the NIHR to ensure consistency in reporting.

Participation in Clinical Research

The number of patients receiving NHS services provided or sub-contracted by Poole Hospital in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 1973 (taken from EDGE database as at 4 April 2018) non-commercial and commercial – Portfolio and non-Portfolio.

Participation in clinical research demonstrates Poole Hospital's commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Our clinical staff, stay abreast of the latest possible treatment possibilities and active participation in research leads to successful patient outcomes.

Poole Hospital actively recruited to 85 clinical research studies during 2017/18 in the following specialities:

- Anaesthesia, perioperative medicine and pain management
- Cancer: Breast/Colorectal/ Haematology/Head and Neck/Lung/Lymphoma/Melanoma/Palliative Care /Radiotherapy/Urology
- Cardiovascular
- Critical care
- Dementias and Neurodegeneration
- Dermatology
- Diabetes
- ENT
- Gastroenterology
- Health Services Research
- Injuries and Emergencies
- Metabolic and Endocrine
- Musculoskeletal
- Neurology
- Ophthalmology
- Paediatrics
- Primary Care
- Reproductive Health
- Stroke

There was 19.73 whole time equivalent (WTE) clinical staff participating in research approved by The Health Research Authority and a Research Ethics Committee at Poole Hospital during 2017/18. These staff participated in research covering 19 medical specialties.

In the last three years, several publications have resulted from our involvement in NIHR research, which shows our commitment to transparency and desire to improve patient outcomes and experience across the NHS.

Multi-Site National Studies that Poole Hospital participated in:

- **EXXELERATE**: Rheumatoid Arthritis – Head to Head comparison of Certolizumab Pegol versus Adalimumab in Rheumatoid Arthritis - Lancet on 03 December 2016.
- **ORBIT**; Optimal management of Rheumatoid Arthritis Patients who require biologic therapy - Lancet (Vol. 388, No. 10041, p239–247 [May 2016]).
- **LEOPARDS** - Critical Care trial published: Gordon et al (Oct 2016) "Levosimendan for the prevention of acute organ dysfunction in sepsis" NEJM.
- **TANGO** - Addition of gemcitabine to paclitaxel, epirubicin, and cyclophosphamide adjuvant chemotherapy for women with early-stage breast cancer – Published The Lancet Oncology – June 2017
- **ALDAY** – A randomised, DoubleBlind, Placeboard ActiveControlled Study of DS5565 in Subjects with Pain Associated with Fibromyalgia. Published in Fibromyalgia News Today – 5 July 2017.
- **TREBLE**- Efficacy and safety of lebrikizumab (an anti-IL-13 monoclonal antibody) in adults with moderate-to-severe atopic dermatitis inadequately controlled by topical corticosteroids: A randomized, placebo-controlled phase II trial – Published in the American Academy of Dermatology - 17 Jan 2018
- **SCOT** - An international phase III randomised (1:1) non-inferiority trial comparing 3 versus 6 months of oxaliplatin based adjuvant chemotherapy for colorectal cancer - Published in Annals of Oncology – Volume 28 Issue supplement 5 - September 2017
- **NEW EPOC –** Perioperative chemotherapy with or without cetuximab in patients with resectable colorectal liver metastasis (CRLM); Mature analysis of overall survival (OS) in the new EPOC randomised controlled trial – Published in Annals of Oncology – Volume 28 Issue supplement 5 September 2017
- **PETACC 8** – Association of Prognostic Value of Primary Tumour Location in Stage III colon Cancer with RAS and BRAF Mutational Status – Published in the AMA Journal of Ethics 22 November 2017
- **TRINOVA 2** - Randomised, double-blind, phase 3 study of pegylated liposomal doxorubicin plus trebananib or placebo in women with recurrent partially platinum-sensitive or resistant ovarian cancer – Published in European Journal of Cancer - January 2017
- **OE05** - A randomised controlled trial comparing standard chemotherapy followed by resection versus ECX chemotherapy followed by resection in patients with resectable adenocarcinoma of the oesophagus – Published in The Lancet – August 4 2017

2.13 GOALS AGREED WITH THE COMMISSIONERS (CQUIN)

A proportion of Poole Hospital NHS Foundation Trust's income in 2017-2018 was conditional on achieving quality improvement and innovation goals agreed between the Trust and its lead commissioner, NHS Dorset Clinical Commissioning Group. NHS Dorset Clinical Commissioning Group and Poole Hospital NHS Foundation Trust had a contract for the provision of NHS services that included a commissioning for quality and innovation payment framework (CQUIN).

In 2017-2018 this was equivalent to £3.676 million, which was paid to the Trust as part of the contractual arrangements. This is in comparison to the monetary total for the previous year 2016-2017 of £3.630 million. The value of CQUIN in the contract with Dorset CCG for 17/18 is £3.676 million. There is also a CQUIN value for the contract with Wessex Area Team for specialised services £404k, secondary care dental £121k, West Hampshire CCG £75k and public health £170k.

Further details of the agreed CQUIN goals and outcomes for 2017-2018 and for the following twelve month period (2018-2019- combined contract values £4.5 million) are available from:

Director of Nursing
Poole Hospital NHS Foundation Trust

2.14 REGISTRATION WITH THE CARE QUALITY COMMISSION (CQC)

- Poole Hospital NHS Foundation Trust is required to register with the Care Quality Commission;
- The Trust is registered unconditionally with the Care Quality Commission since 1 April 2010;
- The Care Quality Commission has not taken any enforcement action against Poole Hospital NHS Foundation Trust during 2017-2018;
- Poole Hospital NHS Foundation Trust has not participated in any special reviews or investigations by the CQC in the reporting period;
- The Trust was subject to the new-style inspection in October 2017 summary results can be found below.

CQC inspection 2017

The Trust is delighted to be rated as 'good' by the CQC during its most recent inspection, this is an improvement on the previous rating of requires improvement.

The CQC inspected 3 core services at the Trust in September and an inspection of the well-led key question in October 2017. At the last inspection 2 of these core services (critical care and services for children and young people) were rated as requires improvement. These core services have been rated as 'good; following the 2017 inspection with Caring for services for Children and young people achieving a rating of outstanding.

Surgery has been rated as requires improvement due to concerns with the lack of sustained learning following recent never events, nursing recruitment challenges and issues with documentation. Well-led was also rated as good at the October 2017 inspection.

A number of areas for improvement have been identified within the CQC report and a detailed Trust action plan has been submitted to the CQC in order for the Trust to address these areas.

CQC Rating table 2018

	Safe	Effective	Caring	Responsive	Well Led	Overall
Urgent and emergency services	Good Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016
Medical care (including older people's care)	Requires improvement Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016
Surgery	Requires improvement ↓ Sept 2017	Good →← Sept 2017	Good →← Sept 2017	Good →← Sept 2017	Requires improvement ↓ Sept 2017	Requires improvement ↓ Sept 2017
Critical care	Requires improvement →← Sept 2017	Good →← Sept 2017	Good ↓ Sept 2017	Good ↑ Sept 2017	Good →← Sept 2017	Good ↑ Sept 2017
Maternity	Requires improvement Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016
Services for children and young people	Good ↑ Sept 2017	Good →← Sept 2017	Outstanding ↑ Sept 2017	Good →← Sept 2017	Good ↑ Sept 2017	Good ↑ Sept 2017
End of life care	Good Jan 2016	Good Jan 2016	Good Jan 2016	Requires improvement Jan 2016	Good Jan 2016	Good Jan 2016
Outpatients and diagnostic imaging	Good Jan 2016	Not rated Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016	Good Jan 2016
Overall	Requires improvement →← Sept 2017	Good →← Sept 2017	Good →← Sept 2017	Good ↑ Sept 2017	Good →← Sept 2017	**Good** ↑ **Sept 2017**

2.15 DATA QUALITY TEXT

- Poole Hospital NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episode Statistics. The following data quality comparisons are from the latest published data from SUS for the ten months to January 2018.

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

  - 99.5% (99.4%) for admitted care
  - 99.8% (99.5%) for outpatient care
  - 98.8% (97.3%) for accident and emergency care

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

  - 100% (99.9%) for admitted care
  - 100% (99.8%) for outpatient care
  - 100% (99.9%) for accident and emergency care

- Poole Hospital NHS Foundation Trust's Information Governance Assessment Report for 2017/18 showed the Trust compliance at 84% with an overall rating of 2 (satisfactory all above for all requirements). This is consistent with the previous year.

- Poole Hospital NHS Foundation Trust **has not** been subject to a full Payment by Results data assurance framework (clinical coding) audit this year. The SUS data quality dashboard confirms however that the accuracy and completeness of clinical coding within admitted patient care records submitted over the eleven months continues to compare favourably with national averages (shown in brackets) as follows:

  - 99.5% (99.6%) for primary diagnosis

  - 100% (100%) for primary procedure

  - Poole hospital's SUS data quality is reviewed regularly and the Data Quality management Group and appropriate action is taken as necessary to improve data quality and address issues as they occur.

Notes regarding section 3.10; Note 5 - These results should not be extrapolated further than the actual sample audited. Note 6 - All services have been reviewed within the sample. Note 7 - Data quality is subject to regular audits and any identified actions to improve data quality will be taken by the Trust.

2.16 LEARNING FROM DEATHS- NEW

The following elements are newly added for 2017/18 as part of 'Learning From Deaths' updates made to the quality accounts regulations:

Prescribed information		**Form of statement**
2.16.1 (27.1)	The number of its patients who have died during the reporting period, including a quarterly breakdown of the annual figure.	During [2017-2018] 1202 of Poole Hospital NHS Foundation Trust] patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 250 in the first quarter; 269 in the second quarter; 335 in the third quarter; 348 in the fourth quarter.
2.16.2 (27.2)	The number of deaths included in item 27.1 which the provider has subjected to a case record review or an investigation to determine what problems (if any) there were in the care provided to the patient, including a quarterly breakdown of the annual figure.	By March 2018], [711] case record reviews and [5] investigations have been carried out in relation to 1202 of the deaths included in item 27.1. In [5] cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was: 84 in the first quarter; 268 in the second quarter; 223 in the third quarter; 136 in the fourth quarter.

Prescribed information		Form of statement
2.16.3 (27.3)	An estimate of the number of deaths during the reporting period included in item 27.2 for which a case record review or investigation has been carried out which the provider judges as a result of the review or investigation were more likely than not to have been due to problems in the care provided to the patient (including a quarterly breakdown), with an explanation of the methods used to assess this.	11 representing 0.9% of the patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter, this consisted of: 4 representing 1.6% for the first quarter; 5 representing 1.8% for the second quarter; 2 representing 0.5% for the third quarter; 0 representing 0% for the fourth quarter. These numbers have been estimated using the Death in hospital Review Form developed at Poole Hospital which is based on national recommendations and the Prism 2 study.
2.16.4 (27.4)	A summary of what the provider has learnt from case record reviews and investigations conducted in relation to the deaths identified in item 27.3.	N/A
2.16.5	A description of the actions which the provider has taken in the reporting period, and proposes to take following the reporting period,	NA

(27.5)	in consequence of what the provider has learnt during the reporting period (see item 27.4).	
2.16.6 (27.6)	An assessment of the impact of the actions described in item 27.5 which were taken by the provider during the reporting period.	NA
Prescribed information		Form of statement
2.16.7 (27.7)	The number of case record reviews or investigations finished in the reporting period which related to deaths during the previous reporting period but were not included in item 27.2 in the relevant document for that previous reporting period.	[1] investigations completed after [2016/17] which related to deaths which took place before the start of the reporting period.
2.16.8 (27.8)	An estimate of the number of deaths included in item 27.7 which the provider judges as a result of the review or investigation were more likely than not to have been due to problems in the care provided to the patient, with an explanation of the methods used to assess this.	[1] death before the reporting period, is judged to be more likely than not to have been due to problems in the care provided to the patient. A comprehensive investigation and learning panel chaired by the Medical Director was used as the method of determination.].
2.16.9 (27.9)	A revised estimate of the number of deaths during the previous reporting period stated in item 27.3 of the relevant document for that previous reporting period, taking account of the deaths referred to in item 27.8.	[See below] representing [number as percentage of number in item 27.1 of the relevant document for the previous reporting period]% of the patient deaths during [the previous reporting period] are judged to be more likely than not to have been due to problems in the care provided to the patient . **NB Data not available in this format for this period.**

2.17 WHAT OUR PATIENTS, THE PUBLIC AND STAFF SAID 2016/17

The Trust encourages feedback from patients, carers and families, using a variety of different methods:

- Friends and Family Test
- National Surveys
- Comment cards and suggestion boxes
- NHS choices/Patient Opinion/Trust website

Seeking and responding to patient feedback is an integral part of the Trust's quality improvement plan. We actively seek views from patients and the public to help develop and improve our services; and work with patients through the PALS and complaints service, when things haven't gone as well as they should.

Friends and Family test (FFT)

The national FFT is a comparable test which asks ***'"How likely are you to recommend our services to friends and family if they needed similar care or treatment?"***

The percentage of eligible patients who have responded to the FFT survey during 2017/18 has been 30.5%. This compares favourably against the national average of 23.9%. This is achieved through asking patients to complete a 'survey'-style form and posting it in FFT/suggestion boxes around the hospital, or via a text call-back service.

The percentage of patients who would recommend Poole Hospital to their friends and family can be found in Table 1, indicating that on average, 94.5% of patients are satisfaction with the care and treatment received at Poole Hospital NHSFT. Also included in Table 1 is patient feedback on two additional questions, designed to examine different aspects of patient experience.

Patient feedback has been collected for 12-months on two aspects of relational care. Feedback from both the FFT questions and the National Patient Survey Programme indicate that patients consistently rate these two relational indicators positively.

To support our drive to use patient feedback to help develop and improve our services, a change of indicators have been selected, reflecting two aspects of care where the National Patient Survey Programme indicate patient feedback is not always rated positively. Early indications suggest there is a variation in results across different departments and any emerging trends will be used to review services and identify key areas of improvement for 2018/19.

TABLE 1: FFT RESULTS	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
% patients who responded likely or extremely likely to recommend Poole Hospital	96	96	96	96	95	95	95	95	94	95	93	95
% patients who tell us all staff introduce themselves before treating or caring for them	88	89	88	88	89	89	90	88	89			
% patients who respond, yes, definitely, all staff have listened to what I have to say	94	94	94	93	94	94	94	93	93			
% patients who respond, yes completely, staff explain the purpose of medication given to take home, in a way that is understood										77	79	76
% patients who tell us that the hospital toilet and/or bathroom they used, was very clean										82	85	83

National Surveys

The Trust fully participates in the NHS patient experience survey programme. This year the Trust has/is participating in the following surveys.

Survey	Data collection period closes	Official (or expected official) publication date
2017 Children and Young People's Inpatient and Day case Survey	complete	December 2017
2017 Survey of Women's Experience of Maternity Care	complete	January 2018
2017 Adult In-patient Survey	Complete	June 2018
2018 Survey of Women's Experience of Maternity Care	August 2018	January 2019
2018 Adult In-patient Survey	September 2018	May 2019

The results of the 2017 Children and Young People Survey and 2017 Maternity Survey are within the expected range when compared nationally to other organisations. With regards to Children and Young People, the Trust is performing better than expected in relational aspects of care, such as communication, information and parents feeling able to ask questions. All survey results are used to help us celebrate areas of good practice and to identify areas of care that require improvement, incorporating this in our quality improvement plans.

NATIONAL NHS STAFF SURVEY 2017 FINDINGS

The 2017 Staff Survey placed the Trust in the top five acute Trusts nationally for staff recommending it as a place to receive treatment and in the best 20% of acute Trusts in a total of fourteen Key Finding areas plus the Overall Staff Engagement score, with four of these fourteen are featuring within the top 10% of Trusts nationally.

The Trust is performing in the top (best) 10% of all 245 Trusts in the areas of:

- Staff recommendation of the Trust as a place to work or receive treatment,
- Staff satisfaction with level of responsibility and involvement (KF 8)*
- Quality of non-mandatory training, learning or development (KF 13)*
- Staff agreeing their role makes a difference to patients/service users (KF 3)

The Trust is performing in the top (best) 20% of acute Trusts in England in the areas of:

- Staff feeling able to contribute towards improvements at work
- Staff believing the Trust provides equal opportunities for career progression or promotion
- Recognition and value of staff by managers and the organisation
- Staff reporting the most recent experience of harassment, bullying or abuse
- Staff confidence and security in reporting unsafe clinical practice
- Staff motivation at work
- Staff reporting good communication between senior management and staff
- Support from immediate managers
- Effective use of patient/service user feedback
- Staff working extra hours

The Staff Engagement Score increased to 3.93 in 2017 and is one of the highest rated in the country. This is the result of the Trust being placed in the best 20% of acute Trusts for the three Key Findings which make up the overall Staff Engagement Score, which are: 'Staff recommendation of the Trust as a place to work or receive treatment', 'Staff ability to contribute towards improvement at work', and 'Staff motivation at work'.

A total of 1840 staff took part, achieving a final response rate of 47%, which is higher than the national rate of 44%.

The results show the Trust continues to build on positive results achieved in previous surveys, with our staff highly recommending Poole as a place to receive care and treatment and truly valuing areas that really matter as a member of staff. These show that staff are living our values of compassion, openness, respectfulness, accountability and safety on a day-to-day basis. The results also show the outcome of the hard work that has taken place to address the areas that we wanted to improve to ensure that Poole remains a great place to work.

