Dorset County Hospital NHS
NHS Foundation Trust

Annual Report and Accounts

2015/16

INTEGRITY | RESPECT | TEAMWORK | EXCELLENCE

Dorset County Hospital NHS Foundation Trust

Annual Report and Accounts 2015/16

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

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Overview of the Trust

Statement from the Chairman and Chief Executive

It has been an extremely busy year but the commitment of our staff has ensured we have continued to provide the best care and services for our patients.

In line with the national context across the NHS, our financial situation has been particularly challenging. We know this isn't going to get any easier in the years ahead.

In that difficult environment, we will retain our focus on quality, financial sustainability and value for money. We aim to make savings without affecting patient care. Our longer term aim is to find ways of reducing costs and improving care and coping with the higher demand for our services which we expect to face. This means finding new ways of working, often with our partners in the health system. We already have some exciting opportunities to develop our services. Our vanguard project with Bournemouth and Poole offers us the chance to work more closely with our neighbouring trusts to secure the future of services for the people of Dorset and to improve access across the county.

Within our own area - the West Dorset cluster - a local vanguard project is helping integrate our services more closely with GPs, community, mental health, the ambulance service and social care providers as well as commissioners. The aim is to offer patients better, seamless care that is closer to home; meaning that many patients will be treated at or close to home rather than needing to stay in hospital while still getting the treatment they need.

Our continued participation in the Dorset Clinical Services Review will deliver service in the future that are patient centred, high quality, safe and efficient.

We are amazed and grateful for the tireless commitment of staff to providing the very best care for our patients. There have been many highlights throughout 2015/16 which reflect that dedication.

We were one of six trusts shortlisted for the CHKS excellence in accident and emergency care award, and were named one of the CHKS Top Hospitals for 2015.

The Care Quality Commission's first hospital survey of children and teenagers showed that DCH is providing good care across the board and the 2015 PLACE care environment results were fantastic, far exceeding national averages in all areas.

We were particularly proud that the latest national data from the Trauma Audit Research Network showed that patients arriving at DCH with severe and life threatening injuries have the best outcomes in the whole of the Wessex area.

We also celebrated the hospital's 175th anniversary in 2015 and it was lovely to take some time to reflect on the development of healthcare in Dorset. We truly are very lucky to have such excellent care and facilities in this area.

We are very lucky at DCH to be supported by some wonderful charitable groups and we were delighted to be able to launch our new CT scanner this year thanks to generous funding from the Dorset Health Trust charity. There was more good news with the announcement this year that a radiotherapy centre will be created at DCH. This will be funded and run by Poole Hospital Foundation Trust and will mean that local patients no longer need to travel to Poole for their treatment. With help from our Charity we are also hoping to build a new outpatient facility as part of this project, which will further improve the treatment we can offer. We believe this joint project shows the value of collaboration between trusts for the benefit of local people.

We were also pleased to launch our new Trust values which were put together following input from staff across the organisation. The values sum up The DCH Way – Integrity, Respect, Teamwork and Excellence.

So as we look ahead to the coming year, it will no doubt bring with it some difficult times, but we aim to build on our success and secure the future of high quality services for our patients.

Mark Addison
Chairman

Patricia Miller
Chief Executive

Highlights of the Year

April 2015

We were one of six hospitals shortlisted for the CHKS Excellence in Emergency Care Award. The shortlist was drawn up following analysis of 28 measures around clinical outcomes and patient experience.

Our Eye Department team held a successful Low Vision Day to offer help and advice for people with poor eyesight.

May 2015

We launched our 175th anniversary celebrations to mark 175 years of free healthcare for the people of Dorset. The anniversary project has been a unique partnership between Arts in Hospital at DCH, Dorset History Centre and Dorset County Museum, and was generously supported by a Heritage Lottery Fund and DCH charitable funds.

June 2015

Our maternity unit launched a dedicated home birth team for women wishing to have their babies at home. In keeping with the name of the service, the 'Cygnet Home Birth Team', the launch event was held at Abbotsbury Swannery.

We were named as one of the CHKS Top Hospitals for 2015, an accolade awarded to the 40 top performing CHKS client trusts.

July 2015

The Care Quality Commission's first hospital survey of children and teenagers showed that DCH is providing good care across the board. Our results were within or above the national average in all areas, with some areas among the best performing trusts in the country.

Our charity held its first Walk for Wards event, raising thousands of pounds for hospital departments. The event was a great success with people of all ages taking part in the sponsored event around Lodmoor Country Park in Weymouth.
It was a double celebration as two of our doctors won prestigious public service awards.

Mr Paul Lear and Dr Ian Mew were both selected to receive a Jubilee Award for Service in recognition of their dedication to their roles. Mr Lear, our Medical Director, is an eminent transplantation and vascular surgeon, while consultant in anaesthetics and intensive care Dr Mew was nominated for his work as Medical Advisor for Dorset Police's BikeSafe scheme.

We honoured staff and volunteers from across the hospital at our GEM Awards. The awards are presented annually to people who have made an outstanding contribution to the hospital – Going the Extra Mile.

August 2015

Our chemotherapy nurses took treatment closer to their patients with the launch of their outreach service at Bridport Community Hospital. Reducing the travelling for patients undergoing chemotherapy makes a huge difference and we're grateful to the Bridport Hospital matron and her team for helping us make this happen.

We were delighted to announce in August that radiotherapy is also being brought closer to cancer patients in the west of Dorset. A new satellite radiotherapy treatment centre is being built at DCH, staffed and managed by the highly respected Dorset Cancer Centre.

We far exceeded national averages in all areas of the 2015 PLACE assessments (Patient-Led Assessments of the Care Environment), meaning that patients can be assured of the highest standards in cleanliness, food, privacy and the environment.

September 2015

We teamed up with the Look Good Feel Better (LGFB) charity to help women cope with the visible side effects of cancer treatment. LGFB is a national cancer support charity that runs free skincare and make-up workshops and masterclasses to boost women's self-confidence and self-esteem at a very difficult time in their lives.

We ran another very successful Hospital Open Day with hundreds of people coming along to see behind the scenes of their local hospital.

Together with our neighbouring hospitals Poole and Bournemouth we were chosen as one of 13 new hospital 'vanguards' by NHS England. We will be working together under the 'Developing One NHS in Dorset' programme to develop new models of care for the benefit of patients throughout the county.

October 2015

We were delighted to be able to officially launch our new CT scanner thanks to the generosity of local charity The Dorset Health Trust.

November 2015

Our Antenatal Diabetes Service team led a promotion to urge women with diabetes who are trying for a baby to seek early support from health professionals to ensure they and their baby stay as healthy as possible. DCH has an excellent dedicated team of consultants, nurses, dietitians and midwives to support women with diabetes in pregnancy and those planning pregnancy.