To achieve such positive findings in a period of significant change for the NHS locally is a real achievement, with our high calibre staff continuing to show real commitment to the delivery of great patient care.

NHS Staff survey 2017	**2017**	**2017**	**2016**	**2016**	
	Trust	National average	Trust	National average	Trust improvement or deterioration
Response rate	47%	44%	51%	42.6%	Deterioration (remaining above the national average).
Staff Experience Score *	3.93	3.79	3.90	3.81	Improvement

Top five ranking scores in 2017 survey (Key Findings in brackets)	**2017 Trust**	**2017 National Average**	**2016 Trust**	**2016 National average**	**Trust improvement or deterioration**
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion (Key Finding 21) *	90%	85%	91%	87%	Deterioration (remaining above the national average) Improvement
Quality of non-mandatory training, learning or development (Key Finding 13) *	4.14	4.05	4.11	4.5	Improvement
Percentage of staff/ colleagues reporting the most recent experience of harassment, bullying or abuse (higher score the better) (Key Finding 27) *	52%	45%	50%	45%	Improvement
Recognition and value of staff by managers and the organisation (Key Finding 5: Poole 2017 3.61, National 2017 3.45, Poole 2016 3.54) *	3.61	3.45	3.54	3.45	Improvement
Staff recommendation of the organisation as a place to work or receive treatment (Key Finding 1) *	4.01	3.75	3.94	3.76	Improvement

Bottom five ranking scores in 2016 survey (Key Findings in brackets)	**2017 Trust**	**2017 National Average**	2016 Trust	2016 National average	Trust improvement or deterioration
Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months (Key Finding 22)	18%	15%	18%	15%	No change (remaining above the national average)
Percentage of staff witnessing potentially harmful errors, near misses or incidents in the past month (Key Finding 28: Poole 2017 33%, National 2017 31%, Poole 2016 35%)	33%	31%	35%	35%	Deterioration (remaining above the national average) Improvement
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in the last 12 months (Key Finding 25)	29%	28%	30%	27%	Improvement
Percentage of staff experiencing discrimination at work in the last 12 months (Key Finding 20: Poole 2017 12%, National 2017 12%, Poole 2016 9%)	12%	12%	9%	11%	Deterioration (same as the national average)
Percentage of staff experiencing physical violence from staff in last 12 months (Key Finding 23: Poole 2017 2%, National 2017 2%, Poole 2017 2%)	2%	2%	2%	2%	No change (remaining above the national average)

* denotes Key Findings which are in the highest (best) 20% of acute Trusts in England

Additional information requested in relation to the Workforce Race Equality Standard	**2017 Trust**	**2016 Trust**	**2015 Trust**	**Trust improvement or deterioration**
Percentage of staff experiencing harassment, bullying of abuse from staff in the last 12 months (Key Finding 25)	White 30% BME 25%	White 32% BME 24%	White 27% BME 24%	Improvement (white staff) Deterioration (BME staff)
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months (Key Finding 26)	White 22% BME 26%	White 23% BME 24%	White 23% BME 26%	Improvement (white staff) Deterioration (BME staff)
Percentage believing that Trust provides equal opportunities for career progression or promotion (Key Finding 21)	White 92% BME 80%	White 92% BME 86%	White 91% BME 80%	No change (white staff) Deterioration (BME staff)
Personally experienced discrimination at work from manager/team colleagues in last 12 months (Question 17b	White 6% BME 14%	White 5% BME 10%	White 5% BME 11%	Deterioration (white staff) Deterioration (for BME staff)

Measuring Progress

The Trust has begun a comprehensive programme to communicate the results to all teams across the Trust.

This work to ensure staff are aware of results across the Trusts and more locally in care groups, directorates and departments is supported by securing additional data from the survey provider, enabling a direct comparison of national, Trust, care group, directorate and department survey data across the 32 Key Findings and also all the question answers which make up the Key Findings. The Trust has increased the level of local data available, with 75 departments now receiving departmental results. This additional information enables a richer understanding of views given across the Trust along with an opportunity to agree actions to respond to views of staff in many key areas.

A Trust-wide Staff Survey action plan is in place and is supported by a series of local action plans, which include clear planned activity which responds to the views given. These will continue to feature within the Quarterly Performance Review process, enabling discussion with executive Board members' and enabling board level support and scrutiny.

NHS STAFF FRIENDS AND FAMILY TEST 2017/18

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

Three times a year, in quarters 1, 2 and 4, all Trust staff and volunteers are asked to answer the questions: 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends if they need care and treatment?' and 'How likely are you to recommend Poole Hospital NHS Foundation Trust to family and friends as a place to work?' In quarter 3, both these questions are asked within the National NHS Staff Survey.

The Trust has demonstrated excellent results in 2017/18 which continue to be consistently higher than the national average.

The Quarter 1 results placed Poole in the top 10 per cent nationally, with staff recommendations much higher than the national averages for both care and work. Poole was 12 per cent higher than the national average for work with a total of 76 per cent and up by 13 per cent for a total of 94 per cent for care.

The Quarter 2 Staff Friends and Family Test gave the best ever results with 80% of staff that responded recommending Poole as a place to work, our highest ever score for this section of the test. A total of 93 per cent of staff also recommended Poole as a place for care, our second highest ever score.

The Quarter 3 Staff Friends and Family Test score within the National NHS Staff Survey, of 4.01 out of 5, placed the Trust in the top five Trusts nationally.

Question 1 How likely are you to recommend the Trust to friends and family if they needed care or treatment?	Trust Quarter 1	National Quarter 1	Trust Quarter 2	National Quarter 2	Quarter 3 – Staff Survey 4.01 score	Trust Quarter 4 Not yet known	National Quarter 4 Due May 2018
Positive Score	94%	81%	93%	80%		90%	
Negative Score	2%	6%	2%	6%		3%	
Question 2 How likely are you to recommend the Trust to friends and family as a place to work?	Trust Quarter 1	National Quarter 1	Trust Quarter 2	National Quarter 2		Trust Quarter 4 Not yet known	National Quarter 4 Due May 2018
Positive Score	76%	64%	80%	63%		71%	
Negative Score	10%	17%	8%	19%		14%	

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

Staff comments made in the Friends and Family Test during 2017/18 include:

Question One:
How likely are you to recommend the Trust to friends and family if they needed care or treatment?

- The Trust provides excellent care and patients are always put first.
- This is an incredibly caring and professional NHS Trust.
- I feel that the treatment provided by this hospital is excellent. The staff that I work alongside are all very professional and caring.
- I have always received good care from the hospital for me and my family.
- Poole Hospital is caring, friendly but also has a very professional approach. A feeling of safe hands.

Question 2
How likely are you to recommend the Trust to friends and family as a place to work?

- Poole Hospital is a great place to work. Very enjoyable and friendly.
- The Poole Approach is a real thing. We live it.
- Good culture, caring values and staff. There is a family feel at Poole.
- It is a place where staff have a real pride in what they do, whatever that is, and are always looking to do the best they can and help colleagues also.
- I have never felt so valued as a colleague in all my working life.

PART 3 – OTHER INFORMATION and ANNEXES

REPORTING AGAINST CORE INDICATORS

The Trust has selected a number of measures to indicate the progress made during 2017-2018 in three key areas: patient safety, clinical effectiveness and patient experience. The reported areas have remained the same as in the previous years' quality reports, to provide the reader with a view of performance over several years. They remain unchanged as the Board of Directors consider them to be appropriate measures and wished to ensure continuity of measurement year on year.

The data presented here is derived from nationally collected data (MRSA; Mortality; Cancelled Operations; Patient Experience; PLACE and Privacy and Dignity) or locally collected data presented to the Board of Directors. In the final column of each table the data source is identified. Where information is collected from national data the information is governed by standard national definitions;

3.1 Patient safety

MEASURE	**2017-2018**	**2016-2017**	**2015-2016**	**2014-2015**	2013-2014	Data Source
Hospital acquired MRSA bacteraemia	1	0	0	0	2	National
Hospital acquired pressure ulcer Grade 3 or Grade 4	43	51	37	16	4	Local
Patient falls from bed or trolley	3	3	16	4	7	Local

MRSA

The Trust has maintained its zero tolerance to MRSA bacteraemia and continues with strategies to prevent infection including education of staff, screening and barrier nursing of patients who are found to be carriers of the bacterium and continued emphasis on the importance of hand hygiene. The Trust had one case of MRSA blood stream infection this year which was deemed a contaminated sample rather than a true clinical infection.

Pressure ulcers

The Trust continues with work to reduce pressure ulcer incidence and improve reporting accuracy. Two new tissue viability specialist nurses have been identified to support the Trust moving forward. The Trust has been invited to join a national collaborative project 'Stop the Pressure' which commenced in October.

3.2 Clinical effectiveness

MEASURE	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	Data Source
Hospital mortality rate (figure in brackets is expected levels) (Note 9)	89.31 Period April 2017 to March 2018	91.94 (83-98) Period 12 months to Jan 2017	91.71% (85.49 – 98.27) April to Nov 15 benchmarked against 2014-15	104.5% (98.8-110.5)	90.8% (100%)	National
Cancelled operations not readmitted within 28 days	0% (12)	0% (9)	0% (7 as at Jan 2016)	0%	0%	National
Stroke high risk patients treated in 24 hours (60%% target)	76% Feb 2018	77% as at March 2017	61% as at March 2016)	65%	63% (average)Target 45%	National

3.3 Patient experience

MEASURE	2017-2018	2016-2017	2015-2016	2014-2015	Data Source
Overall patient satisfaction rated excellent or very good	Results expected in June 2018	88%	94%	Not provided with national survey results	National
Patient led assessment of the care environment (PLACE) Inspection Report 2017 (2017 National Average in Brackets)	Cleanliness 99.3% (98.4) Food 93.1 (89.5) Organisation food 91.3 (89.0) Ward food 93.4 (89.7) Privacy, dignity and wellbeing 82.9 (83.4) Condition and appearance 95.3 (93.8) Dementia 77.9 (75.5) Disability 83.2 (81.5)	Cleanliness 98% (98%) Food 84% (88%) Condition and appearance 94% (93%) Privacy Dignity and Wellbeing 92% (84%) Dementia 88% (75%) New - Disability 87% (79%)	Cleanliness 99% (97%) Food 95% (97%) Condition and appearance 93% (90%) Privacy, Dignity and Wellbeing 90% -New Dementia 86% -New	Cleanliness 99% Food 92% Condition, appearance maintenance 94%	National
Patient rating of always being treated with privacy and dignity	Results expected June 2018	84%	84%	94%	National

The Trusts responsiveness to the personal needs of patients during the reporting period 2017-2018 – results expected June 2018.

The 2017-18 Trust scores will be compared to national trends when the report is published in June 2018. Scores where the Trust has seen an improved will be celebrated and best practice shared. Where scores show a downward trend, further work will be undertaken to aid understanding and set targets for improvement.

Enquires, Concerns and Complaints

Enquiries, concerns and complaints received at Poole Hospital NHSFT are managed by the Patient Experience team. Having one point of contact for patients, whether this is to make a simple enquiry or to raise a complex complaint, simplifies and streamlines the process for patients. The service is focused on the early resolution of concerns and complaints, putting the patient at the centre of the service.

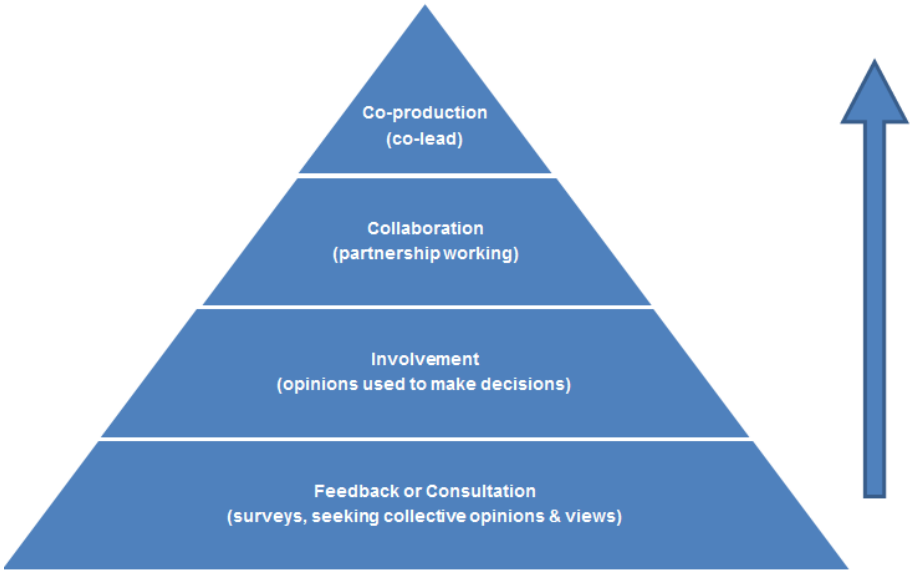
This year, the reporting of themes from concerns and complaints has been strengthened, supporting greater opportunity to triangulate themes and improve the way this is translated into service improvements.

Improving the patient experience: key projects 2017/18

To support the way we engage people to tell us about their experience of care, and to involve our patients in decisions about the design, delivery and evaluation of services, we have introduced a patient engagement framework (See below). We aspire to move from basic levels of patient engagement, such as seeking feedback, to actively collaborating and co-producing service improvements with our patients.

Examples of how we have been engaging patients during 2017/18, to help us improve the experience of patients at Poole Hospital NHSFT is summarise, utilising our engagement framework. The newly formed Patient Experience and Engagement Steering Group will help support and prioritise this work going forwards

Patient Engagement Framework



Feedback and seeking collective views

The Trust encourages patients to feedback in a variety of ways: Friends and Family Test, suggestion boxes, Trust website, NHS Choices and Patient Opinion websites.

Patient Stories: Patients are invited to talk about their experience and have this recorded and the Board hear the reality of what it's like to be a patient in Poole Hospital, including the impact of our processes, systems and care.

The Trust Metastatic Breast Cancer Nurse Specialist asked patients for their views on what matters most to them. Actions have been taken, based on this feedback, to help improve services for local people diagnosed with secondary breast cancer.

The need for advice, information, support and friendship for patients, family and friends following radiotherapy treatment has been recognised and a new support group called 'After Glow' has been set up.

Patients have said that the hospital site is confusing and it is easy to get lost. We have introduced volunteer guides who are based in the hospital 'dome' to signpost, direct and sometimes escort patients. This has now grown to a base of twenty 'Guide Volunteers'. We are regularly considering other supporting roles where our volunteers can make a positive difference to patients.

Patient involvement

A parent's forum has been set up to hear the experience of parents, both past and present, who have first-hand experience of care. This meeting enables staff to hear suggestions for improvements directly from the parents and also acts as a platform where parents can be kept informed of any forth coming plans.

Experts by Experience: this planned programme of mystery shopper and listening events recognises that inequality and social exclusion can prevent individuals or groups from becoming involved in patient engagement events. The was launched with a Learning Disability mystery shopper event

Primary Breast Cancer Service Pledge: The Trust has been working with the charity 'Breast Cancer Now' to develop a service pledge for breast cancer. Both patients and staff were involvement in identifying good practice as well as areas for improvement.

A 'whose shoes' patient experience/service improvement event was attended by maternity service users' internal and external stakeholders. Patients have been involved in developing and taking forward actions for improvement.

Collaboration and partnerships

The Trust is collaborating with carers and other health and social care organisations to deliver the Dorset carers strategy 'Valuing Carers in Dorset'. This year we have been promoting free visiting and promoting partnership working. We have introduced subsidised meals and parking for those who are actively caring. Carer awareness is promoted during events such as Carers Rights Day and is now included in our monthly staff induction programme.

A Birth 'after thoughts' service offers women the opportunity to talk to a midwife about their experience of giving birth. The midwife will review the medical records to help explain their experience of care and utilise this opportunity to consider service improvements.

The Living Well Partnership, involving the 'Building on the Best Programme leads and patients / the public, identifies issues and discusses initiatives aimed at improving end of life care. This year we have been piloting a new Advanced Care Plan.

Co-production

A member of the public sits of the Questionnaire Review Panel and has an equal contribution in discussions and decision making. The panel meets monthly to review and approve patient questionnaires, ensuring quality of content and design.

3.4 PERFORMANCE AGAINST NATIONAL TARGETS

The following table details the performance of Poole Hospital NHS Foundation Trust against the national priorities as defined by the Department of Health and declared to the Care Quality Commission. The figures are taken from the March 2018 integrated performance report or, where the latest data is available. The Trust has tried to replicate its reporting year on year to provide readers with a consistent view. Other key indicators are described in section 8.2. All these data items are nationally collected and to prescribed national definitions.

Target Description	**2017-2018**	**2016-2017**	**2015-2016**	**2014-2015**	**Target Figure (2013-2014)**
Care Quality Commission Standards/Regulated Activities – intelligence monitoring reports	N/A	N/A	Band 6 Lowest risk	Band 6 (Lowest risk)	16
C. difficile – meeting the C. difficile objective. (16/17- Clostridium Difficile Infections)	24	16	21	9	25
All cancers: 62-day wait for first treatment from: • Urgent GP referral for suspected cancer • NHS Cancer Screening Service referral. (15/16 -Maximum 62 day cancer treatments (note 12 month average)	85.5% (Feb 2018)	88.87% (to month 11)	87.9%	88.0%	85%
Maximum time of 18 weeks form point of referral to treatment (RTT) in aggregate- patients on an incomplete pathway (% of patients waiting less than 18 weeks)	87.2% March 2018	Incomplete pathways as at 31/3/17 92.6%	Incomplete pathways as at 31/3/16 92.3%	94.0%	90%

% of incomplete RTT pathways at 18 weeks or less (New 2015/16)	87.2%	92.6%	92.3%	N/A	N/A
A+E: maximum waiting time of four hours from arrival to admission/transfer/ discharge (Less than 4 hour wait in AandE)	91.44% Including type 3 MIU's Poole type 1 ED only 88.72%	91.55% (including type 3 MIUs since Nov 2016) Poole type 1 ED only 90.81%	91.67%	93.38%	95%

3.5 National target performances

62 Day Cancer Wait

The indicator is expressed as a percentage of patients receiving first definitive treatment for cancer within 62 days of an urgent GP referral for suspected cancer.

An urgent GP referral is one which has a two week wait from date that the referral is received to first being seen by a consultant

The indicator only includes GP referrals for suspected cancer (i.e. excludes consultant upgrades and screening referrals and where the priority type of the referral is National Code 3 – Two week wait) The clock start date is defined as the date that the referral is *received* by the Trust. The clock stop date is the date of first definitive cancer treatment as defined in the NHS Dataset Set Change Notice. In summary, this is the date of the first definitive cancer treatment given to a patient who is receiving care for a cancer condition or it is the date that cancer was discounted when the patient was first seen or it is the date that the patient made the decision to decline all treatment.

Clostridium difficile

The Trust objective for hospital attributed clostridium difficile associated disease (CDAD) was for no more than 15 cases. This year saw a rise in the number of cases reported to 24 and work has been ongoing to understand the reasons for this increase. Additional measures have been put in place and there has been a doubling of effort to reduce the incidence of CDAD through antimicrobial stewardship, staff education and an ongoing commitment to hand hygiene and other principles of good infection prevention. It was noted that in Q4 just 1 case was reported and that incidence appears to have reduced

MRSA

The Trust has maintained its zero tolerance to MRSA bacteraemia and continues with strategies to prevent infection including education of staff, screening and barrier nursing of patients who are found to be carriers of the bacterium and continued emphasis on the importance of hand hygiene. The Trust had one case of MRSA blood stream infection this year which was deemed a contaminated sample rather than a true clinical infection.

3.6 Performance against Nationally Prescribed Indicators

PRESCRIBED INDICATOR	PHT POSITION 2017/2018	COMPARISON WITH OTHER TRUSTS 2017/2018	PHT POSITION 2016/2017	COMPARISON WITH OTHER TRUSTS 2016/2017	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	NATIONAL AVERAGE 2014/15
a) The value and banding of the summary hospital-level mortality indicator ('SHMI') for the Trust for the reporting period;	84.64 12 months to Sept 2017	Peer value 102.18 Trust performed better than the small acute peer group	84.98 12 months to March 2017	Peer value 103.88 Trust performed better than the small acute peer group	86.70 12 months to Sept 2015	100.87 Trust performed better than the small acute peer group		Data not available
Poole Hospital NHS Foundation Trust considers that this data is as described because of the excellent work of clinical staff								
Poole Hospital NHS Foundation Trust will continue the work on improving mortality that it already undertakes								
b) Percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust for the reporting period.	28.74%	27.18% Peer/ Small acute Trusts	28% 12 months to Jan 2017 (CHKS)	Peer value 26% (CHKS small acute Trusts)	29.3% 12 months to Jan 2016 (CHKS)	Peer value 25.3% (CHKS small acute Trusts)	YTD Sept 2015 26.59%	25.7%

PRESCRIBED INDICATOR	PHT POSITION 2017/2018	COMPARISON WITH OTHER TRUSTS 2017/2018	PHT POSITION 2016/2017	COMPARISON WITH OTHER TRUSTS 2016/2017	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	NATIONAL AVERAGE 2014/15
Poole Hospital NHS Foundation Trust considers that this data is as described because of the excellent work of clinical staff. The data is presented as available from the national database.								
Poole Hospital NHS Foundation Trust will continue the work on improving mortality that it already undertakes								
Patient reported outcome score for groin hernia surgery	97.44% (Reporting ceased Q2)	N/A	89.50%		98.13%	N/A	N/A	N/A
*Poole Hospital NHS Foundation Trust considers that this data is as described because of the very small numbers of patients having this procedure at the Trust.								

PRESCRIBED INDICATOR	PHT POSITION 2017/2018	COMPARISON WITH OTHER TRUSTS 2017/2018	PHT POSITION 2016/2017	COMPARISON WITH OTHER TRUSTS 2016/2017	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	NATIONAL AVERAGE 2014/15
Poole Hospital NHS Foundation Trust will continue to seek to improve patients responding to the questionnaire on their satisfaction.								
Percentage of patients readmitted to hospital within 28 days of being discharged: • 0 to 15 years old • 16 and over	9.37% 12.54% 8.66% (CHKS)		12.7% 7.9% 8.7% (CHKS)		11.75% 11.8% 11.6%			
Poole Hospital NHS Foundation Trust considers that this data is as described because the data has been internally validated.								
Poole Hospital NHS Foundation Trust will be working across the health and social care community to reduce unnecessary patient readmissions								

PRESCRIBED INDICATOR	PHT POSITION 2017/2018	COMPARISON WITH OTHER TRUSTS 2017/2018	PHT POSITION 2016/2017	COMPARISON WITH OTHER TRUSTS 2016/2017	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	NATIONAL AVERAGE 2014/15
Percentage of patients who were admitted to hospital and who were risk assessed for venous thrombo-embolism	96.6%		97.17%		97.40% as at Q4			96%
Poole Hospital NHS Foundation Trust considers that this data is as described because of the good work being undertaken by clinical staff.								
Poole Hospital NHS Foundation Trust will continue the work on improving VTE assessment that it already undertakes								
Rate per 100,000 bed days of cases of C.difficile reported within the Trust amongst patients aged 2 or over.	Annual data will be published in July		16		N/A 18			
Poole Hospital NHS Foundation Trust considers that this data is as described because of the excellent work in preventing infections in								

PRESCRIBED INDICATOR	PHT POSITION 2017/2018	COMPARISON WITH OTHER TRUSTS 2017/2018	PHT POSITION 2016/2017	COMPARISON WITH OTHER TRUSTS 2016/2017	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	NATIONAL AVERAGE 2014/15
the Trust. There were no cases of C.Diff cross contamination in either year.								
Poole Hospital NHS Foundation Trust will continue the work on improving infection prevention that it already undertakes.								
Number and, where available, rate of patient safety incidents and;	4592		4929		4484			N/A
The rate of patient safety incidents	54.64		50.94		49.29 Per 1000 bed days			N/A
Number and, Percentage rate of patient safety incidents that resulted in severe harm or death	0.33%		0.8%		0.1% 0.0%			
Poole Hospital NHS Foundation Trust considers that this data is as described because of the open reporting culture and encouragement to staff in the Trust.								

PRESCRIBED INDICATOR	PHT POSITION 2017/2018	COMPARISON WITH OTHER TRUSTS 2017/2018	PHT POSITION 2016/2017	COMPARISON WITH OTHER TRUSTS 2016/2017	PHT POSITION 2015/2016	COMPARISON WITH OTHER TRUSTS	NATIONAL AVERAGE 2015/2016	NATIONAL AVERAGE 2014/15
The degree of harm caused to patients is very low. It should be noted that this data is for the six month period April to September each year.								

Note 13: Patient safety incidents resulting in severe harm or death

The National Reporting and Learning Service (NRLS) was established in 2003. The system enables patient safety incident reports to be submitted to a national database on a voluntary basis designed to promote learning. It is mandatory for NHS Trusts in England to report all serious patient safety incidents to the Care Quality Commission as part of the Care Quality Commission registration process. To avoid duplication of reporting, all incidents resulting in death or severe harm should be reported to the NRLS who then report them to the Care Quality Commission. Although it is not mandatory, it is common practice for NHS Trusts to reports patient safety incidents under the NRLS's voluntary arrangements.

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

3.7. STATEMENTS INVITED FROM EXTERNAL BODIES

This quality report was sent to**:**

- Dorset Clinical Commissioning Group (Lead Commissioner)
- Borough of Poole, Overview and Scrutiny Committee
- Borough of Bournemouth, Overview and Scrutiny Committee
- Health Watch Dorset

The following comments have been made:

3.8 Dorset Clinical Commissioning Group

"Dorset CCG welcomes the opportunity to provide this statement on Poole Hospital NHS Foundation Trust's Quality Account. In 2017/18 the Trust pursued achievement of key quality priorities identified in last year's Quality Account. The information contained within this Quality Account is consistent with information supplied to commissioners throughout the year and the CCG recognises the areas of strength described in the Quality Account and the areas which require further progress.

Of particular note is that the Trust is within the top five performing acute hospitals nationally for staff recommending the Trust as a good place to work and receiving care. The Trust is also to be congratulated on achieving an overall 'Good' rating from CQC during this year.

The CCG recognises that progress in achieving the quality priorities in 2018/19 faces a challenging backdrop at a time of ongoing change. As Commissioners we look forward to working with the Trust during 2018/19 and we commend the fact that there is a commitment to work collaboratively to improve the experience for the population which the Trust serves. We look forward to the Trust demonstrating the improvements in patient care they will be applying over the coming year."

3.9 People Overview and Scrutiny Committee (Health and Social Care) response to Poole Hospital NHS Foundation Trust's Quality Account 2017/18 (Borough of Poole)

Members of Borough of Poole's People Overview and Scrutiny Committee (Health and Social Care) would like to thank Poole Hospital NHS Foundation Trust for their professional and open approach to meeting with Cllrs Jane Newel and Jennie Hodges (representatives of the committee) throughout the year. Some very productive discussions have been held around the progress made in key quality improvement areas. We would like to thank the hospital for allowing members the opportunity to comment on this account regarding the achievements and areas for improvement detailed in the Quality Report for 2017/18. The Report gives a clear outline of how Poole Hospital is meeting its requirements for delivering high quality healthcare.

The HSCOSC note the volume and pace of change that the Trust has been through over the past year including the outcome of the Clinical Services Review and the move to the prospective "one acute network programme".

It is encouraging to note that the Trust has now being rated as good overall following the CQC re-inspection of some services last September, being well led and using resources well.

Even through this time of change it is encouraging to note that the Trust is within the top five performing acute hospitals nationally for staff recommending the Trust as a good place to work and receiving care.

We are encouraged that the Trust set out some challenging priority areas for improvement during 17/18 and what it has achieved regarding improving performance around 6 of its key quality improvement measures:

Supporting patients to return home- the committee are fully aware of the complex and multifactorial issues that lead to a good discharge and understand that this has been a particularly difficult winter in regards to rates of admissions to hospital. Representatives of the committee are encouraged by the work that has been undertaken over the year by the Trust working in conjunction with the Council to introduce the Trusted Practitioner role and also the Discharge to Assess Pathway; with these initiatives in place alongside the new Integrated Discharge Bureau, we note that a lot has been achieved to improve the quality of discharge as well as significantly reducing delayed transfers of care from hospital.

Deterioration of patients- representatives of the committee note that progress continues to be made in identifying deteriorating patients before a serious incident occurs. It is also encouraging to note that the Trust have maintained 99% compliance with ensuring vital signs observations are recorded in line with agreed care plans.

Medication errors- the committee note that the roll out of electronic prescribing system has been delayed, but is currently being implemented to reduce medication related errors. It is clear from the report and through conversations with the Trust that more work needs to be done to improve the situation. It is encouraging to note that this area of improvement will continue to be a focus over the coming year.

Pressure ulcers- it is encouraging to note that the Trust is working in partnership with 24 other hospitals to devise strategies to assist pressure ulcer reduction. It was interesting to hear that simple strategies like clocks on doors have been introduced to ensure patients are turned regularly; it will be interesting to understand developments over the coming year.

Nursing patient assessments including learning disability- members were really pleased to understand that the quality of nursing patient assessments were being prioritised to ensure that they were person centred. It is also positive to note that a particular focus was being given to those patients with a learning disability to ensure they receive a holistic assessment including the use of easy read documents and leaflets so that they are not disadvantaged during their stay in hospital. It was interesting to hear about the mystery shopper exercise carried out in a number of departments and as a result of the feedback more training will be delivered to raise awareness in the departments that need to improve further.

Care of the dying pathways- it is heartening to note that substantial training programmes are in place in regards to end of life care pathways and that a significant number of staff within the Trust have undertaken awareness training. It is also good to note that a new advanced care plan has been developed in collaboration with a patient focus group and that plans are in place to roll this out across Dorset providers.

The representatives of the committee are pleased to note the continuing emphasis on Dementia training, and the support given to carers whilst their loved ones are in hospital.

Moving forward it is pleasing to note that the quality improvement areas around pressure ulcer treatment and improving medication errors will have a continued focus. The members of the committee are also pleased to see inclusion of mental health, falls, nutrition and maternity as being key themes of the 18/19 priority improvement areas.

Thank you for the opportunity to comment on an interesting Quality Review and Account. We look forward to reading the published version but please take this letter as Borough of Poole's response to that document based on the draft version sent to the Council on 19th April 2018.

3.10 Borough of Bournemouth, Overview and Scrutiny Committee

Overall the account shows an encouraging picture with the hospital rated the 10th most effective in the use of resources across the whole country. This is very encouraging in time of financial limitations. This has been achieved while keep the hospital the 5th best place to work, showing it has been achieved with the staff and not at their expense.

It is very encouraging to see the Overall CQC rating climb to a Good with high results across most categories, although a couple have slipped and will need focus to restore.
Our congratulations on the Top Hospital award.

Some of the data was not completed at the time we were asked to review these figures though most of the figures released show positive outcomes. We hope this applies to Grade 3 and 4 pressure ulcers which, in recent years have been going the wrong way.

3.11 Health Watch Dorset comment on Poole Hospital NHS Foundation Trust Quality Account 2017/18

Thank you for the opportunity to comment on your annual Quality Account. This is to let you know that we will not be offering a commentary.

As you know, all through the year local people share with us their feedback on their local health and social care services. As part of our core work, we use that feedback to, in turn, feedback to local providers on people's experiences and views on the quality of their services whenever is appropriate. We also do that regularly in the form of particular investigations into particular services, sharing our findings and recommendations with the relevant providers.

The current prescriptive framework for Quality Accounts that is set down for providers does not, we believe, allow you the freedom to produce reports that are as publicly accessible as they might and, we believe, should be. This is something that Health watch (nationally) wants to influence in the future as we believe that the language, focus and layout of Quality Accounts should be simpler to enable greater accessibility for the public.

Healthwatch England has been involved in discussions with the Department of Health for a number of years now in an attempt to make Quality Accounts more accessible but has not been successful. Locally in Dorset, we have had some discussion with some of our providers and with NHS Dorset CCG about the possibility of providers producing alongside the "official" Quality Account a more accessible, public-facing resource which not only reflects the organisation's own self-assessment of the quality of its services but also reflects the assessments made by patients, service users and families.

With the backing of Dorset CCG, we propose to invite representatives of local providers to meet with us to discuss this suggestion and how it might work in practice. We will be in touch a little later this year with the aim of taking this forward.

Governor Response to the 2017/2018 Quality Report as prepared and agreed by the Council of Governor's Quality Reference Group

The Council of Governors is pleased to continue to comment on the Trust's Quality report showing transparency and achievement through many of its goals.

The Trust has faced significant challenges from increased activity, financial pressures and the recommendations of the clinical service review; however the Council of Governors would like to note the great achievement in Poole achieving its CQC rating of "Good"

Additionally to the CQC rating of “Good” the Council of Governors would also like to highlight the following improvements and successes of the year:

- The success of the “discharge to assess” initiative in supporting patients returning to home
- The NHS staff survey putting Poole in the top 10% of Trusts for staff “Agreeing their role makes a difference to patients/service users”
- Examples of a large amount of clinical audit being carried out and improvements being implemented to directly improve patient experiences such as in those with the inflammatory arthritis self-management and education projects

Due to the transparent nature of the document and the involvement of the Quality Reference Group, the Governors feel they are aware of the areas of concern and are reassured that the Trust Board is working on areas highlighted in the quality report to address them.

This has been further supported by the report directly linking strategy to quality with such examples as the quality wheel in 2.6 of the account.

Some of the key quality issues identified by the Quality Reference Group from the quality report are highlighted below:

- The continued challenge of reducing pressure ulcers and medication errors
- NHS staff survey showing a deterioration in workforce and race equality standards for BME staff
- C-difficile being above its proposed trajectory

The Council of Governors previously have approved the Quality Reference Group’s recommendation that medication errors should be externally audited.

The Governors have been involved in discussions during the drafting of this report and as Governors have been able to put forward our recommendations on the priorities going forward. These have been included in this report.

In conclusion, the Council of Governors has reviewed this comprehensive report and would like to endorse the progress and achievements outlined and the recommendation recorded to ensure the Trust continues to deliver first class care.