December 2015

Staff received recognition for years of hard work and dedication at our annual Long Service Awards.

Our organ donation team sponsored a beautiful Christmas tree in one of the hospital courtyards to highlight the importance of discussing your wishes around organ donation with your family.

We were pleased to announce the appointment of our new Chairman Mark Addison following ratification by the Trust's Council of Governors. Mark has had an executive career in central government, working in senior operational and policy roles in a number of departments.

January 2016

The latest national data from the Trauma Audit Research Network showed that patients arriving at DCH with severe and life-threatening injuries have the best outcomes in the whole of the Wessex area.

February 2016

We launched a set of values which staff throughout the organisation have identified as 'The DCH Way' – Integrity, Respect, Teamwork and Excellence. Staff were involved in a series of workshops to establish values which everyone can sign up to in an effort to further improve care for patients and continue to make DCH a great place to work.

We won a national Flu Fighter Award for our efforts to promote flu vaccination to our staff. The awards are organised by NHS Employers to highlight innovation and excellence. We won the award for Most Innovative Flu Fighter Campaign for our I'm A Celebrity Bush Tucker Trial-inspired challenge.

We were highly commended in the 'Best FFT Initiative in an NHS-Funded Service' category of NHS England's Friends and Family Test (FFT) Awards.

About the Trust

Introduction

Dorset County Hospital NHS Foundation Trust's purpose is to deliver compassionate and safe healthcare to our patients. We are the acute and specialist healthcare provider for our communities, delivering high quality care to meet our patients' expectations.

Dorset County Hospital NHS Foundation Trust ("the Trust") achieved Foundation Trust status on 1 June 2007 under the Health and Social Care (Community Health and Standards) Act 2003. The Trust took over the responsibilities, staff and facilities of its predecessor organisation, West Dorset General Hospitals NHS Trust.

The Trust is the main provider of acute hospital care to the residents of West Dorset, North Dorset, Weymouth and Portland, a population of approximately 215,000 people. It also provides specialist services to the whole of Dorset and beyond including renal services in Bournemouth and Poole, and South Somerset. It serves an area with a higher than average elderly population and lower than average proportion of school aged children. Dorset continues to experience an increasing total population. The main hospital site is situated close to the centre of the county town of Dorchester. It opened in 1987 and is a modern, attractive 365 bed hospital.

The geographical spread of the community the Trust serves requires it to deliver community based as well as hospital based services. This is achieved through providing services in GP practices, in patient homes through Acute Hospital at Home and Discharge to Assess, and at community hospitals, in West Dorset, including Weymouth Community Hospital, Bridport Community Hospital, the Yeatman Community Hospital in Sherborne and Blandford Community Hospital. The Trust also works closely with social services to ensure integrated services are provided.

As an NHS Foundation Trust, we are accountable to Parliament, rather than the Department of Health, and regulated by NHS Improvement (Previously Monitor). We are still part of the NHS and must meet national standards and targets. Our governors and members ensure that we are accountable and listen to the needs and views of our patients.

The Trust provides the following services for patients:

- Full Emergency Department services for major and minor accidents and trauma;
- Emergency assessment and treatment services, including critical care (the hospital has trauma unit status);
- Acute and elective (planned) surgery and medical treatments, such as day surgery and endoscopy, outpatient services, services for older people, acute stroke care, cancer services and pharmacy services (not an inclusive list);
- Comprehensive maternity services including a midwife-led birthing service, community midwifery support, antenatal care, postnatal care and home births. We have a Special Care Baby Unit and a Neonatal Intensive Care Baby Unit;
- Children's services, including emergency assessment, inpatient and outpatient services;

- Diagnostic services such as fully accredited pathology, liquid based cytology, CT scanning, MRI scanning, Ultrasound, Cardiac Angiography and interventional radiology;
- Renal services to all of Dorset and parts of Somerset;
- A wide range of therapy services, including physiotherapy, occupational therapy and dietetics; and
- An integrated service with social services to provide a virtual ward enabling patients to be treated in their own homes.

Strategy and Objectives

Building on the Trust's Strategic Plan for 2014-2016 the Trust worked to a Strategic Framework for 2015/16 which set out our mission, and objectives.

In our 2014-16 Strategic Plan we set out our aim to:

- Deliver Integrated Community Services – By joining up healthcare in the community and in hospital to provide a seamless service for our patients.
- Put Patients First - to continually enhance customer service and the patient experience
- Deliver on a refreshed workforce – ensuring staff feel valued and are given the chance to reach their full potential. Strengthen training and development opportunities for staff throughout the organisation so they are equipped to provide the best services possible for patients
- Make significant improvements in Informatics Systems - to ensure different systems talk to each other to support the safe and efficient delivery of patient services.
- Engage local GPs and the Local Health Economy - to strengthen good relationships and work closely with them to support the delivery of primary and integrated care services.
- Implement our clinical services strategy to develop our clinical services to further improve the quality and sustainability of our services.

Mission

Working relentlessly to:

- deliver effective healthcare through professional, well motivated and committed staff;
- achieve high quality and safe clinical outcomes;
- improve the patient experience;
- provide value for money;
- learn from our experiences in order to improve services

Rapidly Changing Environment

In 2015/16 the Trust experienced a rapidly changing national and local environment which has required a review of the Trust's strategic framework. These changes included:

- a further national shift towards greater collaboration and integration across health and social care systems;
- the delivery of a County-wide Sustainability and Transformation Plan for the Dorset health and social care sector;
- a further deterioration in the financial performance of the NHS nationally;
- the introduction of financial 'Control Totals' for Trusts, with pre-requisites for access to funding;
- a major review of the efficiency and economy of hospitals nationally with many recommendations;
- Further clarity on the likely outcomes of the Dorset Clinical Commissioning Group Clinical Services Review;
- The creation of the 'One Dorset NHS' Acute Care Collaborative Vanguard between the Trust, Poole Hospital NHS FT and the Royal Bournemouth and Christchurch NHS FT which aims to reduce variation and improve sustainability between the three acute hospitals in the delivery of services to patients;
- A Care Quality Commission inspection of the Trust in March 2016.

2016-2021 Strategic Direction

The Trust has submitted its annual plan for 2016/17 to its regulator; this plan outlines the Trust's commitment to the provision of safe, high quality care and achieving a good or outstanding Care Quality Commission rating. The plan is based on delivering the anticipated levels of demand in line with all national quality and performance standards in the most cost efficient manner.

The planned financial outturn for 2016/17 is a deficit of £9.1 million with anticipated increased borrowing of a further £6.5 million and therefore the Trust has begun the process of refreshing its Strategic Framework to support the achievement of a long term financially sustainable position.

The Trust is part of the Dorset Clinical Services Review and the Dorset Sustainability and Transformation Plan both of which seek to ensure a sustainable health system for Dorset. We are working closely with our partners to design and deliver a health system which meets the needs of our population in a sustainable and efficient way.