ANNEX 1 to QUALITY REPORT 2017-2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE QUALITY REPORT

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 to prepare quality accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation Trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation Trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the quality report, directors are required to take steps to satisfy themselves that:

- the content of the quality report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017-2018;

- the content of the quality report is not inconsistent with internal and external sources of information including:

    - board minutes and papers for the period April 2017 to May 2018
    - papers relating to Quality reported to the board over the period April 2017 to May 2018
    - feedback from commissioners dated 11th May 2018
    - feedback from Governors dated 26th April 2018
    - feedback from local Health watch organisations – None supplied
    - feedback from Poole Overview and Scrutiny Committee 23/04/2018
    - feedback from the Bournemouth Overview and Scrutiny Committee 16/04/2018
    - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, July 2017
    - the [latest] national patient survey 2017
    - the [latest] national staff survey 2017
    - the Head of Internal Audit's annual opinion over the Trust's control environment dated May 2018
    - CQC inspection report dated 23 January 2018

- the Quality Report presents a balanced picture of the NHS foundation Trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board

NB: sign and date in any colour ink except black

Date: 23/5/18  Chairman

Date: 23/5/18  Chief Executive

ANNEX 2 to QUALITY REPORT 2017-2018

Independent auditor's report to the Council of Governors of Poole Hospital NHS Foundation Trust on the quality report

We have been engaged by the Council of Governors of Poole Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Poole Hospital NHS Foundation Trust's quality report for the year ended 31 March 2018 (the 'Quality Report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the Council of Governors of Poole Hospital NHS Foundation Trust as a body, to assist the Council of Governors in reporting Poole Hospital NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Poole Hospital NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period; and
- Percentage of patients with a total time in A+E of four hours or less from arrival to admission, transfer or discharge.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation Trust annual reporting manual' and supporting guidance issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation Trust annual reporting manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in section 2.1 of the NHS Improvement 2017/18 Detailed guidance requirements for external assurance on for quality reports for foundations Trusts 2017-18; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation Trust annual reporting manual' and supporting guidance and the six dimensions of data quality set out in the 'Detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS foundation Trust annual reporting manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with

- board minutes for the period April 2017 to May 2018;
- papers relating to quality reported to the board over the period April 2017 to May 2018;
- feedback from the Governors;
- feedback from local Healthwatch organisations;
- feedback from Poole Overview and Scrutiny Committee, dated 23rd April 2018;
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 30th July 2017;
- the 2017 national patient survey;
- the 2017 national staff survey;
- Care Quality Commission reports; and
- the Head of Internal Audit's annual opinion over the Trust's control environment dated May 2018.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance Work Performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
    - making enquiries of management;
    - testing key management controls;
    - limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation Trust annual reporting manual' and supporting guidance to the categories reported in the quality report; and
    - reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation Trust annual reporting manual' and supporting guidance.

The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation Trust annual reporting manual' and supporting guidance;
  - the quality report is not consistent in all material respects with the sources specified in 2.1 of the NHS Improvement Detailed requirements for external assurance for quality reports for foundations Trusts 2017-18; and
  -
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS Foundation Trust annual reporting manual' and supporting guidance.

Deloitte LLP
Chartered Accountants
Reading, UK
23 May 2018

SECTION D: ANNUAL ACCOUNTS

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF POOLE HOSPITAL NHS FOUNDATION TRUST

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Poole Hospital NHS Foundation Trust (the 'foundation trust') and its subsidiaries (the 'group'):

- **give a true and fair view of the state of the Group and Foundation Trust's affairs as at 31 March 2018 and of the Group and Foundation Trust's income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the Group and Foundation Trust Statements of Comprehensive Income;
- the Group and Foundation Trust Statements of Financial Position;
- the Group and Foundation Trust Statements of Changes in Taxpayers' Equity;
- the Group and Foundation Trust Statements of Cash Flows; and
- the related notes 1 to 25.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We have reviewed the directors' statement in Note 1 of the financial statements in respect of the Group and Foundation Trust's ability to continue as a going concern.

The Foundation Trust received Sustainability and Transformation Fund (STF) income of £10.0m in 2017/18, without which a substantial deficit would have been recorded. The Foundation Trust's plan includes receipt of £9.1m of STF income in 2018/19, without which the Foundation Trust will have insufficient working capital to meet liabilities as they fall due. Receipt of STF income is dependent on the Foundation Trust achieving a control total deficit of no more than £3.7m and achieving the 4 Hour A&E trajectory set by the Department of Health. To achieve this control total, the Foundation Trust must implement Cost Improvement Plans (CIPs) amounting to £10.9m. It is not certain that the Foundation Trust will be able to achieve all of the necessary savings.

Even if STF income is received in full, cash flow projections for the next twelve months show dependency on access to an uncommitted interim revenue support facility from the Department of Health. While this facility has been approved, it does not contain a commitment to provide all the necessary funding (namely additional amounts from April 2019 onwards), and also contains no commitment to provide further funds should they be required, as would be the case if the Foundation Trust does not receive its full STF income or incurs additional net cash outflows for any other reason.

In response to this, we:

- reviewed and challenged the Foundation Trusts plan for 2018/19, to understand the cash needs of the Foundation Trust;
- reviewed the STF offer for the Foundation Trust and understood the requirements for receipt of funding;
- reviewed correspondence between the Foundation Trust, NHSI and the Department of Health regarding the Foundation Trust application for the uncommitted interim revenue support facility; and
- assessed the Foundation Trust's high level forecasts and CIP plans, including challenging key judgements. As part of this exercise we have considered the historical accuracy of the budgeting process used by the Foundation Trust.

Whilst we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate, these conditions indicate the existence of a material uncertainty which may give rise to significant doubt over the Group and Foundation Trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Foundation Trust were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • *Completeness of liabilities* • *Management override of controls* • *Going concern (see material uncertainty relating to going concern section)* • *Arrangements to secure value for money (see matters on which we are required to report by exception – use of resources section)* Within this report, any new key audit matters are identified with ⓐ and any key audit matters which are the same as the prior year identified with ⓑ. This year our report contains a new key audit matter reagrding completeness of liabilities. Details of this can be found below. Last year our report included a key audit matter on Valuation of land and buildings, however due to the fact that there was not a full valuation in the year, we no longer consider this a key audit matter.
Materiality	The materiality that we used for the group financial statements in the current year was £3.5m which was determined on the basis of 1.5% of incoming resources.
Scoping	The focus of our audit work was on the Foundation Trust. We performed specified audit procedures on the Foundation Trust's subsidiary, Poole Hospital NHS Foundation Trust Charitable Fund, where the extent of our testing was based on our assessment of the risks of material misstatement and the materiality of the charity to the Group. Our audit therefore covered all the entities within the Group, which account for 100% of the Group's net assets, revenues and surplus.
Significant changes in our approach	Other than the changes to key audit matters as reported above, there were no other significant changes in our approach in the current year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty relating to going concern section and the matter described in the matters on which we are required to report by exception – use of resources section, we have determined the matters described below to be the key audit matters to be communicated in our report

Completeness of liabilities	
Key audit matter description	This year we identified a key audit matter in relation to the completeness of liabilities at the Foundation Trust, as disclosed in Note 12. In 2017/18 Management were under significant pressure to achieve a control total deficit of £2.4m to facilitate payment of STF income. Completeness of liabilities (including trade payables, accruals and provisions) is a key area of judgement in this respect. Management must make judgments about amounts to accrue for liabilities at year end, and how much to provide for future liabilities. The risk this year is that management inappropriately release provisions and accruals, and do not recognise liabilities which exist at year end in order to remove the related expense from the income statement.
How the scope of our audit responded to the key audit matter	We have performed testing for unrecorded liabilities based on payments made and expenses recorded in the period after year end. We have also reviewed expenses recorded in the final months of the year against previous trends to identify whether there were any inconsistencies. We have discussed future plans (e.g. reorganisations) with management to assess whether any additional provisions were required. We have reviewed significant movements in accruals and provisions year on year, testing all significant releases.
Key observations	We are satisfied that the liabilities recognised by the Foundation Trust at year end are materially appropriate.
Management override of controls	
Key audit matter description	We consider that in the current year there is a heightened risk across the NHS that management may override controls to fraudulently manipulate the financial statements or accounting judgements or estimates. This is due to the increasingly tight financial circumstances of the NHS and close scrutiny of the reported financial performance of individual organisations. The Group was initially allocated £6.5m of the Sustainability and Transformation Fund, contingent on achieving financial and operational targets, equivalent to a "control total" for the year of a deficit (adjusted for certain items) of £2.4m. NHS Improvement has allocated funding for a "bonus" to organisations that exceed their control total. This creates an incentive for reporting financial results that exceed the control total of the £2.4m deficit. The Foundation Trust's reported results show a control total surplus of £1.1m, including STF revenue of £10.0m.

	Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.21.
How the scope of our audit responded to the key audit matter 	**Manipulation of accounting estimates** Our work on accounting estimates included considering each of the areas of judgement identified by NHS Improvement. In testing each of the accounting estimates, we considered findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS. We tested accounting estimates (including in respect of completeness of liabilities discussed above), focusing on the areas of greatest judgement and value. Our procedures included comparing amounts recorded or inputs to estimates to relevant supporting information from third party sources. We evaluated the rationale for recognising or not recognising balances in the financial statements and the estimation techniques used in calculations, and considered whether these were in accordance with accounting requirements and were appropriate in the circumstances of the Group. **Manipulation of journal entries** We used data analytic techniques to select journals for testing with characteristics indicative of potential manipulation of reporting focusing in particular on manual journals. We traced the journals to supporting documentation, and evaluated the accounting rationale for the posting. We evaluated individually and in aggregate whether the journals tested were indicative of fraud or bias. We tested the year-end adjustments made outside of the accounting system between the general ledger and the financial statements and consolidation adjustments and journals. **Accounting for significant or unusual transactions** We considered whether any transactions identified in the year required specific consideration and did not identify any requiring additional procedures to address this risk.
Key observations 	We noted an immaterial error caused by the approach the Foundation Trust uses to calculate useful economic lives of buildings. The Foundation Trust has used an aggregated approach; using a componentised approach and the information in the external valuers report, the depreciation charge would have been £1.6m higher. The financial statements have not been adjusted to reflect this. The directors do not believe this to be material.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group financial statements	Foundation trust financial

		statements
Materiality	£3.5m (2017: £3.5)	£3.4m (2017: £3.4m)
Basis for determining materiality	1.5% of incoming resources (2017: 1.5% of incoming resources)	1.5% of incoming resources (2017: 1.5% of incoming resources)
Rationale for the benchmark applied	Incoming resources was chosen as a benchmark as the group is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.	Incoming resources was chosen as a benchmark as the Foundation Trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.

We agreed with the Audit & Governance Committee that we would report to the Committee all audit differences in excess of £175,000 (2017: £175,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit & Governance Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the Foundation Trust, with work performed at the Foundation Trust's head offices in Poole directly by the audit engagement team, led by the audit partner.

We performed specified audit procedures on the Foundation Trust's subsidiary, Poole Hospital NHS Foundation Trust Charitable Fund, where the extent of our testing was based on our assessment of the risks of material misstatement and the materiality of the charity to the Group.

Our audit covered all of the entities within the Group, and account for 100% (2017: 100%) of the Group's net assets, revenue and surplus.

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality and range from £1.75m to £3.4m (2017: £1.7m to £3.4m).

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion

thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the group's and the Foundation Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the group or the Foundation Trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Use of resources

We are required to report to you if, in our opinion, the NHS Foundation Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Qualified conclusion

On the basis of our work, having regard to the guidance issued by the Comptroller & Auditor General in December 2017, with the exception of the matters reported in the basis for qualified conclusion section, we are satisfied that, in all significant respects, Poole Hospital NHS Foundation Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018.

Basis for qualified conclusion

The Group and Foundation Trust has described the following matters in its Annual Governance Statement which we consider to be relevant to the Group and Foundation Trust's arrangements to secure economy, efficiency and effectiveness: the Foundation Trust was reliant on receipt of £10.0m of STF income to maintain sufficient liquidity throughout 2017/18, and is reliant on the receipt of £9.1m of STF income in 2018/19, as well as access to an emergency borrowing facility provided by the Department of Health. These continued issues, which are not wholly within the control of the Foundation Trust and are due to constraints in the wider healthcare economy, affect its ability to plan effectively for the sustainable delivery of its service obligations. Continuing cost pressures have had an inevitable impact on the ability of the Foundation Trust to invest and innovate and, should they continue, there may be consequences for quality and patient care.

These issues are evidence of weaknesses in proper arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions. We have also qualified on this basis for the previous two years.

Annual Governance Statement and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit;
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director

We have nothing to report in respect of these matters.

or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Poole Hospital NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Foundation Trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Barratt, BA, ACA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
23 May 2018

FOREWORD TO THE ACCOUNTS

Poole Hospital NHS Foundation Trust

These accounts for the year ended 31 March 2018 of Poole Hospital NHS Foundation Trust have been prepared in accordance with paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006 and comply with the annual reporting guidance for NHS foundation trusts within the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) for the financial period.

Signed ..... **Chief Executive and Accounting Officer**

Name: Debbie Fleming

Date: 23 May 2018

Statement of Accounting Officer's responsibilities

Statement of the Chief Executive's responsibilities as the Accounting Officer of Poole Hospital NHS Foundation Trust

The National Health Service Act 2006 states that the Chief Executive is the Accounting Officer of the NHS Foundation Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS Improvement.

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Poole Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Poole Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the Department of Health Group Accounting Manual and in particular to:

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- prepare the financial statements on a going concern basis.

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

.....Signature

Debbie Fleming, Chief Executive

Date: 23 May 2018

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2018

	NOTE	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
NON CURRENT ASSETS					
Intangible assets	7	1,930	1,930	2,391	2,391
Property, plant and equipment	8	134,841	134,637	123,204	123,014
Trade and other receivables	11	1,073	1,073	937	937
		137,844	137,640	126,532	126,342
CURRENT ASSETS					
Inventories	10	2,088	2,088	2,439	2,439
Trade and other receivables	11	19,684	17,574	13,377	13,140
Cash and cash equivalents	16	11,957	2,999	17,869	7,484
TOTAL CURRENT ASSETS		33,729	22,661	33,685	23,063
CURRENT LIABILITIES					
Trade and other payables	12	(25,528)	(25,407)	(25,826)	(25,779)
Other liabilities	12	(528)	(528)	(640)	(640)
Borrowings	13	(1,938)	(1,938)	(1,348)	(1,348)
Provisions	15	(129)	(129)	(886)	(886)
TOTAL CURRENT LIABILITIES		(28,123)	(28,002)	(28,700)	(28,653)
TOTAL ASSETS LESS CURRENT LIABILITIES		143,450	132,299	131,517	120,752
NON CURRENT LIABILITIES					
Borrowings	13	(15,090)	(15,090)	(10,557)	(10,557)
Provisions	15	(775)	(775)	(800)	(800)
TOTAL NON CURRENT LIABILITIES		(15,865)	(15,865)	(11,357)	(11,357)
TOTAL ASSETS EMPLOYED		127,585	116,434	120,160	109,395
FINANCED BY:					
TAXPAYERS' EQUITY					
Public dividend capital		91,250	91,250	88,661	88,661
Revaluation reserve		24,203	24,203	19,831	19,831
Income and expenditure reserve		981	981	903	903
Charitable Funds reserves		11,151	0	10,765	0
TOTAL TAXPAYERS' EQUITY		127,585	116,434	120,160	109,395

The financial statements on pages 1 to 38 were approved and authorised for issue by the Board on 23 May 2018 and signed on its behalf by:

Signed: .....**Chief Executive** **Date: 23 May 2018**

Name: Debbie Fleming

Signed: .....**Director of Finance** **Date: 23 May 2018**

Name: Mark Orchard

Data entered below will be used throughout the workbook:

Trust name:	Poole Hospital NHS Foundation Trust
This year	2017/18
Last year	2016/17
This year ended	31 March 2018
Last year ended	31 March 2017
Last year beginning	1 April 2016
This year beginning	1 April 2017

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2018

	NOTE	Group (see Note a) 2017/18 £000	Foundation Trust (see Note b) 2017/18 £000	Group 2016/17 £000	Foundation Trust 2016/17 £000
Operating income	2	**250,166**	**249,453**	250,381	244,193
Operating expenses	3	**(247,103)**	**(246,727)**	(242,219)	(241,147)
OPERATING SURPLUS		**3,063**	**2,726**	**8,162**	**3,046**
Finance Costs					
Finance income	5	**66**	**34**	81	34
Finance expense	6	**(299)**	**(299)**	(179)	(179)
Public Dividend Capital dividends payable		**(2,967)**	**(2,967)**	(2,829)	(2,829)
Net Finance Costs		**(3,200)**	**(3,232)**	**(2,927)**	**(2,974)**
Gains on of disposal of assets		**1**	**1**	**67**	**67**
SURPLUS/(DEFICIT) FOR THE YEAR (See Note b below)		**(136)**	**(505)**	**5,302**	**139**
Other comprehensive income					
Revaluations to revaluation reserve (Note c.)		**4,972**	**4,955**	2,505	2,488
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,836**	**4,450**	**7,807**	**2,627**

Note a. Group figures include Poole Hospital NHSFT Charitable Fund (registered charity number 1058808).

Note b. 2017/18 Control Total	Foundation Trust **2017/18 £000**	Foundation Trust 2016/17 **£000**
Surplus for the year (above)	**(505)**	**139**
Add back impairment	1,332	2,024
Less donated capital/fixed asset disposal adjustment	301	(1,218)
Control total surplus	**1,128**	**945**

Note c. The revaluation movement in the year relates to property, plant and equipment following the revaluation of the estate by the Trust's Valuer (GVA) as at 31 March 2018.

The notes on pages 5 to 38 form part of these accounts.

All income and expenditure is derived from continuing operations.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (GROUP)

	Public dividend capital (PDC) £000	Revaluation reserve £000	Income and Expenditure Reserve £000	Charitable Fund Reserves £000	Total £000
Balance at 1 April 2017	**88,661**	**19,831**	**903**	**10,765**	**120,160**
Changes in taxpayers' equity for 2017/18					
Retained surplus/(deficit) for the year	**0**	**0**	**(1,970)**	**1,834**	**(136)**
Public Dividend Capital received	2,589	0	0	0	**2,589**
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.1 and 8.2)	0	4,955	0	0	4,955
Revaluations and impairments- charitable funds	0	0	0	17	17
Transfers between Reserves	0	(583)	583	0	0
Other reserve movements - charitable funds consolidation adjustment	0	0	1,465	(1,465)	0
Other reserve movements	0	0	0	0	0
Balance at 31 March 2018	**91,250**	**24,203**	**981**	**11,151**	**127,585**
Balance at 1 April 2016	**88,661**	**24,887**	**(6,780)**	**5,585**	**112,353**
Changes in taxpayers' equity for 2016/17					
Retained surplus/(deficit) for the year	0	0	(2,232)	7,534	5,302
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.3 and 8.4)	0	2,492	0	0	2,492
Revaluations and impairments- charitable funds	0	0	0	17	17
Transfers between Reserves	0	(7,544)	7,544	0	0
Other reserve movements - charitable funds consolidation adjustment	0	0	2,371	(2,371)	0
Other reserve movements	0	(4)	0	0	(4)
Balance at 31 March 2017	**88,661**	**19,831**	**903**	**10,765**	**120,160**

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (FOUNDATION TRUST)

	Public dividend capital (PDC) £000	Revaluation reserve £000	Income and Expenditure Reserve £000	Total £000
Balance at 1 April 2017	**88,661**	**19,831**	**903**	**109,395**
Changes in taxpayers' equity for 2017/18				
Retained surplus/(deficit) for the year	0	0	(505)	(505)
Public Dividend Capital received	2,589	0	0	2,589
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.5 and 8.6)	0	4,955	0	4,955
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(583)	583	0
Other Reserve movements	0	0	0	0
Balance at 31 March 2018	**91,250**	**24,203**	**981**	**116,434**
Balance at 1 April 2016	**88,661**	**24,887**	**(6,780)**	**106,768**
Changes in taxpayers' equity for 2016/17				
Retained surplus for the year	0	0	139	139
Impairments/Revaluations charged to the Revaluation Reserve (refer to Notes 8.7 and 8.8)	0	2,492	0	2,492
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	0	(911)	911	0
Other Reserve movements	0	(6,637)	6,633	(4)
Balance at 31 March 2017	**88,661**	**19,831**	**903**	**109,395**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 March 2018

	Group 2017/18 £000	Foundation Trust 2017/18 £000	Group 2016/17 £000	Foundation Trust 2016/17 £000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating surplus from continuing operations	**3,064**	**2,726**	**8,162**	**3,046**
Non-cash income and expense:				
Depreciation and amortisation	7,040	7,037	8,148	8,144
Impairments	1,332	1,332	2,024	2,024
Increase in trade and other receivables	(6,075)	(4,296)	(2,019)	(3,684)
Decrease/(increase) in inventories	351	351	(249)	(249)
(Decrease)/Increase in trade and other payables	(262)	(536)	1,141	1,141
Decrease other liabilities	(112)	(112)	(17)	(17)
(Decrease)/Increase in provisions	(784)	(784)	406	406
NHS Charitable Funds - net adjustment for working capital movements, non-cash transactions and non-operating cash flows	(294)	0	(1,967)	0
NHS charitable Funds: other movements in operating cash flows	32		47	
Other movements in operating cash flows	2	3	(4)	(4)
Net cash generated from operations	**4,294**	**5,721**	**15,672**	**10,807**
Cash flows from investing activities				
Interest received	34	34	34	34
Purchase of property, plant and equipment	(14,343)	(14,343)	(12,687)	(12,687)
Purchase of intangible assets	(411)	(411)	(375)	(375)
Sales of property, plant and equipment	0	0	85	85
Net cash generated generated used in investing activities	**(14,720)**	**(14,720)**	**(12,943)**	**(12,943)**
Cash Flows from financing activities				
Public dividend capital received	2,589	2,589	0	0
Loans received from the Department of Health	6,650	6,650	3,000	3,000
Other loans received	0	0	664	664
Other loans repaid	(166)	(166)	(18)	(18)
Loans repaid to the Department of Health	(1,312)	(1,312)	(954)	(954)
Capital element of finance lease rental payments	(68)	(68)	(73)	(73)
Interest paid to Department of Health on loans	(222)	(222)	(163)	(163)
Interest element of finance lease	(8)	(8)	(9)	(9)
PDC Dividend paid	(2,949)	(2,949)	(2,825)	(2,825)
Net cash used in financing activities	**4,514**	**4,514**	**(378)**	**(378)**
Increase/(decrease) in cash and cash equivalents	**(5,912)**	**(4,485)**	**2,351**	**(2,514)**
Cash and Cash equivalents at 1 April 2017 (1 April 2016)	**17,869**	**7,484**	**15,518**	**9,998**
Cash and Cash equivalents at 31 March 2018 (31 March 2017)	**11,957**	**2,999**	**17,869**	**7,484**

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2017/18 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's FReM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, inventories and certain financial assets and financial liabilities.

Going Concern

The accounts have been prepared on a going concern basis as the Trust currently has access to continued income from the national Sustainability and Transformation Fund conditional on the implementation of the annual cost improvement plan delivery. In addition to continued income from the national Sustainability and Transformation Fund, the Trust will also require from 2018/19, access to cash support in the form of an Uncommitted Interim Revenue Support Facility from the Department of Health and Social Care.

This dependency on delivering key planning assumptions is consistent with the Trust's operational and strategic plans agreed with the regulator, and will continue until such time that a financially sustainable plan is implemented, and the associated efficiency benefits realised, as part of the Dorset Clinical Services Review.

The Board of Directors acknowledge that there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and in the event of material under-performance against key budget assumptions and non-availability of anticipated funding, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Specifically, an uncertainty exists around whether the Trust will continue to earn all planned income from the national Sustainability and Transformation Fund (£9.1 million during 2018/19) and continues to achieve cost improvement plans above nationally assumed minimum levels (£10.9 million or 4.6% of planned operating expenses in 2018/19, against a national tariff efficiency factor of 2%). However, these risks are well understood and action can and will be taken to ensure that the risks are managed.

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

Further detail is provided within the Annual Report.

1.1 Consolidation

Poole Hospital NHS Foundation Trust Charitable Fund

The NHS Foundation Trust is the corporate trustee to Poole Hospital NHS Foundation Trust Charitable Fund. The Foundation Trust has assessed its relationship to the Charitable Fund and determined it to be a subsidiary because the Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over The Charitable Fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the Charity's assets, liabilities and transactions to:

* recognise and measure them in accordance with the Foundation Trust's accounting policies; and
* eliminate intra-group transactions, balances, gains and losses.

The reserves of the Charity at 31 March 2018 amounted to £8,243k. For consolidation purposes grants amounting to £2,908k awarded by the Charity to the Foundation Trust but unspent at 31 March 2018 have been added back to the Charity reserves in the Group Accounts. The Charity reserves shown in the Group Accounts therefore amount to £11,151k.These funds are comprised of restricted funds of £10,691k and unrestricted funds of £460k. Restricted funds were donated for specified purposes for a ward or department and the Trustee may only use these funds for the specified purpose. Unrestricted funds may be used at the discretion of the Trustee for any purpose throughout the Hospital.

The reported reserves of the Charity at 31 March 2017 amounted to £9,042k. Consolidation adjustments amounted to £1,723k. The Charity reserves shown in the Group Accounts therefore amounted to £10,765k.

NOTES TO THE ACCOUNTS (continued)

1.2 Income

Income in respect of services provided is recognised when, and to the extent that performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services. Other income includes funding from the NHS South of England in respect of training and education for training posts (primarily junior doctors) and also recharges of clinical staff to local foundation trusts..
Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.
When a patient is admitted and treatment begins, then the income for that treatment or spell can start to be recognised. Income relating to those spells which are partially completed at the financial year end is therefore accrued for. In respect of March activity actual activity is not known before the accounts are closed. A judgement is therefore made on the level of income to accrue for this activity.
Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract.

1.3 Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.
The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this ‘employer cost cap’ assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

NOTES TO THE ACCOUNTS (continued)

Pension costs continued

NHS Pension Scheme

c) Scheme provisions

The NHS Pension Scheme provides defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer and is fully provided for in the Accounts.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

The Trust paid £15,688k employer contributions to the NHS Pension Scheme in 2017/18 and the contributions for 2018/19 are forecast to be approximately £16,472k.

NOTES TO THE ACCOUNTS (continued)

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 Property, Plant and Equipment

Recognition

Property, Plant and Equipment is capitalised where:

• it is held for use in delivering services or for administrative purposes;
• it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
• it is expected to be used for more than one financial year; and
• the cost of the item can be measured reliably.

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

- individually have a cost of at least £5,000; or

- collectively have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

- form part of the initial equipping and setting-up cost of a new building or refurbishment of a ward or unit irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

NOTES TO THE ACCOUNTS (continued)

1.5 Property, Plant and Equipment continued

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. They are measured subsequently at valuation.

Non-current assets are stated at the lower of replacement cost and recoverable amount. The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from the financing of the construction of fixed assets are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate.

All land and buildings are revalued using professional valuations in accordance with International Accounting Standard 16 every five years. A three yearly interim valuation is also carried out. Additional valuations are carried out as appropriate.

Professional valuations are carried out by the Foundation Trusts appointed external Valuer. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

A full asset valuation (excluding Assets Under Construction/ Work In Progress) was undertaken as at 31 March 2018; and this value, together with indexation applied to buildings in line with the Valuers advice has been included in the closing Statement of Financial Position.

The valuations are carried out primarily on the basis of Modern Equivalent for specialised operational property and Existing Use Value for non-specialised operational property.

The value of land for existing use purposes is assessed at Existing Use Value. For non-operational properties including surplus land, the valuations are carried out at Open Market Value.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is derecognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives on a straight line basis in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

The estimated useful lives of assets are summarised below:

Buildings and dwellings	40-90 years
Plant & Machinery	5-15 years
Transport Equipment	1-7 years
Information Technology	5-10 years
Furniture & Fittings	1-10 years

The estimated useful life of buildings has changed during the year following the findings of the new Trust Valuer (GVA).

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of ‘other comprehensive income’.

NOTES TO THE ACCOUNTS (continued)

1.5 Property, Plant and Equipment Continued

Impairments

In accordance with the FT ARM, impairments that are due to a loss of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not re-valued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met. Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset

Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

NOTES TO THE ACCOUNTS (continued)

1.6 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.
Expenditure on research is not capitalised.
Expenditure on development is capitalised only where all of the following can be demonstrated:

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

Software

Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5. Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful economic lives (between five and ten years on a straight line basis) in a manner consistent with the consumption of economic or service delivery benefits.

1.7 Government grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

NOTES TO THE ACCOUNTS (continued)

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The material management stock system values the stock at latest invoice price. Pharmacy stock is valued at average price.

1.9 Financial instruments and financial liabilities

Recognition

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made. Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

De-recognition

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement

Financial assets are categorised as loans and receivables. Financial liabilities are classified as 'Other Financial liabilities'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS debtors, accrued income and 'other debtors'. Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income. Loans from the Department of Health are not held for trading and are measured at historic cost with any unpaid interest accrued separately.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows of the asset.

NOTES TO THE ACCOUNTS (continued)

1.10 Leases

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS foundation trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expired.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.11 Provisions

The NHS foundation trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the NHS Foundation Trust is disclosed at Note 15 but is not recognised in the NHS Foundation Trust's accounts.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any ‘excesses’ payable in respect of particular claims are charged to operating expenses when the liability arises.

NOTES TO THE ACCOUNTS (continued)

1.12 Contingencies

Contingent liabilities are not recognised, but are disclosed in note 19, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.13 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loan Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.14 Value Added Tax

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.15 Corporation Tax

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

1.16 Third party assets

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

1.17 Description of Reserves

Revaluation Reserve relates to revaluation gains on the estate following valuations by the District Valuer.
Income and Expenditure Reserve relates to accumulated surpluses by the Foundation Trust.

1.18 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the NHS Foundation Trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

Losses and Special Payments are disclosed in Note 25 and relate mainly to the bad debts and NHSLA policy excesses on third party and employer's liability claims against the Trust.

1.19 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

NOTES TO THE ACCOUNTS (continued)

1.20 Accounting Standards issued but not adopted

The DH GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the Government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 Revenue from Contracts with Customers -– Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

Following the release of the 2018/19 Department of Health and Social Care Group Accounting Manual in May 2018, the Trust is assessing the likely impact of IFRS 9 and IFRS 15 (and the adaptations included in the GAM). The directors do not expect that the adoption of these standards and interpretations will have a material impact on the financial statements in future periods. All other revised and new standards have not been listed here as they are not considered to have an impact on the Foundation Trust.

1.21 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors, considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods is the revision affects both current and future periods.

Going Concern

Refer to note on going concern in section 1 - Accounting Policies.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that management have made in the process of applying the Trust's accounting policies and that have made the most significant effect on the amounts recognised in the financial statements:

Impairments, estimated asset lives and revaluations

The Trust is required to review property, plant and equipment and investment properties for impairment. Between formal valuations by qualified surveyors, management make judgements about the condition of assets and review their estimated lives. Estimates are used to assess the fair value of land and buildings assets at each year end, in comparison to the carrying values, which may result in revaluation surpluses or deficits being recognised.

Provisions

A provision is recognised when the Trust has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. In addition to widely used estimation techniques, judgement is required when determining the probable outflow of economic benefits relating to early voluntary retirement pension and injury benefit liabilities.

Provision for impairment of receivables

Management will use their judgement to decide when to write off revenue or to provide against the probability of not being able to collect debt.

Key sources of estimation uncertainty

Management has made the following critical judgements in the process of applying the entity's accounting policies where this has had a significant effect on the amounts recognised in the accounts:

The use of estimated asset lives in calculating depreciation (see Notes 1.5 and 8) and professional valuations that can result in increases and decreases to property values. The estimated effect of increasing/decreasing the asset lives of buildings by +/- one year would decrease/increase annual depreciation by some £147k. The estimated effect of changing the indices used by the valuer in the estate valuation by +/- 5% would be an increase/decrease of £3,777k in the estate's value.

In the view of the Trust there are no further estimates or judgements which if wrong could materially affect financial performance. Final contract sums have been agreed with all Commissioners in respect of activity undertaken during 2017/18. This income is included in the Accounts.

1.22 Cash and Cash Equivalents

The Foundation Trust's cash is held primarily in the Government Banking Service. Small balances are maintained in a current account at Barclays plc.

The Poole Hospital Charitable Fund aims to spend all funds within a 2-3 year period and the Trustee has therefore decided to invest all of the charitable funds in short term fixed and instant access deposit accounts. The cash at the year-end is held in a deposit account at CCLA; fixed term deposits at Lloyds and Barclays and the balance is held in a deposit/current account at Barclays plc.

2 Operating Income

2.1 Operating Income

Income from Activities	Group 2017/18 £000	Foundation Trust 2017/18 £000	Group 2016/17 £000	Foundation Trust 2016/17 £000
Elective income	**26,410**	**26,410**	27,007	27,007
Non elective income	**59,960**	**59,960**	59,811	59,811
First outpatient income	**15,664**	**15,664**	15,549	15,549
Follow up outpatient income	**13,203**	**13,203**	14,037	14,037
A & E income	**8,020**	**8,020**	6,954	6,954
High cost drugs income from commissioners	**17,486**	**17,486**	16,628	16,628
Other NHS Clinical Income	**67,988**	**67,988**	66,429	66,429
Private patient income	**1,897**	**1,897**	2,011	2,011
Other types of activity income	**1,512**	**1,512**	1,354	1,354
	212,140	**212,140**	209,779	209,779

Other Operating Income	2017/18 £000	2017/18 £000	2016/17 £000	2016/17 £000
Education and training	**7,966**	**7,966**	7,140	7,140
Sustainability and Transformation Fund income (Note 1)	**10,005**	**10,005**	9,318	9,318
Additional income for delivery of healthcare services (Note 2)	**1,388**	**1,388**	1,153	1,153
Cash donations for the purchase of capital assets - received from NHS charities	-	**578**	-	2,090
Charitable and other contributions to expenditure - received from NHS charities	-	**887**	-	281
Charitable and other contributions to expenditure - received from other bodies	**1,092**	**1,092**	741	741
Non-patient care services to other bodies	**7,275**	**7,275**	6,791	6,791
NHS income for staff costs accounted on a gross basis	**2,422**	**2,422**	2,359	2,359
Research income	**932**	**932**	411	411
Income generation (Note 3)	**1,905**	**1,905**	1,929	1,929
NHS Charitable Funds: Incoming Resources excluding Investment Income	**2,178**	**0**	8,559	0
Other income	**2,863**	**2,863**	2,201	2,201
	38,026	**37,313**	40,602	34,414
Total Operating Income	**250,166**	**249,453**	250,381	244,193

Note 1. This income relates to funding from NHS England for the delivery of an agreed financial control total position and the delivery of agreed performance trajectories. Core funding was £5,819k, incentive funding was £2,793k and bonus funding was £1,393k

Note 2. This income relates to funding for the approved 'Developing One NHS in Dorset' (Vanguard Project) provided by the Department of Health via Dorset CCG.