The Trust has recently reviewed its strategy and has set the following strategic objectives to ensure a sustainable future for the organisation:

1. Outstanding – we will be one of the very best performing Trusts in the Country delivering outstanding services for our patients

2. Collaborative – we will work with our partners across Dorset to design and deliver efficient and sustainable patient-centred, outcome focussed services

3. Integrated – we will drive forward more joined up patient pathways, particularly working more closely with and supporting GPs.

4. Enabling – we will engage with our staff to ensure our workforce are fit for the future

5. Sustainable – we will ensure we are productive and efficient in all that we do to maintain our long-term financial health

6. The Trust's operational and strategic plans are aligned to the emerging Sustainability and Transformation Plan and delivery mechanisms such as the Acute Care Collaborative Vanguard.

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Key Issues and Risks

There are a number of key issues and risks which may impact on the success of the Trust:

- Demographics and demand – the ageing population in Dorset combined with the prevalence of long-term conditions which require ongoing care is expected to increase demand on health services. Variations to these forecasts may affect the way services are designed and delivered.

- Finances – the achievement of financial sustainability through a number of key programmes including service redesign programmes, partnership working, commercial developments and utilisation of space.

- NHS Finances – the NHS must deliver £22bn of savings by 2021. The financial performance of NHS Trusts in 2015/16 has led to a significant deficit which is forecast to be £2.2bn. By 2021 Dorset is forecast to have a deficit of approximately £221m across the health economy if no changes are made. Without significant efficiencies being delivered immediately demand for services will continue to outgrow the funding available.

- External regulation and oversight – a number of national bodies exist which provide oversight and inspection of the Trusts activities. Changes in policy or approach or decisions to intervene in Trust operations, from these bodies, which may be influenced by various external or internal factors, may affect the delivery of the Trust's objectives.

- Pace and scale of change required – the Trust must deliver outstanding quality of patient care, access standards and financial balance, eliminating unwarranted variation across all these areas while also making transformation that is needed for long-term sustainability. This requires significant resource and focus.

- Outcome of the Dorset Clinical Services Review – the outcome of the Dorset Clinical Services Review may impact on the Trust's operations and future plans.

- Delivery of the Acute Care Collaborative Vanguard – this is a key component of meeting the quality and sustainability challenge for the Trust and we are committed to the ongoing success of the programme.

- Workforce challenges – Recruitment and retention of skilled and committed staff will continue to be a key focus for the Trust to ensure we are continually and consistently delivering quality care. The workforce challenges within the primary sector, particular General Practice, may affect the provision of services and further increase demand for the Trust.

- Integrated IT – Developing integrated IT systems across Dorset will be key to collaborating and integrating our services. Delivery of a number of key IT programmes and projects will enable this shift towards integrated IT.

Going Concern

International Accounting Standard 1 (IAS1) requires the board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector.

In preparing the financial statements the Board of Directors have considered the Trust's overall financial position against the requirements of IAS1.

The Trust recorded an operating deficit in 2014/15 of £0.7 million and is reporting a deficit of £5.5 million for the year ended 31 March 2016. The Trust anticipates incurring a further deficit of £9.1 million in delivering services in 2016/17 and will need to apply for Financial Support through a working capital loan anticipated to be to the value of £6.5 million. It anticipates this deficit position will continue during 2017/18 and that it may take some time before it can achieve financial balance on a sustainable basis. The Board of Directors have concluded that there are material uncertainties related to the financial sustainability (profitability and liquidity) of the Trust which may cast significant doubt about the ability of the Trust to continue as a going concern.

Nevertheless, the Directors have concluded that assessing the Trust on the going concern basis remains appropriate. The Trust has agreed contracts with its local commissioners for 2016/17 and services are being commissioned in the same manner for 2016/17 as in previous years and there are no discontinued operations. Similarly no decision has been made to transfer services or significantly amend the structure of the organisation at this time. The Board of Directors also has a reasonable expectation that the Trust will have access to adequate resources in the form of financial support from the Department of Health (NHS Act 2006,s42a) to continue to deliver the full range of mandatory services for the foreseeable future.

The Directors consider that this provides sufficient evidence that the Trust will continue as a going concern for the foreseeable future. On this basis, the Trust has adopted the going concern basis for preparing the accounts and has not included the adjustments that would result if it was unable to continue as a going concern. The assessment accords with the statutory guidance contained in the NHS Foundation Trust Annual Reporting Manual.

Performance Analysis

Performance Measures

Monitoring Trust Performance

The Trust's performance is externally monitored against a range of national standards and targets. The Board of Directors also monitors performance against our Trust objectives and a range of other measures.

The Trust has developed an Integrated Performance Report to review and monitor performance at both a Trustwide and divisional level. Incorporated within this report, which is reported monthly to the Board of Directors, are key performance scorecards for Quality and Safety, Operational Efficiency, Financial Efficiency and Workforce Efficiency. These statistics are used by Monitor to assess whether the Trust is well led and has a sustainable future (governance and financial sustainability ratings). Performance of these ratings can be found in the accountability report under Regulatory ratings section.

Trust Performance

Our Performance

Our operational performance in 2015/16 was a tribute to the hard work of our staff and reflects some significant achievements given the increasingly challenging environment in which we operate.

Emergency Department

The Trust is proud to say that it is one of few Trusts who achieved the 4 hour standard in the first three Quarters of 2015/16. Staff engagement, whole Trust involvement in patient flow and investment in alternatives to admission ensured that the Trust delivered this standard when many parts of the country failed to cope with rising demands.

Quarter 4 was a challenging time nationally and this Trust and surrounding acute care providers saw a steep rise in attendances in ED. The team experienced a rise in the care needs of the patients at this time which meant the Trust admitted far more patients than ever before. Higher admissions of acutely unwell patients then led to an increase of delayed discharges as many patients experienced a sharp change in care needs which needed to be met through community hospital, nursing and social care support; all of which were also finding it difficult to meet this escalation of need. As a result of poor patient flow through and out of hospital, ED was unable to admit patients in a timely manner which has led to a deterioration against this standard in Quarter 4.

The Trust has launched a Patient Flow Transformation Programme in late 2015/16 which will work to address both internal and external impediments to good patient flow through the health system in order to provide a better experience for patients and staff in late 2016/17.

Cancer Waiting Time Standards

The Trust met all 31 day and the 62 day from Screening Services Standards in 2015/16. This is a significant achievement against a national and local health economies struggling to meet these requirements.