Note 3. Income generation relates mainly to restaurant income and car park income received by the Trust

2.2 Mandatory and Non-Mandatory Income from Activities

	2017/18 £000	2017/18 £000	2016/17 £000	2016/17 £000
Mandatory	**208,731**	**208,731**	206,415	206,415
Non-Mandatory	**3,409**	**3,409**	3,364	3,364
Actual	**212,140**	**212,140**	209,779	209,779

2.3 Income from Activities by Source

	Group 2017/18 £000	Foundation Trust 2017/18 £000	Group 2016/17 £000	Foundation Trust 2016/17 £000
CCGs and NHS England	**208,346**	**208,346**	205,196	205,196
Local Authorities (see Note 1)	**37**	**37**	120	120
NHS Other	**385**	**385**	1,219	1,219
Non NHS: Private patients	**1,897**	**1,897**	2,011	2,011
Non-NHS: Overseas patients non-reciprocal (Note 2)	**166**	**166**	186	186
NHS injury scheme (see Note 3)	**1,234**	**1,234**	967	967
Non NHS: Other	**75**	**75**	80	80
	212,140	**212,140**	209,779	209,779

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

Note 2. Overseas patient income for the year amounted to £166k (2016/17 £186k). Cash received amounted to £80k (2016/17 £133k) in respect of current and previous years' income. The amount added to the provision for impairment of receivables in respect of current and prior years amounted to £17k (2016/17 £24k). The amounts written off in respect of current and prior years amounted to £53k (2016/17 £45k)

Note 3. NHS injury scheme income is subject to a provision for doubtful debts of 22.84% (2016/17 22.94%) to reflect expected rates of collection.

3 Operating Expenses and Operating Lease Costs

3.1 Operating Expenses (by type):

	Group 2017/18 £000	Foundation Trust 2017/18 £000	Group 2016/17 £000	Foundation Trust 2016/17 £000
Services from other Foundation Trusts	**8,092**	**8,092**	6,197	6,197
Services from NHS trusts	**88**	**88**	106	106
Services from other NHS bodies	**189**	**189**	144	144
Purchase of healthcare from non NHS bodies	**168**	**168**	292	292
Employee Expenses - Non Executive Directors' costs	**142**	**142**	136	136
Staff and executive directors costs Note 4)	**164,423**	**164,363**	157,409	157,354
Redundancy - net charge after provisions (Note 4)	**0**	**0**	60	60
Supplies and services - clinical drugs	**22,930**	**22,930**	23,391	23,391
Supplies and services - clinical other	**17,861**	**17,861**	17,495	17,495
Supplies and services - general	**5,909**	**5,909**	5,975	5,975
Establishment	**1,385**	**1,385**	1,699	1,699
Transport - other (including patient travel)	**256**	**256**	278	278
Rentals under operating leases - minimum lease payments (note b below)	**46**	**46**	50	50
Charges to operating expenditure for off-SoFP IFRIC 12 schemes (note b below)	**158**	**158**	140	140
Premises	**6,424**	**6,424**	7,233	7,233
Increase in bad debt provision	**75**	**75**	197	197
Depreciation and amortisation	**7,040**	**7,037**	8,148	8,144
Impairment of property, plant and equipment (note b below)	**1,332**	**1,332**	2,024	2,024
Audit fees - statutory audit (see Note a below)	**91**	**85**	87	83
Consultancy Costs	**310**	**310**	468	468
Internal Audit and Local Counter Fraud Services	**102**	**102**	94	94
Clinical negligence Insurance Costs	**8,279**	**8,279**	5,818	5,818
Other Services including External Payroll	**1,185**	**1,185**	2,119	2,119
Training and course fees etc.	**621**	**621**	669	669
Legal Fees	**65**	**65**	137	137
NHS Charitable Funds - Other resources expended	**307**	**0**	1,009	0
Other	**(375)**	**(375)**	844	844
	247,103	**246,727**	242,219	241,147

Note a. The Council of Governors has appointed Deloitte LLP as external auditors of the Trust with effect from 1 October 2012.

The professional fees (excluding Vat) earned by Deloitte in the 2017/18 Audit of the Trust and Charity are as follows:

	2017/18 £000	2016/17 £000
Financial Statement audit - Foundation Trust	**49**	**47**
Consolidation of Trust's Charitable Fund	**3**	**3**
Whole of Government Accounts	**3**	**3**
Quality Accounts work	**14**	**13**
Going Concern work/enhanced audit report	**2**	**2**
Charity Accounts	**5**	**4**
Vat	**15**	**15**
Total Audit Fee	**91**	**87**

Note b. Operating leases and off-SoFP IFRIC 12 expenditure

Operating lease expenditure has previousy included payments to TOPS Day Nursery and the Staff Residences. This has now been reclassified as off-SoFP IFRIC 12 expenditure above. Further details can be found on Note 21.

All arrangements containing an operating lease relate to the Foundation Trust.

3.3 Segmental Reporting

IFRS 8 defines the term of Chief Operating Decision Maker (CODM) as a group or individual whose 'function is to allocate resources to and assess the performance of the operating elements of the entity'. For the Trust, the most appropriate interpretation is that the Board of Directors represents the CODM. Operational performance is monitored at the monthly board meetings and key resource allocation decisions are agreed there.

Information is presented to the Board as a single operating segment and is under full IFRS. This mirrors the information that is submitted to NHS Improvement and enables the Board to make strategic decisions on the Annual Plan.

This information for the years ending 31st March 2018 and 31st March 2017 is shown in the table to this note.

The Trust generates the majority of its income from healthcare and related services. The information as displayed in the accounts reflects that which is submitted to the Board.

The Trust had two major customers during the year 2017/18 as follows: Dorset CCG and NHS England - Wessex Local Area Team, representing 63% and 23% of its total income respectively.

The comparative figures for 2016/17 were as follows: Dorset CCG and NHS England - Wessex Local Area Team, representing 62% and 24% of its total income respectively.

Summary of Key Financial Information (Foundation Trust)

	Year to 31 March 2018			Year to 31 March 2017		
	Actual	Original Plan	Variance	Actual	Original Plan	Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Income	249,453	240,437	9,016	244,193	240,437	3,756
Operating Expenditure	238,306	233,581	(4,725)	230,884	227,244	(3,640)
EBITDA (Excl Charitable Income)	8,590	6,452	2,138	10,263	8,597	1,666
EBITDA % (Excl. Charitable Income)	3.48%	2.69%		4.26%	2.21%	
(Deficit)/Surplus before impairment	**827**	**(3,178)**	**4,005**	**2,163**	**1,882**	**281**
Impairment	(1,332)	0	(1,332)	(2,024)	0	(2,024)
(Deficit)/Surplus after impairment	**(505)**	**(3,178)**	**2,673**	**139**	**1,882**	**(1,743)**
Cost Improvement Savings	9,490	9,746	(256)	7,412	7,396	16
Cost Improvement Savings (Incl. income)	10,625	10,931	(306)	9,201	9,285	(84)
Cash Balance	2,999	755	2,244	7,484	4,763	2,721
Capital Expenditure	14,577	17,492	(2,915)	15,744	20,298	(4,554)
Single Oversight Framework 2017/18	2	2		2	2	

4 Employee costs and numbers

4.1 Employee Expenses

	Group	Foundation Trust	Group	Foundation Trust
	2017/18 Total	**2017/18 Total**	2016/17 Total	2016/17 Total
	£000	**£000**	£000	£000
Salaries and wages	**130,597**	**130,597**	126,397	126,397
Social Security Costs	**12,384**	**12,384**	12,083	12,083
Apprenticeship levy	**640**	**640**	0	0
Employer contributions to NHS Pension Scheme	**15,688**	**15,688**	14,990	14,990
Termination Payments	**0**	**0**	60	60
Agency/Contract Staff	**5,054**	**5,054**	3,884	3,884
NHS Charitable funds staff	**60**	**0**	55	0
	164,423	**164,363**	157,469	157,414

4.2 Average Number of Employees (Note 1)

	Group	Foundation Trust	Group	Foundation Trust
	2017/18 Total Number	**2017/18 Total Number**	2016/17 Total Number	2016/17 Total Number
Medical and dental	**418**	**418**	400	400
Administration and estates	**644**	**644**	643	643
Healthcare assistants and other support staff	**187**	**187**	185	185
Nursing, midwifery and health visiting staff	**1,668**	**1,668**	1,608	1,608
Scientific, therapeutic and technical staff	**326**	**326**	320	320
Healthcare Scientists	**34**	**34**	33	33
Other	**356**	**356**	352	352
Total	**3,633**	**3,633**	3,541	3,541

Note 1. Average number of employees includes bank and agency staff numbers which are estimated based on the average equivalent cost of similar NHS staff positions. All staff numbers relate to the Foundation Trust. All staff working for the NHS Charity have contracts of employment with the Foundation Trust.

4.3 Employee Benefits

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

4.4 Retirements due to ill-health

During 2017/18 there were two (2016/17 nil) early retirements on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £104k (2016/17 £0k). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division. This information has been supplied by NHS Pensions.

4 Employee costs and numbers - continued

4.5 Staff Exit Packages (Group and Foundation Trust - see Notes a and b))

	2017/18								2016/17	
Exit package cost band	**Number of Compulsory Redundancies**	**Cost of Compulsory Redundancies £000**	**Number of Other Departures Agreed**	**Cost of Other Departures Agreed £000**	**Total Number of Exit Packages**	**Total Cost of Exit Packages £000**	**Number of departures where special payments have been made**	**Cost of special payment element included in Exit Packages £000**	Total Number (see Note a)	Total Cost (see Note a) £000
Less than £10,000	0	0	14	41	**14**	**41**	**14**	**41**	6	25
Between £10,000 and £25,000	0	0	3	50	**3**	**50**	**3**	**50**	2	35
Between £25,001 and £50,000	0	0	0	0	**0**	**0**	**0**	**0**	1	30
Between £50,001 and £100,000	0	0	0	0	**0**	**0**	**0**	**0**	0	0
Between £150,001 and £200,000	0	0	0	0	**0**	**0**	**0**	**0**	0	0
Total	**0**	**0**	**17**	**91**	**17**	**91**	**17**	**91**	**9**	**90**

Note a: The cost of departures shown above includes staff who have left the Trust under the MARS scheme, which has been approved by the Department of Health.

Note b: All Charity staff have contracts of employment with the Foundation Trust. There were no exit packages in the Charity Account and all the figures above relate to the Foundation Trust.

4.6 Remuneration of Directors - Foundation Trust (see Notes c and d)

	Total	**Benefits in Kind**	**2017/18 Employer's Pension Contributions**	**Employer's National Insurance**	**Remuneration**
	£000	**£000**	**£000**	**£000**	**£000**
Executive Directors	**1,163**	0	81	124	958
Non Executive Directors	**142**	0	0	10	132
Total	**1,305**	**0**	**81**	**134**	**1,090**

	Total	**Benefits in Kind**	**2016/17 Employer's Pension Contributions**	**Employer's National Insurance**	**Remuneration**
	£000	**£000**	**£000**	**£000**	**£000**
Executive Directors	**1,190**	0	73	128	989
Non Executive Directors	**136**	0	0	10	126
Total	**1,326**	**0**	**73**	**138**	**1,115**

Note c: The detail of the Directors' remuneration has been disclosed in the 2017/18 remuneration report within the Annual Report of the Foundation Trust. The above sums reflect actual payments made in the year.

Note d: All the costs in respect of the Remuneration of Directors above relate to the Foundation Trust. No additional sums were paid by the Charity to the Directors.

5 Finance Income	Group 2017/18 £000	Foundation Trust 2017/18 £000	Group 2016/17 £000	Foundation Trust 2016/17 £000
Interest on Loans and Receivables	**34**	**34**	34	34
NHS Charitable Funds Investment Income	**32**	**0**	47	0
	66	**34**	**81**	**34**

6 Finance Costs - Interest Expense	Group 2017/18 £000	Foundation Trust 2017/18 £000	Group 2016/17 £000	Foundation Trust 2016/17 £000
Capital loans from the Department of Health	**289**	**289**	162	162
Finance Leases	**8**	**8**	9	9
Unwinding of discount (see Note 15)	**2**	**2**	8	8
	299	**299**	**179**	**179**

7 Intangible Assets	Group 2017/18		Foundation Trust 2017/18	
	Software licences £000	Total £000	Software licences £000	Total £000
Gross cost at 1 April 2017	5,505	5,505	5,505	5,505
Additions - Purchased	411	411	411	411
Additions - Donated	0	0	0	0
Gross cost at 31 March 2018	**5,916**	**5,916**	**5,916**	**5,916**
Amortisation at 1 April 2017	3,114	3,114	3,114	3,114
Charged during the year	872	872	872	872
Amortisation at 31 March 2018	**3,986**	**3,986**	**3,986**	**3,986**
Net book value				
- Purchased at 1 April 2017	2,183	2,183	2,183	2,183
- Donated at 1 April 2017	208	208	208	208
- Total at 1 April 2017	**2,391**	**2,391**	**2,391**	**2,391**
- Purchased at 31 March 2018	1,838	1,838	1,838	1,838
- Donated at 31 March 2018	92	92	92	92
- Total at 31 March 2018	**1,930**	**1,930**	**1,930**	**1,930**

Note: No intangible assets are held by the Charity and all the figures quoted relate to the Foundation Trust

Intangible Assets	Group 2016/17		Foundation Trust 2016/17	
	Software licences £000	Total £000	Software licences £000	Total £000
Gross cost at 31 March 2016	5,130	5,130	5,130	5,130
Additions - Purchased	375	375	317	317
Additions - Donated	0	0	58	58
Gross cost at 31 March 2017	**5,505**	**5,505**	**5,505**	**5,505**
Amortisation at 31 March 2016	2,219	2,219	2,219	2,219
Charged during the year	895	895	895	895
Amortisation at 31 March 2017	**3,114**	**3,114**	**3,114**	**3,114**
Net book value				
- Purchased at 1 April 2016	2,643	2,643	2,183	2,183
- Donated at 1 April 2016	268	268	208	208
- Total at 1 April 2016	**2,911**	**2,911**	**2,391**	**2,391**
- Purchased at 31 March 2017	2,183	2,183	2,183	2,183
- Donated at 31 March 2017	208	208	208	208
- Total at 31 March 2017	**2,391**	**2,391**	**2,391**	**2,391**

Note: No intangible assets are held by the Charity and all the figures quoted relate to the Foundation Trust

8.1 Property, Plant and Equipment 2017/18 Group

Property, Plant and Equipment at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	NHS Charitable Fund Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2017	**8,940**	**84,764**	**1,667**	**8,165**	**50,454**	**17**	**16,431**	**485**	**190**	**171,113**
Additions purchased	0	5,912	0	5,682	1,212	0	764	0	0	**13,570**
Additions donated (Note 1)	0	215	0	0	363	0	0	0	0	**578**
Additions leased	0	0	0	0	18		0	0	0	**18**
Revaluations (Notes 3 and 4)	433	1,169	106	0	0	0	0	0	14	**1,722**
Reclassifications	0	5,720	0	(6,256)	258	0	278	0	0	**0**
Impairments (Note 3)	0	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(117)	0	0	0	0	**(117)**
Cost or Valuation at 31 March 2018	**9,373**	**97,780**	**1,773**	**7,591**	**52,188**	**17**	**17,473**	**485**	**204**	**186,884**
Depreciation at 1 April 2017	**0**	**0**	**0**	**0**	**35,342**	**17**	**12,084**	**467**	**0**	**47,910**
Charged during the year	0	1,877	38	0	3,030	0	1,217	3	3	**6,168**
Impairments (Note 3)	0	1,608	0	0	0	0	0	0	0	**1,608**
Revaluations (Notes 3 and 4)	0	(3,485)	(38)	0	0	0	0	0	(3)	**(3,526)**
Disposals	0	0	0	0	(117)	0	0	0	0	**(117)**
Depreciation at 31 March 2018	**0**	**0**	**0**	**0**	**38,255**	**17**	**13,301**	**470**	**0**	**52,043**
Net book value										
- Purchased at 31 March 2017	8,940	78,964	1,667	6,834	11,278	0	4,339	19	190	**112,231**
- Donated at 31 March 2017	0	5,800	0	1,331	3,712	0	8	0	0	**10,851**
- Finance Lease at 31 March 2017	0	0	0	0	122	0	0	0	0	**122**
- Total at 31 March 2017	**8,940**	**84,764**	**1,667**	**8,165**	**15,112**	**0**	**4,347**	**19**	**190**	**123,204**
- Purchased at 31 March 2018	9,373	91,504	1,773	6,260	10,400	0	4,172	15	204	**123,701**
- Donated at 31 March 2018	0	6,276	0	1,331	3,459	0	0	0	0	**11,066**
- Finance Lease at 31 March 2018	0	0	0	0	74	0	0	0	0	**74**
- Total at 31 March 2018	**9,373**	**97,780**	**1,773**	**7,591**	**13,933**	**0**	**4,172**	**15**	**204**	**134,841**

8.2 Analysis of Property, Plant and Equipment at 31 March 2018

Net book value (Note 2)										
- NBV - Protected assets at 31 March 2018	9,373	97,780	1,773	0	0	0	0	0	204	**109,130**
- NBV - Unprotected assets at 31 March 2018	0	0	0	7,591	13,933	0	4,172	15	0	**25,711**
- Total at 31 March 2018	**9,373**	**97,780**	**1,773**	**7,591**	**13,933**	**0**	**4,172**	**15**	**204**	**134,841**

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. Of the totals at 31 March 2018, £988k related to land valued at open market value and £1,773k related to buildings valued at open market value.

Note 3. The Impairments/Revaluation movement in the year relates to property, plant and equipment following the revaluation of the estate by the Trust's Valuer (GVA) as at 31 March 2018. Within the Land revaluation of £433k is a reversal of previous impairment of £276k.

Note 4. The indices used in the revaluation of the estate were the Building Cost Information (BCIS) for Q1 2018.

8.3 Property, Plant and Equipment 2016/17 Group

Property, Plant and Equipment at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	NHS Charitable Fund assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2016	**8,955**	**84,849**	**1,707**	**1,262**	**47,027**	**17**	**15,577**	**467**	**177**	**160,038**
Additions purchased	0	2,290	0	6,903	5,304	0	854	18	0	15,369
Additions donated	0	0	0	0	0	0	0	0		0
Revaluations (Note 2)	0	2,489	0	0	0	0	0	0	0	2,489
Reclassifications	0	0	0	0	0	0	0	0	0	0
Impairments (Note 2)	(15)	(4,864)	(40)	0	0	0	0	0	13	(4,906)
Disposals	0	0	0	0	(1,877)	0	0	0	0	(1,877)
Cost or Valuation at 31 March 2017	**8,940**	**84,764**	**1,667**	**8,165**	**50,454**	**17**	**16,431**	**485**	**190**	**171,113**
Depreciation at 1 April 2016	**0**	**0**	**0**	**0**	**33,922**	**17**	**11,018**	**460**	**0**	45,417
Charged during the year	0	2,843	55	0	3,279	0	1,066	6	4	7,253
Impairments	0	2,024	0	0	0	0	0	0	0	2,024
Revaluations	0	(4,867)	(55)	0	0	0	0	0	(4)	(4,926)
Disposals	0	0	0	0	(1,859)	0	0	0	0	(1,859)
Depreciation at 31 March 2017	**0**	**0**	**0**	**0**	**35,342**	**17**	**12,084**	**466**	**0**	**47,909**
Net book value										
- Purchased at 31 March 2016	8,955	78,169	1,707	1,262	9,203	0	4,537	7	177	104,017
- Donated at 31 March 2016	0	6,680	0	0	3,707	0	22	0	0	10,409
- Finance Lease at 31 March 2016	0	0	0	0	195	0	0	0	0	195
- Total at 31 March 2016	**8,955**	**84,849**	**1,707**	**1,262**	**13,105**	**0**	**4,559**	**7**	**177**	**114,621**
- Purchased at 31 March 2017	8,940	78,964	1,667	6,834	11,278	0	4,339	19	190	112,231
- Donated at 31 March 2017	0	5,800	0	1,331	3,712	0	8	0	0	10,851
- Finance Lease at 31 March 2017	0	0	0	0	122	0	0	0	0	122
- Total at 31 March 2017	**8,940**	**84,764**	**1,667**	**8,165**	**15,112**	**0**	**4,347**	**19**	**190**	**123,204**

8.4 Analysis of Property, Plant and Equipment at 31 March 2017

Net book value (Note 1)										
- NBV - Protected assets at 31 March 2017	8,940	84,764	1,667	0	0	0	0	0	190	95,561
- NBV - Unprotected assets at 31 March 2017	0	0	0	8,165	15,112	0	4,347	19	0	27,643
- Total at 31 March 2017	**8,940**	**84,764**	**1,667**	**8,165**	**15,112**	**0**	**4,347**	**19**	**190**	**123,204**

Note 1. Of the totals at 31 March 2017, £960k related to land valued at open market value and £1,667k related to buildings valued at open market value.

Note 2. The Impairments/Revaluation movement in the year relates to property, plant and equipment following the revaluation of the estate by the Trust's Valuer (GVA) as at 31 March 2017.

8.5 Property, Plant and Equipment 2017/18 Foundation Trust

Property, Plant and Equipment at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2017	**8,940**	**84,764**	**1,667**	**8,165**	**50,454**	**17**	**16,431**	**485**	**170,923**
Additions purchased	0	5,912	0	5,682	1,212	0	764	0	13,570
Additions donated (Note 1)	0	215	0	0	363	0	0	0	578
Additions leased	0	0	0	0	18	0	0	0	18
Revaluations (Notes 3 and 4)	433	1,169	106		0	0	0	0	1,708
Reclassifications	0	5,720	0	(6,256)	258	0	278	0	0
Impairments (Note 3)	0	0	0	0	0	0	0	0	0
Disposals	0	0	0	0	(117)	0	0	0	(117)
Cost or Valuation at 31 March 2018	**9,373**	**97,780**	**1,773**	**7,591**	**52,188**	**17**	**17,473**	**485**	**186,680**
Depreciation at 1 April 2017	**0**	**0**	**0**	**0**	**35,342**	**17**	**12,084**	**467**	**47,910**
Charged during the year	0	1,877	38	0	3,030	0	1,217	3	6,165
Impairments (Note 3)	0	1,608	0	0	0	0	0	0	1,608
Revaluations (Notes 3 and 4)	0	(3,485)	(38)	0	0	0	0	0	(3,523)
Disposals	0	0	0	0	(117)	0	0	0	(117)
Depreciation at 31 March 2018	**0**	**0**	**0**	**0**	**38,255**	**17**	**13,301**	**470**	**52,043**
Net book value									
- Purchased at 31 March 2016	8,940	78,964	1,667	6,834	11,278	0	4,339	19	112,041
- Donated at 31 March 2016	0	5,800	0	1,331	3,712	0	8	0	10,851
- Finance Lease at 31 March 2016	0	0	0	0	122	0	0	0	122
- Total at 31 March 2017	**8,940**	**84,764**	**1,667**	**8,165**	**15,112**	**0**	**4,347**	**19**	**123,014**
- Purchased at 31 March 2018	9,373	91,504	1,773	6,260	10,400	0	4,172	15	123,497
- Donated at 31 March 2018	0	6,276	0	1,331	3,459	0	0	0	11,066
- Finance Lease at 31 March 2018	0	0	0	0	74	0	0	0	74
- Total at 31 March 2018	**9,373**	**97,780**	**1,773**	**7,591**	**13,933**	**0**	**4,172**	**15**	**134,637**

8.6 Analysis of Property, Plant and Equipment at 31 March 2018

Net book value (Note 2)									
- NBV - Protected assets at 31 March 2018	9,373	97,780	1,773	0	0	0	0	0	108,926
- NBV - Unprotected assets at 31 March 2018	0	0	0	7,591	13,933	0	4,172	15	25,711
- Total at 31 March 2018	**9,373**	**97,780**	**1,773**	**7,591**	**13,933**	**0**	**4,172**	**15**	**134,637**

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. Of the totals at 31 March 2018, £988k related to land valued at open market value and £1,773k related to buildings valued at open market value.

Note 3. The Impairments/Revaluation movement in the year relates to property, plant and equipment following the revaluation of the estate by the Trust's Valuer (GVA) as at 31 March 2018. Within the Land is a reversal of previous impairment of £276k.

Note 4. The indices used in the revaluation of the estate were the Building Cost Information (BCIS) for Q1 2018.

8.7 Property, Plant and Equipment 2016/17 Foundation Trust

Property, Plant and Equipment at the Statement of Financial Position date comprise the following elements:

	Land	Buildings excluding dwellings	Dwellings	Assets under construction and payments on account	Plant and machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2016	**8,955**	**84,849**	**1,707**	**1,262**	**47,027**	**17**	**15,577**	**467**	**159,861**
Additions purchased	0	2,251	0	5,572	4,642	0	854	18	13,337
Additions donated (Note 1)	0	39	0	1,331	662	0	0	0	2,032
Revaluations (Note 2)	0	2,489	0		0	0	0	0	2,489
Reclassifications	0	0	0	0	0	0	0	0	0
Impairments (Note 2)	(15)	(4,864)	(40)	0	0	0	0	0	(4,919)
Disposals	0	0	0	0	(1,877)	0	0	0	(1,877)
Cost or Valuation at 31 March 2017	**8,940**	**84,764**	**1,667**	**8,165**	**50,454**	**17**	**16,431**	**485**	**170,923**
Depreciation at 1 April 2016	**0**	**0**	**0**	**0**	**33,922**	**17**	**11,018**	**460**	**45,417**
Charged during the year	0	2,843	55	0	3,279	0	1,066	6	7,249
Impairments	0	2,024	0	0	0	0	0	0	2,024
Revaluations	0	(4,867)	(55)	0	0	0	0	0	(4,922)
Disposals	0	0	0	0	(1,859)	0	0	0	(1,859)
Depreciation at 31 March 2017	**0**	**0**	**0**	**0**	**35,342**	**17**	**12,084**	**466**	**47,909**
Net book value									
- Purchased at 31 March 2016	8,955	78,169	1,707	1,262	9,203	0	4,537	7	103,840
- Donated at 31 March 2016	0	6,680	0	0	3,707	0	22	0	10,409
- Finance Lease at 31 March 2016	0	0	0	0	195	0	0	0	195
- Total at 31 March 2016	**8,955**	**84,849**	**1,707**	**1,262**	**13,105**	**0**	**4,559**	**7**	**114,444**
- Purchased at 31 March 2017	8,940	78,964	1,667	6,834	11,278	0	4,339	19	112,041
- Donated at 31 March 2017	0	5,800	0	1,331	3,712	0	8	0	10,851
- Finance Lease at 31 March 2017	0	0	0	0	122	0	0	0	122
- Total at 31 March 2017	**8,940**	**84,764**	**1,667**	**8,165**	**15,112**	**0**	**4,347**	**19**	**123,014**

8.8 Analysis of Property, Plant and Equipment at 31 March 2017

Net book value (Note 2)									
- NBV - Protected assets at 31 March 2017	8,940	84,764	1,667	0	0	0	0	0	95,371
- NBV - Unprotected assets at 31 March 2017	0	0	0	8,165	15,112	0	4,347	19	27,643
- Total at 31 March 2017	**8,940**	**84,764**	**1,667**	**8,165**	**15,112**	**0**	**4,347**	**19**	**123,014**

Note 1. The value of donated assets purchased during the year is similar to the fair value of these assets. There were no restrictions imposed by the donor in respect of these assets.

Note 2. The Impairments/Revaluation movement in the year relates to property, plant and equipment following the revaluation of the estate by the Trust's Valuer (GVA) as at 31 March 2017.

Note 3. Of the totals at 31 March 2017, £960k related to land valued at open market value and £1,667k related to buildings valued at open market value.

8.9 The net book value of Property, Plant and Equipment at 31 March 2018 comprises:

	Group 31 March 2018	Foundation Trust 31 March 2018	Group 31 March 2017	Foundation Trust 31 March 2017
	£000	£000	£000	£000
Freehold				
Protected	109,130	108,926	95,561	95,371
Unprotected	25,711	25,711	27,643	27,643
TOTAL	**134,841**	**134,637**	**123,204**	**123,014**

9 Net book value of assets held under finance leases - Group and Foundation Trust

Property, Plant and Equipment at the Statement of Financial Position date held under finance leases:

	Plant and machinery	Total
	£000	£000
Cost or valuation at 1 April 2017	303	303
Additions during the year	18	18
Cost or Valuation at 31 March 2018	**321**	**321**
Depreciation at 1 April 2017	181	181
Charged during the year	66	66
Depreciation at 31 March 2018	**247**	**247**
Net book value		
- Purchased at 1 April 2017	122	122
- Total at 1 April 2017	**122**	**122**
- Purchased at 31 March 2018	74	74
- Total at 31 March 2018	**74**	**74**

Finance leases relate to medical equipment assets. All finance leases relate to the Foundation Trust.

10 Inventories	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
Consumables	2,088	2,088	2,439	2,439
TOTAL	**2,088**	**2,088**	**2,439**	**2,439**

Note: all inventories relate to the Foundation Trust

11 Trade receivables and other receivables (Group)

11.1 Current	Total 31 March 2018 £000	Financial Assets 31 March 2018 £000	Non-financial Assets 31 March 2018 £000	Total 31 March 2017 £000	Financial Assets 31 March 2017 £000	Non-financial Assets 31 March 2017 £000
NHS Receivables	12,723	12,723	0	6,662	6,662	0
Other receivables with related parties	0	0	0	0	0	0
Provision for impaired receivables	(552)	(130)	(422)	(605)	(230)	(375)
Prepayments	1,342	0	1,342	1,004	0	1,004
Accrued income	121	121	0	895	895	0
NHS Charitable Funds: Trade and other receivables	2,312	2,312	0	1,944	1,944	0
Other receivables	3,738	1,606	2,132	3,477	1,546	1,931
Total Current Trade and Other Receivables	**19,684**	**16,632**	**3,052**	**13,377**	**10,817**	**2,560**
11.2 Non-Current						
Provision for impaired receivables	(317)	0	(317)	(279)	0	(279)
Other receivables	1,390	0	1,390	1,216	0	1,216
Total Non Current Trade and Other Receivables	**1,073**	**0**	**1,073**	**937**	**0**	**937**

11.3 Provision for impaired receivables

	2017/18 £000	2016/17 £000
At 1 April 2017 (1 April 2016)	**884**	**867**
Increase in provision	75	197
Amounts utilised	(90)	(180)
Unused amounts reversed	0	0
At 31 March 2018 (31 March 2017)	**869**	**884**

11.4 Analysis of receivables by age (see note):

Ageing of impaired receivables:	2017/18 £000	2016/17 £000
0-30 Days	0	0
30-60 Days	0	0
60-90 Days	0	0
90-180 Days	0	0
Over 180 Days	130	349
At 31 March 2018 (31 March 2017)	**130**	**349**

Ageing of non impaired receivables:	2017/18 £000	2016/17 £000
0-30 Days	14,193	9,509
30-60 Days	816	268
60-90 Days	157	149
90-180 Days	989	287
Over 180 Days	477	255
At 31 March 2018 (31 March 2017)	**16,632**	**10,468**

11.5 Trade receivables and other receivables (Foundation Trust)

Current	Total 31 March 2018 £000	Financial Assets 31 March 2018 £000	Non-financial Assets 31 March 2018 £000	Total 31 March 2017 £000	Financial Assets 31 March 2017 £000	Non-financial Assets 31 March 2017 £000
NHS Receivables - revenue	12,723	12,723	0	6,662	6,662	0
Other receivables with related parties	202	202	0	1,707	1,707	0
Provision for impaired receivables	(552)	(130)	(422)	(605)	(230)	(375)
Prepayments	1,342	0	1,342	1,004	0	1,004
Accrued income	121	121	0	895	895	0
Other receivables	3,738	1,606	2,132	3,477	1,546	1,931
Total Current Trade and Other Receivables	**17,574**	**14,522**	**3,052**	**13,140**	**10,580**	**2,560**
Non-Current						
Provision for impaired receivables	(317)	0	(317)	(279)	0	(279)
Other receivables	1,390	0	1,390	1,216	0	1,216
Total Non Current Trade and Other Receivables	**1,073**	**0**	**1,073**	**937**	**0**	**937**

11.6 Provision for impaired receivables

	2017/18 £000	2016/17 £000
At 1 April 2017 (1 April 2016)	**884**	**867**
Increase in provision	75	197
Amounts utilised	(90)	(180)
Unused amounts reversed	0	0
At 31 March 2018 (31 March 2017)	**869**	**884**

11.7 Analysis of receivables by age (see note):

Ageing of impaired receivables:	2017/18 £000	2016/17 £000
0-30 Days	0	0
30-60 Days	0	0
60-90 Days	0	0
90-180 Days	0	0
Over 180 Days	130	349
At 31 March 2018 (31 March 2017)	**130**	**349**

Ageing of non impaired receivables:	2017/18 £000	2016/17 £000
0-30 Days	12,083	9,272
30-60 Days	816	268
60-90 Days	157	149
90-180 Days	989	287
Over 180 Days	477	255
At 31 March 2018 (31 March 2017)	**14,522**	**10,231**

12 Current and Non Current Liabilities

12.1 Trade and other payables (Group)

Current	Total 31 March 2018 £000	Financial Liabilities 31 March 2018 £000	Non-financial Liabilities 31 March 2018 £000	Total 31 March 2017 £000	Financial Liabilities 31 March 2017 £000	Non-financial Liabilities 31 March 2017 £000
Receipts in advance	546	0	546	739	0	739
NHS payables - capital	127	127	0	18	18	0
NHS payables - revenue	4,757	4,757	0	2,198	2,198	0
PDC payable	47	0	47	29	0	29
Amounts due to other related parties	2,272	2,272	0	2,089	2,089	0
Trade payables - capital	3,471	3,471	0	3,775	3,775	0
Other trade payables	5,749	5,749	0	7,065	7,065	0
Taxes payable	3,460	0	3,460	3,255	0	3,255
Other payables	305	305	0	1,251	1,251	0
Accruals	4,673	4,673	0	5,360	5,360	0
NHS Charitable Funds - trade and other payables	121	121	0	47	47	0
Total Current Trade and Other Payables	**25,528**	**21,475**	**4,053**	**25,826**	**21,803**	**4,023**

12.2 Trade and other payables (Foundation Trust)

Current	Total 31 March 2018 £000	Financial Liabilities 31 March 2018 £000	Non-financial Liabilities 31 March 2018 £000	Total 31 March 2017 £000	Financial Liabilities 31 March 2017 £000	Non-financial Liabilities 31 March 2017 £000
Receipts in advance	546	0	546	739	0	739
NHS payables - capital	127	127	0	18	18	0
NHS payables - revenue	4,757	4,757	0	2,198	2,198	0
PDC payable	47	0	47	29	0	29
Amounts due to other related parties	2,272	2,272	0	2,089	2,089	0
Trade payables - capital	3,471	3,471	0	3,775	3,775	0
Other trade payables	5,749	5,749	0	7,065	7,065	0
Taxes payable	3,460	0	3,460	3,255	0	3,255
Other payables	305	305	0	1,251	1,251	0
Accruals	4,673	4,673	0	5,360	5,360	0
Total Current Trade and Other Payables	**25,407**	**21,354**	**4,053**	**25,779**	**21,756**	**4,023**

12.3 Other Liabilities (Group and Foundation Trust)

	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
Deferred Income	528	528	640	640
TOTAL	**528**	528	640	640

13 Borrowings

	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
Current				
Capital loans from Department of Health (Note a.)	1,591	1,591	1,125	1,125
Other loans (Note b.)	297	297	166	166
Obligations under finance leases	50	50	57	57
Total Other Current Liabilities	**1,938**	**1,938**	**1,348**	**1,348**
Non-current				
Capital loans from Department of Health (Note a.)	14,103	14,103	9,231	9,231
Other loans	960	960	1,257	1,257
Obligations under finance leases	27	27	69	69
Total Other Non- Current Liabilities	**15,090**	**15,090**	**10,557**	**10,557**

Note a. During 2014/15 the Trust agreed a loan facility of £20 million with the Department of Health to fund capital schemes over a three/four year period. £10.9m of this facility is repayable within 10 years from the date of drawdown at an annual interest rate of 1.93%. The remaining £9.1m is repayable over 20 years from the date of drawdown at an annual interest rate of 2.63%. £6.65 million of this facility was drawn down during the year to fund 2017/18 capital schemes. £3.0 million of this facility was drawn down in 2016/17; £3.95 million was drawn down in 2015/16 and £4.8 million was drawn down in 2014/15. The remaining facility amounts to £1.6 million and it is anticipated that this will be drawn down to fund capital schemes in 2018/19 and subsequent years. £1,312k of this loan facility was repaid in 2017/18 (2016/17 £954k).