The Trust struggled with the requirement to see patients within two weeks of referral for all cancers and breast symptomatic patients in Quarter 2. This was predominantly due to an influx of referrals to the Breast Service during a Be Aware of Cancer campaign aimed at this specific cancer group, coupled with the unexpected loss of a locum breast radiologist which significantly reduced available capacity. The multidisciplinary team worked tirelessly throughout the Quarter to recover the position and waiting time for patients within that Quarter and were able to offer patients appointments within 7 days of referral by the beginning of Quarter 3. Due to the diligence of the team no patients breached a subsequent 62 days to treatment standard as a result of being delayed at the beginning of the pathway.

The 62 day referral from GP to treatment standard has been an area of consistent pressure for the Trust in 2015/16.

At the beginning of the year the Trust had experienced six months of sustained high referrals into the Urology Service following a very successful Be Aware of Cancer campaign named 'Blood in the Pee' which had taken place in the autumn of 2014. By April 2015 the service could no longer treat the high number of patients with confirmed cancer within 62 days. The Urology pathway continued to be the main concern throughout the year as the requirement for Robotically Assisted Radical Prostatectomy increased as growing public awareness of the effectiveness of this treatment led to this treatment choice over other more traditional methods. This treatment takes place at another local Trust and required ongoing negotiation to ensure sufficient capacity for West Dorset referrals was made available. By the end of 2015/16 these negotiations, supported by internal to DCH pathway improvement work, delivered Robotically Assisted Radical Prostatectomy treatments within 62 days.

Infection Prevention and Control

The Trust trajectory for *Clostridium difficile* infections was set at 14 cases for the year. In 2015-16 there were 10 cases of *Clostridium difficile* infection. There were no outbreaks of *Clostridium difficile* infection to report. There are many elements of care the Trust supports to achieve the reduction of these infections; these include prudent antimicrobial prescribing, environmental cleanliness and good standard infection control precautions. There were no cases of MRSA bacteraemia to report for the year.

Referral to Treatment

In 2015/16 the standards monitoring at what point patients were treated within a given month (Admitted and Non-Admitted Returns) were removed and the Incompletes Standard given prominence alongside the zero-tolerance on patients waiting longer than 52 weeks for treatment. The Incompletes Standard measures the waiting time to treatment of every patient on an open referral to Treatment Pathway at the end of each month. The standard allows for 8% of all waiting patients to be beyond 18 weeks while awaiting treatment as this allows for patient choice and complex diagnostic pathways. The Trust struggled with this standard in early 2015/16 and failed the standard in Quarters 1 and 2. Action plans for General Surgery, Urology, ENT, Respiratory Medicine and Gynaecology have delivered a return to the delivery of the standard for these specialties within the year. At year end Gastroenterology and Dermatology are still working through their action plans with intentions of delivering the standard in Quarter 1 of the next financial year.

The Ophthalmology Service has been the consistent concern in the financial year and delivered on its original trajectory in Quarter 3; the Trust attained the overall standard in that Quarter as a result. Unfortunately, the underlying changes had not been realised and performance slipped again in Quarter 4. Further work is required by this specialty to provide new pathways to treatment using nurse and optometrist teams, reduce follow up requirements and increase theatre productivity. The service is working with a new senior manager and Service Improvement Lead on an ambitious action plan which will deliver sustainable change in early 2016/17.

		Performance			Quarterly Trend			
		Target	Annual		Q1	Q2	Q3	Q4
A&E access	95% A&E patients wait less than four hours	>95%	94.1%	●	95.4%	95.7%	95.4%	90.0%
Cancer access - initial appointments	Urgent cancer referrals seen within 2 week wait	93%	93.6%	●	95.5%	87.3%	96.0%	95.5%
	Symptomatic breast patients seen within 2 week wait	93%	89.7%	●	94.2%	69.8%	96.4%	98.7%
Cancer access - initial treatments	% cancer patients treated within 62 days of urgent GP referral	>85%	81.1%	●	80.7%	87.5%	84.4%	71.7%
	% patients treated within 62 days from screening referral	90%	94.9%	●	93.5%	94.4%	93.3%	100%
	% treatment started within 31 days from decision to treat	96%	99.2%	●	99.0%	98.6%	99.7%	99.6%
Cancer access - subsequent treatments	Surgical treatments within 31 days	94%	99.4%	●	97.3%	100%	100%	100%
	Chemotherapy treatments within 31 days	98%	100%	●	100%	100%	100%	100%
Infection control	C Diff (Clostridium difficile) acquisitions	<14	10	●	0	3	7	0
Referral to treatment times	% incomplete pathways less than 18 weeks RTT	>92%	92.1%	●	90.6%	91.8%	93.5%	92.6%

● Target achieved ● Target not met

The Trust is registered to provide services by the Care Quality Commission. The Care Quality Commission requires the Trust to meet essential standards of quality and safety, covering everything from medicines management and safeguarding vulnerable people to infection control and effective records management. In 2015/16, the Trust has been registered to provide services with no conditions or improvement notices. The Trust has had independent reviews undertaken in 2015 to seek assurance and provide recommendations into each of the domains of the Care Quality Commission inspection programme. A Care Quality Commission inspection was undertaken between 9 and 11 March 2016. The Trust is awaiting the final report and any recommendations will be incorporated into the Trust's Quality Improvement Strategy.

Our Financial Performance

In 2015/16, the Trust's financial plan recognised the increased demand for NHS services which shows no sign of abating and this brings increasing financial pressures which are being experienced across the country. Therefore the Trust's plan highlighted significant financial challenges in delivering a deficit of £3.9 million excluding charitable donations.

The Trust has delivered an actual underlying deficit of £6.4 million. This equates to approximately 4% of the Trust's turnover, before accounting for the receipt of £1.0 million of capital donations, non-operating items of £0.1 million, and the revaluation and impairments due to the revaluation of the Trust's assets. In total this has led to a deficit in total comprehensive income for the year of £5.5 million.

In setting the plan, the Trust identified its inability to deliver the required level of cost improvement through Trust-wide schemes alone to deliver a surplus. However the Trust identified Trust-wide schemes of £5 million of efficiency improvement, equivalent to 3.1% of 2015/16 turnover. At the end of the year, we had achieved £3.8 million of these efficiencies and savings. In addition, we delivered increased activity and productivity improvements alongside these efficiency savings and we will continue to drive down costs in future years as part of our plans to meet anticipated financial risks and to enable reinvested in service developments and support of the Trust's strategic vision.

The Trust's income position exceeded our planned income for this period by £1.2 million, of which £0.6 million related to donated capital assets. Expenditure was £3.4 million above plan, excluding non-operating items and impairments

The Trust's depreciation charge was £0.2 million below plan and the dividend on Public Dividend Capital costs was £0.1 million below plan. The Trust's financial charges, including interest on loans from the Department of Health, were in line with plan.

The deficit was primarily due to the following factors:

- Inability to continue to deliver the required level of cost improvement year on year through Trust-wide schemes alone;
- Non delivery of the cost improvement program target of Trust-wide schemes;
- Non delivery of Specialised contracted activity levels.
- Premium cost of agency staff to maintain safe staffing levels.

Table 1 compares the 2015/16 outturn to the 2015/16 plan.

Table 1	2015/16 Plan £ millions	2015/16 Actual £ millions	Variance £ millions
Total income excluding capital donations and revaluation	158.4	159.0	0.6
Expenses excluding depreciation and impairments	-153.2	-156.6	-3.4
Depreciation	-6.6	-6.4	0.2
Operating Deficit excluding capital donations, revaluation and impairments	-1.4	-4.0	-2.6
PDC	-2.5	-2.4	0.1
Finance income	0.1	0.1	0.0
Finance expenses	-0.1	-0.1	0.0
Underlying Deficit	-3.9	-6.4	-2.5
Capital donations	0.4	1.0	0.6
Impairments and non-operating items		-0.1	-0.1
Revaluation		0.0	0.0
Total comprehensive income for the year	-3.5	-5.5	-2.0

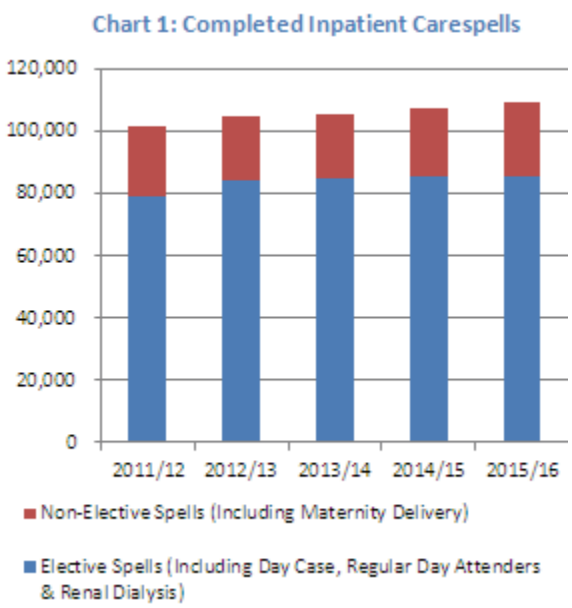
Investment in Developments

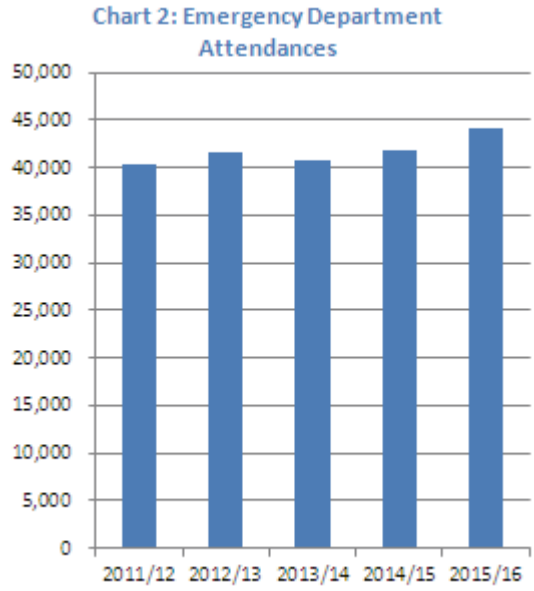
The Trust invested in a number of services during 2015/16 these included Radiology, Dermatology, Respiratory Medicine, Stroke and Cancer. This investment was to improve patient care and access times whilst meeting the needs of additional demand.

Trends in Activity, Income and Expenditure

Charts 1 to 5 below show activity and income and expenditure growth over a five-year period from 2011/12 to 2015/16.

Trends in Activity, Income and Expenditure (Five Years)





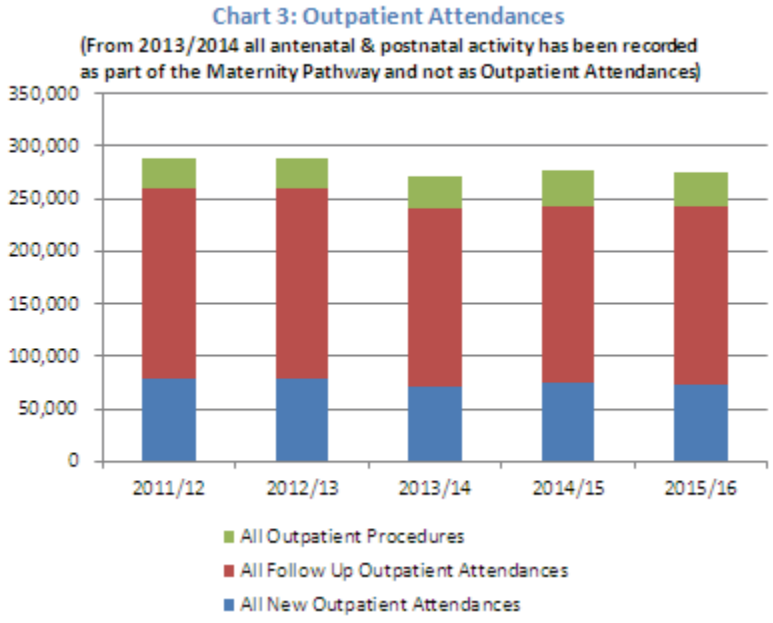


Chart 4: Income £000s

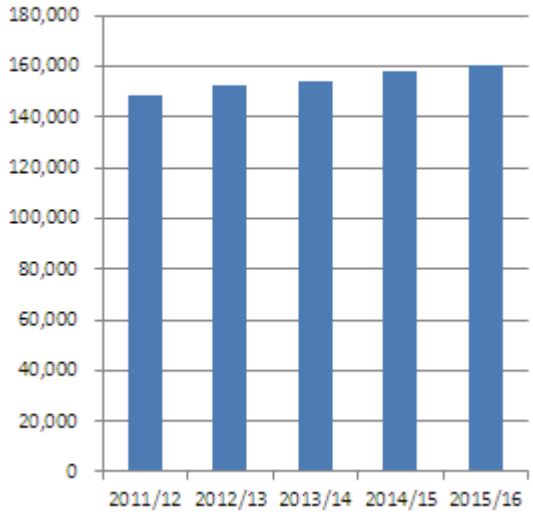
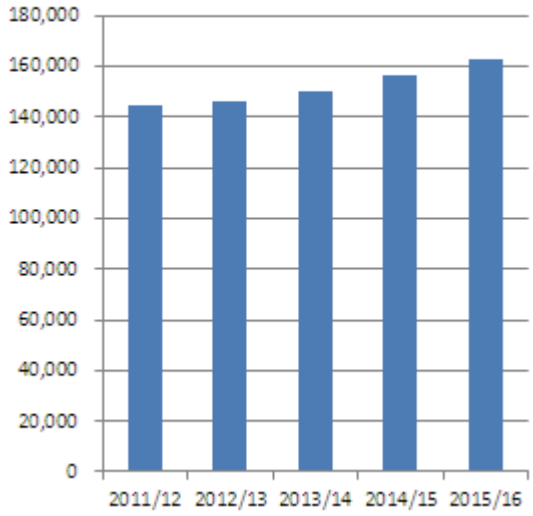


Chart 5: Expenditure £000s



Activity Trends

Charts 1 to 3 show the growth in inpatient and day case activity over the five-year period, measured as completed patient spells, up by 8%, and a reduction in outpatient attendances by 5%.