Note b. During 2015/16 the Trust agreed an interest free loan facility of £1,441k with Salix, which is capital available to the public sector to fund energy efficient schemes, such as lighting upgrades, CHP etc. The loan is repayable over a five year period. The full amount of £1,441k was drown down by 31st March 2017. £166k of this facility was repaid in 2017/18 (2016/17 £18k).

Details of the phasing of repayments on borrowings shown above are as follows: due within one year £1,937k; due within two to five years £7,354k; over five years £7,737k

All borrowings relate to the Foundation Trust.

14 Finance Lease Obligations - Group and Foundation Trust

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	At 31 March 2018 £000	At 31 March 2017 £000	At 31 March 2018 £000	At 31 March 2017 £000
Gross lease liabilities				
of which liabilities are due:				
not later than one year;	50	57	50	57
later than one year and not later than five years;	31	78	31	78
later than five years;	0	0	0	0
Finance charges allocated to future periods	(4)	(9)	(4)	(9)
Total Gross Lease Liabilities	**77**	**126**	**77**	**126**
Net lease liabilities				
not later than one year;	50	57	50	57
later than one year and not later than five years;	27	69	27	69
later than five years;	0	0	0	0
Total net lease liabilities	**77**	**126**	**77**	**126**

Note: Finance Leases relate mainly to medical equipment assets. All finance leases relate to the Foundation Trust.

15 Provisions for Liabilities and Charges (see Note a)

Current	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
Pensions - early departure costs	48	48	44	44
Other legal claims	81	81	150	150
Redundancy	0	0	242	242
Other	0	0	450	450
Total Current Provisions for Liabilities and Charges	**129**	**129**	**886**	**886**
Non-current				
Pensions- Early departure costs	775	775	800	800
Total Non-current Provisions for Liabilities and Charges	**775**	**775**	**800**	**800**

Note a: All provisions relate to the Foundation Trust and the Charity had no provisions in its accounts.

Provisions for liabilities and charges

	31 March 2018 Pensions - early departure costs Note 1	Other legal claims Note 2	Redundancy	Other	Total
	£000	£000	£000	£000	£000
At 1 April 2017	**844**	**150**	**242**	**450**	**1,686**
Change in the discount rate	11	0	0	0	11
Arising during the period	14	33	0	0	47
Utilised during the period	(48)	(70)	0	0	(118)
Reversed unused	0	(32)	(242)	(450)	(724)
Unwinding of discount	2	0	0	0	2
At 31 March 2018	**823**	**81**	**0**	**0**	**904**
At 1 April 2016	725	119	278	150	1,272
Change in the discount rate	89	0	0	0	89
Arising during the period	82	83	275	450	890
Utilised during the period	(60)	(22)	(122)	0	(204)
Reversed unused	0	(30)	(189)	(150)	(369)
Unwinding of discount	8	0	0	0	8
At 31 March 2017	**844**	**150**	**242**	**450**	**1,686**
Expected timing of cashflows at 31 March 2018:					
Not later than one year	48	81	0	0	129
Later than one year and not later than five years	191	0	0	0	191
Later than five years	584	0	0	0	584
Total	**823**	**81**	**0**	**0**	**904**

Note 1. Pension early departure costs relate to the estimated actuarial pension liabilities in respect of staff who retired due to sickness, injury or redundancy prior to 2004.

Note 2. Legal claims relate to employer and third party liability claims against the Trust.

Clinical Negligence Liabilities:

£123,320k is included in the provisions of the NHS Litigation Authority at 31 March 2018 in respect of clinical negligence liabilities of the NHS Trust (31 March 2017 £107,790k).

Non Clinical Liabilities

Refer to Note 19 re Contingent Liabilities for Non Clinical claims.

16 Cash and Cash Equivalents

	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
Balance at 1 April 2017 (1 April 2016)	**17,869**	**7,484**	**15,518**	**9,998**
Net change in year - Foundation Trust	(4,485)	(4,485)	(2,514)	(2,514)
Net change in year - Charitable Funds	(1,427)	0	4,865	0
Balance at 31 March 2018 (31 March 2017)	**11,957**	**2,999**	**17,869**	**7,484**
Broken down into:				
Cash at commercial banks and in hand - Foundation Trust	240	240	145	145
Cash at commercial banks and in hand - Charitable Funds	8,958	0	10,385	0
Cash with the Government Banking Service - Foundation Trust	2,759	2,759	7,339	7,339
Cash and Cash Equivalents as in SoFP and SoCF at 31 March 2018 (31 March 2017)	**11,957**	**2,999**	**17,869**	**7,484**

17 Contractual Capital Commitments

	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
Property, Plant and Equipment	958	958	887	887
Total at 31 March 2018 (31 March 2017)	**958**	**958**	**887**	**887**

18 Events after the Reporting Period

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

19 Contingent Liabilities

	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
Gross value of contingent liabilities	(22)	(22)	(57)	(57)
Total Contingent Liabilities	**(22)**	**(22)**	**(57)**	**(57)**

The above contingency relates to the Liabilities to Third Party Scheme (LTPS) administered by the NHS Litigation Authority (NHSLA) on behalf of the Trust. The NHSLA is currently resolving a total of 14 claims made against the Trust and the above represents their view of the net amount the Trust would have to pay if cases provided for were to be settled in favour of the claimant.

20 Related Party Transactions (Foundation Trust)

Poole Hospital NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Poole Hospital NHS Foundation Trust, with the exception of the contractual pay which has been disclosed in the Remuneration Report within the Directors' Report.

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

The Foundation Trust is anticipating similar levels of income from Dorset and NHS England CCG's for 2018/19 and would expect to carry out similar services for this level of income.

There were no significant transactions or debtor/creditor balances between the Poole Hospital Charity and the related parties of the Foundation Trust.

	2017/18		2016/17	
20.1 Value of Transactions with Other Related Parties (Foundation Trust)	**Income** **£'000**	**Expenditure** **£'000**	**Income** **£'000**	**Expenditure** **£'000**
NHS Dorset CCG	156,893	207	152,557	176
NHS England	58,018	4	57,847	4
Royal Bournemouth and Christchurch NHS FT	4,956	4,977	4,744	3,580
Dorset County Hospital FT	1,127	1,429	1,008	1,172
Dorset Healthcare FT	2,118	1,614	2,301	1,025
West Hampshire CCG	3,129	0	3,103	0
Public Health England	192	183	191	173
Health Education England	7,645	16	7,183	15
University Hospital Bristol FT	2	21	2	24
University Hospital Southampton FT	1,363	710	2,048	597
NHS Litigation Authority	0	8,279	0	5,952
Dept. of Health	158	6	142	6
NHS Blood and Transport	0	978	0	1,117
NHS Pension Scheme	0	15,688	0	14,990
HM Revenue & Customs - Employer NI Contributions	0	13,024	0	12,083
Other NHS/WGA Bodies	2,731	1,485	2,754	1,358
Total Value of Transactions with Other Related Parties	**238,332**	**48,621**	**233,880**	**42,272**

Note: The Trust paid income tax of £17,926k (2016/17 £17,642k); National Insurance of £9,490k (2016/17 £9,128k) on behalf of its employees to HMR&C and recovered net VAT amounting to £3,580k (2016/2017 £2,611k). These amounts have not been included in the schedule above as income or expenditure. De minimis rules apply to disclosure whereby only expenditure or income in excess of £0.5 million is disclosed.

	31 March 2018		31 March 2017	
20.2 Balances with Other Related Parties (Foundation Trust)	**Receivables** **£000**	**Payables** **£000**	**Receivables** **£000**	**Payables** **£000**
Royal Bournemouth and Christchurch NHS FT	2,404	2,905	1,201	1,129
NHS Dorset CCG	641	735	29	610
NHS England	7,744	0	4,117	0
Dorset County Hospital NHS FT	606	304	168	404
Dorset Healthcare NHS FT	539	601	595	250
West Hampshire CCG	5	0	0	0
University Hospital Southampton NHS FT	313	515	118	210
NHS Pension Scheme	0	2,255	0	2,089
Dept. of Health	0	0	0	0
Charitable Funds	202	0	1,707	0
HM Revenue & Customs - National Insurance and Income Tax	0	3,460	0	3,255
HM Revenue & Customs - VAT	283	0	297	0
Other NHS/WGA Bodies	648	370	434	252
Total Balances with Other Related Parties	**13,385**	**11,145**	**8,666**	**8,199**

21 Private Finance Transactions

PFI schemes deemed to be off-SoFP

Staff Residences

£128k (£110k 2016/17) is included within operating expenses in respect of PFI transactions deemed to be off SoFP.

The Trust is committed to make a payment of £128k (during the next year) and £181k (later than one year but not later than five years) in respect of a PFI scheme that is expected to expire in approximately 2 years.

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

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

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

Nursery

£30k (£30k 2016/17) is included within operating expenses in respect of PFI transactions deemed to be off SoFP.

The Trust is committed to make a payment of £30k (during the next year) and £13k (later than one year but not later than five years) in respect of a PFI scheme that is expected to expire in approximately one year..

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

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

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

22 Financial Instruments (Foundation Trust)

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

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

Market Risk

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

Interest rate risk:

The Foundation Trust invests surplus funds with Barclays Bank plc and the Government Banking Service (GBS). There were no short term investments held at the year end. Therefore the Foundation Trust's financial assets and liabilities carry nil or fixed rates of interest and the Foundation Trust's income and operating cash-flows are

Currency risk

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

Price risk

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

Credit Risk

Credit risk is the possibility that other parties might fail to pay amounts due to the Foundation Trust. Credit risk arises from deposits with banks as well as credit exposures to the Foundation Trust's debtors. The Foundation Trust's cash assets are held with Barclays Bank plc and the Government Banking Service (GBS).

As set out in Note 16 - £2,759k (31 March 2017 £7,339k) of the Trust's cash deposits is held with the Government Banking Service (GBS). At the end of the financial year there were no sums held in the form of short term investments (2016/17: £nil).

An analysis of the ageing of receivables and provision for impairment can be found at Note 11.1 "Receivables". The majority of the outstanding debt relates to other NHS bodies, related parties and the Compensation Recovery Unit (CRU) mainly in respect of Road Traffic Act (RTA) income. Receivables from other NHS bodies and related parties is considered to be fully recoverable. A bad debt provision of 22.84% (2016/2017 22.94%) is made against the CRU (i.e. mainly RTA income)

Liquidity risk

The NHS Foundation Trust's net operating costs are incurred under annual service agreements with local Clinical Care Groups (previously Primary Care Trusts), which are financed from resources voted annually by Parliament. The Foundation Trust also largely finances its capital expenditure from funds generated from its activities in addition to loans from the Department of Health and Salix (see Note 13). Capital commitments at 31 March 2018 amounted to £958k (£887k at 31 March 2017) - see Note 17 and Finance Lease commitments amounted to £77k (£126k at 31 March 2017) - see Note 14. The NHS Foundation Trust is not, therefore, exposed to significant liquidity risks (however refer to Note 1 re Going Concern).

23 Financial Assets and Liabilities by Category

Set out below are the Group and Foundation Trust's financial assets and liabilities as at 31 March 2018.
There are no material differences between the book value and fair value.

	Loans and Receivables			
	Group 31 March 2018 £000	Foundation Trust 31 March 2018 £000	Group 31 March 2017 £000	Foundation Trust 31 March 2017 £000
Financial assets				
Cash	**11,957**	**2,999**	17,869	7,484
NHS Receivables	**12,723**	**12,723**	6,662	6,662
Accrued Income	**121**	**121**	895	895
Other Receivables	**1,476**	**1,678**	1,316	3,023
Other Receivables - Charitable Funds	**2,312**	**0**	1,944	0
Total	**28,589**	**17,521**	**28,686**	**18,064**

Note a. The following are not considered to be financial instruments and therefore have been excluded from the above table (Group and Foundation Trust):
- The NHS Injury Cost Recovery Scheme amounting to £3,239k (2016/17 £2,851k).
- Prepayments amounting to £1,316k (2016/17 £1,004k).
- Vat recoverable amounting to £283k (2016/17 £297k).

	Other Financial Liabilities			
	31 March 2018 Group £000	31 March 2018 Foundation Trust £000	31 March 2017 Group £000	31 March 2017 Foundation Trust £000
Financial liabilities				
Trade and Other Payables				
NHS payables	**4,757**	**4,757**	2,198	2,198
Accruals	**4,673**	**4,673**	5,360	5,360
Capital payables	**3,598**	**3,598**	3,793	3,793
Other payables	**8,326**	**8,326**	10,405	10,405
Other payables - Charitable Funds	**121**	**0**	47	0
Total Trade and Other Payables	**21,475**	**21,354**	**21,803**	**21,756**
Other Financial Liabilities				
Borrowings excluding finance lease obligations	**16,951**	**16,951**	11,779	11,779
Finance lease obligations (Note 1)	**77**	**77**	126	126
Provisions under contract (Note 2)	**823**	**823**	844	844
Total Other Financial Liabilities	**17,851**	**17,851**	**12,749**	**12,749**
Total	**39,326**	**39,205**	**34,552**	**34,505**

The following are not considered to be financial instruments and therefore have been excluded from the above table:
- Other tax payables amounting to £3,460k (2016/17 £3,255k).
- Provisions not under contract amounting to £81k (2016/17 £842k).
- Receipts in advance amounting to £546k (2016/17 £739k).
- Deferred Income amounting to £528k (2016/17 £640k).
- PDC payable amounting to £47k (2016/17 £29k).

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

Note 2 - Fair value is not significantly different from book value, in the calculation of book value, the expected cash flows have been discounted by HM Treasury pension discount rate of 0.10% (2016/17 0.24%) in real terms.

24 Third Party Assets

The Trust held £1k cash at bank and in hand at 31 March 2018 (£2k - at 31 March 2017) which relates to monies held by the NHS Trust on behalf of patients. This has been excluded from cash at bank and in hand figure reported in the accounts.

25 Losses and Special Payments

	2017/18 Total number of cases Number	2017/18 Total value of cases £000's	2016/17 Total number of cases Number	2016/17 Total value of cases £000's
1. LOSSES:				
Losses of cash due to:				
Overpayment of salaries etc.	0	0	0	0
Bad debts and claims abandoned in relation to:				
Private patients	50	31	207	100
Overseas visitors	34	53	41	45
Other	85	6	142	34
Damage to buildings, property etc. (including stores losses) due to:				
Stores losses	1	55	1	99
Other	0	0	0	0
TOTAL LOSSES	**170**	**145**	**391**	**278**
2. SPECIAL PAYMENTS:				
Ex gratia payments in respect of:				
Loss of personal effects	18	9	19	9
Personal injury with advice	17	70	1	5
TOTAL SPECIAL PAYMENTS	**35**	**79**	**20**	**14**
TOTAL LOSSES AND SPECIAL PAYMENTS	**205**	**224**	**411**	**292**

There were no cases exceeding £300k in the current year (2016/17 no cases).

These amounts are included on an accruals basis and exclude provisions for future losses.