The growth in inpatient and day case activity relates to increased activity purchased by clinical commissioning groups to achieve national waiting time targets. The majority of the activity growth over the period relates to elective activity of 9%. Non-elective activity has increase by 4% which is related to the growth in Emergency Department attendances and increased non-elective admissions.

Emergency Department attendances are up 10% over the five-year period. This reflects the national challenges to NHS Emergency Departments across the country.

Total Outpatients activity has reduced over the five year period because antenatal and postnatal activity from 1st April 2013 is now recorded at part of the Maternity Pathway and no longer an Outpatient Attendance. Since this date Outpatient activity has increased by 2%

Chart 4 shows the growth in income over the five-year period from April 2011 to March 2016. The growth in income is circa 1.9% a year over the five-year period. The increase in income, above inflation, is mainly as a result of the commissioners of clinical services purchasing additional activity, and also specific funding for quality improvements in some areas.

Chart 5 shows the growth in expenditure over the five-year period. Expenditure has grown significantly at an average rate of 3% a year. This is primarily the result of inflationary costs, additional staff and non-pay costs associated with delivering additional activity, as well as quality improvements.

Cash Flow and Balance Sheet

The Trust ended the year with £4.0 million cash in the bank, against a plan of £4.9 million. This was a shortfall in cash of £0.9 million compared to plan, and a decrease of £4.1 million when compared with the £8.1 million position at the end of 2014/15. The shortfall in cash against plan is mainly due to the Trust overspend against the planned income and expenditure position by £2.0 million, an underspend in the capital programme of £2.0 million and the repayment of Public Dividend capital of £0.6 million.

The Trust had planned capital expenditure of £6.3 million for the year, including planned capital donations of £0.3 million. The actual capital expenditure was £4.3 million, consisting of £3.3 million from NHS funded assets and £1.0 million from charitable funds. The Trust drew down public dividend capital of £0.8 million, against a planned draw down of £0.9 million to support its capital programme.

The Trust's land and buildings were valued independently by the Valuation Office in March 2016, in line with the accounting policies. The valuation included positive and negative valuation movements.

Overall there was a minimal change in the valuation of land and buildings. This included charges to the Revaluation Reserve of £0.2 million negative on land and £0.2 million positive on buildings.

A small amount of previous year impairments were reversed and recognised in other operating income in the Consolidated Statement of Comprehensive Income, where in previous years there had been insufficient revaluation reserve balances to offset impairments. The valuation also included a negative valuation on buildings which was charged to the Consolidated Statement of Comprehensive Income where the Trust's buildings had insufficient revaluation reserves to fund the valuation movement. An impairment of £0.5 million was also charged to the revaluation reserve.

Charitable Funding

The Trust is fortunate to be supported by Dorset County Hospital Charity and a number of other local Charities. All Dorset County Hospital Charity funds benefit the Trust. In 2015/16, the Trust received charitable grants for capital projects from the charity of £0.4 million, The Trust also received a charitable grant of £0.6 million from Dorset Health Trust to purchase a second CT Scanner.

Capital Expenditure

Capital expenditure during 2015/16 was focused on backlog maintenance, the provision of medical equipment and investment in IT projects. The Trust underspent on its planned capital programme of £6.3 million by £2.0 million. The Trust reduced expenditure during the year through a risk based approach to ensure continuity of patients care. The Trust's major developments were the purchase of a second CT scanner of £0.8 million including charitable funding of £0.6 million and the start of an Integrated Digital Care Record project of £0.9 million with funding support from the Department of Health of £0.8 million. This project will replace the current paper based patient record with a digital patient record. The Trust also created additional ITU Isolation rooms to improve the patient environment.

Environmental Performance

The Trust remains committed to acting sustainably and minimising our environmental impact. The Trust has a Sustainable Development Strategy and a management plan which is reviewed and monitored by the Trust's Sustainability Working Group. The success of this strategy is being realised in many areas and the Sustainability Report within this Annual Report gives details of the key performance measures and our priorities and targets for the future.

Social, Community and Human rights issues

The Trust recognises the need to forge strong links with the communities it serves so that we are responsive to feedback and can develop our services to meet current healthcare needs. The Trust engages with the community via a programme of members' events and an annual open day. Members are represented by the elected public Governors within their constituencies. The Council of Governors hold regular meetings which are open to the public which give them an opportunity hear latest news about the hospital, its future plans and provide feedback to the Chairman and members of the Executive Team. The Trust has a Membership Strategy which aims be fully inclusive, by encouraging membership within all of the defined communities and strives to achieve a membership base that is representative of the diversity of the local communities served by the Trust. It is Trust policy to support and engage with its local community, this has been effectively demonstrated by the "Arts in Hospital" programme with local partners and the provision of Sunday and Christmas lunches for older people.

The Human Rights Act is integrated into the Trust's day to day operations and implemented through policies, procedures and strategy. It is essential that staff and service users are aware of the specific requirements of the Act and its application in a human rights based approach to health care. The principles of Human Rights are integrated within the Trust training programme and communicated to patients via the Patient Charter.

Events after the Reporting Period

There have not been any significant events requiring disclosure after the reporting period to the date of this report.

Overseas Operations

The Trust has no overseas operations.

Patricia Miller
Chief Executive
23 May 2016

Accountability Report

Directors' Report

The Board of Directors comprises of the Chair, Six Non-Executive Directors, Six Executive Directors and one non voting Executive Director. Full details of the Board can be found in the NHS Foundation Trust Code of Governance Disclosures section of the report.

The Trust maintains Registers of Interest for Directors and Governors, which is available on application to the Trust Secretary. The Trust can confirm that no Directors or Governors have any interest which conflicts with their responsibilities.

The directors can confirm that the Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

The directors can confirm that the Trust has not made any political and charitable donations.

The Trust has adopted the Better Payment Practice Code, which requires it to aim to pay all undisputed invoices by their due date, or within 30 days of receipt of goods or a valid invoice. The application of this policy resulted in a supplier payment period of 26 days for the Trust's trade payables as at 31 March 2016 (2015: 30 days). The Trust incurred interest and compensation charges of £161 during 2015/16 (Nil in 2014/15) under The Late Payment of Commercial Debt (interest) Act 1998. The performance of the Trust in complying with the Code was as follows:

	2015/16		2014/15	
	Number	Value £000	Number	Value £000
Trade payables				
Total bills paid in year	**46,725**	**45,245**	43,294	47,521
Total bills paid within target	**44,016**	**40,947**	41,399	43,341
Percentage of bills paid within target	**94%**	**91%**	96%	91%
NHS payables				
Total bills paid in year	**2,084**	**16,042**	2,101	13,552
Total bills paid within target	**1,990**	**15,714**	2,043	13,024
Percentage of bills paid within target	**95%**	**98%**	97%	96%

Delivery of the Trust's quality priorities are based on the principles of strategy, capability and culture, structures and measurement, as described in the Monitor quality governance framework. Oversight of the Trust's service quality is undertaken by the Quality Committee which meets on a monthly basis. The Quality Committee is chaired by a Non-Executive Director. Both the minutes and a verbal update by the Chair of the committee are received by the Trust Board. The Board also receives regular updates of progress against the quality priorities. Further detail on quality and quality governance are provided within the Quality Report, Performance Report and the Annual Governance Statement. There are no material inconsistencies between the Annual Governance Statement and reporting to the Trust's regulator.

The Trust has met the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012), by ensuring the income from the provision of goods and services for the purposes of the health service in England are greater than income from the provision of goods and services for any other purposes. The income from provision of goods and services for any other purpose was £969k which represents 0.61% of total Trust income. The Trust's financial planning ensures the requirement is maintained in the future and that any income for other purposes is contributing a profit for reinvestment into health services in England.

The Department of Health defines management costs for the NHS. These comprise mainly staff costs relating to senior management and administrative staff. Measurement of the defined costs against total income is intended to provide an indicator of the managerial efficiency and a basis for comparison against other similar organisations. Management costs for the year are as follows:

	2015/16	2014/15
Management costs	6,724	6,484
Total income	160,008	158,349
Management costs as a percentage of income	4.2%	4.10%

The increase in management costs in 2015/16 is driven by the full year effect of director and senior managers posts, the realignment of the Human Resources structure and costs linked to the review of governance arrangements at divisional and service level.

So far as the Directors are aware, there is no relevant audit information of which the Trust's auditor is unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Trust's Auditor is aware of that information.

The directors are required to, and accept responsibility for, preparing the annual report and accounts for each financial year. The directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust performance, business model and strategy.

Remuneration Report

Annual Statement on Remuneration

As Chairman of the Remuneration Committee, I am pleased to present our Remuneration report for 2015/16. Having taken over as Chair of the Trust on 24 March 2016, the 2015/16 meeting was chaired by my predecessor.

The NHS Foundation Trust Code of Governance and NHS policy requires that remuneration committees ensure levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the organisation successfully but to avoid paying more than is necessary for this purpose. In order to fulfil these requirements, Executive Director salary levels are nationally benchmarked against similar trusts and this benchmark is used to inform the deliberations and the decisions of the Committee. At the Remuneration and Terms of Service Committee 2015/16 meeting, it was agreed to increase the remuneration of the Medical Director and the Director of Finance and Resources to bring these in line He also highlighted to NEDS that the Chief Operating Officer, Director of Organisational Development and Workforce and Chief Executive were all new in post during the previous 12 months, and therefore they felt their salaries were appropriate having been benchmarked as part of the recruitment process.

Mark Addison
Remuneration Committee Chairman
23 May 2016

Senior Manager's Remuneration Policy

Policy on Remuneration of Senior Managers

The Trust's senior management remuneration policy requires the use of benchmark information and the Trust makes reference to the Foundation Trust Network Annual Salary Comparison Report and the Capita Annual Benchmarking Salary Report.

With the exception of Executive Directors, the remuneration of all staff is set nationally in accordance with NHS Agenda for Change (for non-medical staff) or Pay and Conditions of Service for Doctors and Dentists. Performance Related Pay is not applicable for any Trust staff, including Executive Directors. Future policy on senior manager remuneration will remain in line with national terms and conditions.

Senior managers are employed on contracts of service and are substantive employees of the Trust. Their contracts are open ended employment contracts which can be terminated by either party with three months' notice, or six months' notice in the case of the Chief Executive. The Trust's normal disciplinary policies apply to senior managers, including the sanction of instant dismissal for gross misconduct. The Trust's redundancy policy is consistent with NHS redundancy terms for all staff.

The total remuneration for each of the Trust's Executive Directors comprises the following elements:

Salary + Pension and Benefits = Total remuneration

Future Policy Table

The Trust's remuneration policy in respect of each of the above elements is outlined in the tables below.

Salary – (Fees and Salary)

Purpose and Link to Strategy

- Helps to recruit, reward and retain.
- Reflects competitive market level, role, skills, experience and individual contribution

Operation

Base salaries are set to provide the appropriate rate of remuneration for the job, taking into account relevant recruitment markets, business sectors and geographical regions.

The Remuneration Committee considers the following parameters when reviewing base salary levels:

- Pay increases for other employees across the Trust.
- Economic conditions and governance trends
- The individual's performance, skill and responsibilities through appraisals.
- Base Salaries at NHS organisations of similar size are benchmarked against Dorset County Hospital NHS Foundation Trust.
- Base Salaries are paid in 12 equal monthly instalments via the regular monthly employee payroll.
- The Executive Directors do not receive performance related pay.

Opportunity

The Remuneration Committee ensures levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the organisation successfully but avoid paying more than is necessary though using benchmarking.

Current benchmarking data was reviewed by the Remuneration Committee and it was agreed to increase remuneration of Executive Managers to bring in line with peer organisations.

Performance Conditions

None, although performance of both the Trust and the individual are taken into account when determining whether there is a base salary increase each year. The individual receives an annual appraisal to review performance and set objectives.

Performance Period

Annual Appraisal covers 12 month period

Pension and Benefits

Purpose and Link to Strategy

- Help to recruit and retain
- NHS Pension scheme arrangements provide a competitive level of retirement income

Operation

Executive directors are eligible to receive pension and benefits in line with the policy for other employees.

Pension arrangements are in accordance with the NHS Pension Scheme. There is no cash alternative

Executive Directors are entitled to join the NHS Pension Scheme, which from April 2015 is a Career Average Revalued Earnings scheme.

Where an individual is a member of a legacy NHS defined benefit pension scheme section (1995 or 2008) and is subsequently appointed to the Board, he or she retain the benefits accrued from these schemes.

The principal features and benefits of the NHS Pension Scheme are set out in a table in the Remuneration Report.

Pension related benefit is the annual increase in pension entitlement accrued during the current financial year from total NHS career service.

Opportunity

The maximum Employers' contribution to NHS Pension Scheme is 14.3% of base salary for all employees including Executive Directors.

Performance Conditions

None

Performance Period

None

Differences in Remuneration Policy for Other Employees

The remuneration approach for Executive Directors is consistent with The Combined Code of Corporate Governance, NHS Foundation Trust Code of Governance and NHS Policy. This guidance requires that remuneration committees ensure levels of remuneration are sufficient to attract, retain and motivate directors of the quality needed to run the organisation successfully.

The structure of the reward package for the wider employee population is based on the national NHS remuneration frameworks for Medical, Dental and Non-Medical Staff. Non-Medical Staff remuneration is in line with the Agenda for Change Framework, which assesses roles and on-going performance on the Key Skills Framework. Medical and Dental staff remuneration is in line with the framework for Medical and Dental Staff remuneration. All staff are eligible to join and participate in the NHS Pension Scheme.

Where one or more senior managers are paid more than £142,500, the committee is required to ensure this remuneration is reasonable. The Trust has one senior manager paid more than £142,500. The committee is satisfied the salary of this individual is reasonable when compared to the benchmarking provided in setting the senior managers' salaries.

Policy on Remuneration of Non-executive Directors

Element	Purpose and link to strategy	Overview
Fees	To provide an inclusive flat rate fee that is competitive with those paid by other NHS organisations of equivalent size and complexity	The remuneration and expenses for the Trust Chairman and Non-Executives are determined by the Council of Governors.
Appointment		The Council of Governors appoint the Non-Executive Directors in accordance with the Trust's constitution which allows them to serve two three year terms. Any term beyond six years is subject to rigorous review, and takes into account the need for progressive refreshing of the board and their independence. This is subject to annual re-appointment approved by the Council of Governors'.

Annual Report on Remuneration

The following sections of the Remuneration Report are not subject to audit

Remuneration and Terms of Service Committee

Remuneration and Terms of Service for the Chief Executive and Executive Directors is considered by a Remuneration and Terms of Service Committee consisting of the Chair and Non-Executive Directors. During 2015/16, the Committee met to review Executive Directors remuneration.

The Trust's Director of Organisational Development and Workforce, Mr Mark Warner attended the Committee to provide the benchmark information the Committee required when considering the remuneration of its Executive Directors.

The Committee's attendance record is set out in the table below:

Name	Attendance/Meetings eligible to attend
Jeffrey Ellwood (Chair) until 23/03/16	1/1
Mark Addison (Chair) from 24/03/16	0/0
Martin Earwicker (Vice Chair)	1/1
Tracey Peters (NED)	1/1
Matthew Rose (NED)	1/1
Jane Reid (NED)	1/1
Graeme Stanley (NED)	1/1
Peter Greensmith (NED)	1/1

Senior Managers Service Contracts

The table below contents contract information on the Trust's Senior managers for financial year 2015/16.

Name	Title	Current Tenure	Notice Period
Non-Executive Directors			
Dr Jeffrey Ellwood	Chair	25/03/13 – 23/03/16	3 months
Mr Mark Addison	Chair	24/03/16 – 23/03/19	3 months
Mr Peter Greensmith	NED	01/06/14 – 31/05/17	3 months
Mr Matthew Rose	NED	17/06/14 – 16/06/17	3 months
Prof Jane Reid	NED, Chair, Quality Committee	01/11/13 – 31/10/16	3 months
Ms Tracey Peters	NED, Senior Independent Director	01/06/13 – 31/05/16 (left 31/10/15)	3 months
Dr Martin Earwicker	NED, Vice Chair	01/10/13 – 30/09/16	3 months
Mr Graeme Stanley	NED, Chair Audit Committee, Senior Independent Director	01/10/13 – 30/09/16	3 months
Executive Directors			
Ms Patricia Miller	Chief Executive	Commenced 15/09/14	6 months
Ms Libby Walters	Director of Finance and Resources	Commenced 12/09/12	3 months
Mr Mark Warner	Director of Organisational Development and Workforce	Commenced 02/03/15	3 months
Ms Alison Tong	Director of Nursing and Quality	Change of title wef 05/01/11 (on secondment from 04/01/16 onwards)	3 months
Mr P Lear	Medical Director	Commenced 01/10/11	3 months
Mrs J Pearce	Chief Operating Officer (and Interim Director of Nursing and Quality)	Commenced 26/05/15 (and 04/01/16)	3 months
Mr N Johnson	Director of Strategy and Business Development	Commenced 01/02/16	3 months
Dr R McEwan	Interim Chief Operating Officer	from 21/07/14 to 29/05/15	1 week
Ms R King	Acting Director of Finance	from 01/09/14 to 20/04/2015	3 months

Expenses of Governors and Directors

The expenses incurred or reimbursed by the Trust relating to Governors and Directors were:

	2015/16 Number receiving expenses / total	£	2014/15 Number receiving expenses / total	£
Governors	**6 / 32**	**1,285**	**8 / 32**	**1,733**
Chairman and non-executive directors	**5 / 7**	**4,711**	**5 / 10**	**5,522**
Executive directors	**8 / 9**	**6,981**	**6 / 8**	**5,136**
Total expenses		**12,977**		**12,391**

The following sections of the Remuneration Report are subject to audit

The total remuneration of directors and senior managers for 2015/16 was £713,800 which includes £41,400 of agency fees for the Interim Chief Operating Officer (2014/15: £649,400 which includes £167,500 of interim director fees). Where individuals held office for only part of the year, amounts disclosed relate only to the relevant proportion of time that they were in that post except pension related benefits, see note 21 in table below.

Remuneration of Directors - 2015/16	Fees and salary (Bands of £5,000) £ 000s	Taxable benefits (nearest £100) £ 000s	Pension related benefits (Bands of £2,500) £ 000s	**2015/16 Total (Bands of £5,000) £ 000s**
Chairman				
Dr J Ellwood[1]	40 – 45	-	-	**40 – 45**
Mr M Addison[2]	0 – 5	-	-	**0 – 5**
Non-executive Directors				
Prof M Earwicker	15 – 20	-	-	**15 – 20**
Mr P Greensmith	10 – 15	-	-	**10 – 15**
Mrs T Peters[3]	5 – 10	-	-	**5 – 10**
Prof J Reid	10 – 15	-	-	**10 – 15**
Mr M Rose	10 – 15	-	-	**10 – 15**
Mr G Stanley	10 – 15	-	-	**10 – 15**
Executive Directors				
Ms P Miller, Chief Executive	155 – 160	-	92.5 - 95	**250 – 255**
Mr P Lear, Medical Director	70 – 75	-	-	**70 – 75**
Ms R King, Acting Director of Finance[4]	5 – 10	-	20 – 22.5	**25 – 30**
Mr R McEwan, Interim Chief Operating Officer[5]	40 – 45	-	-	**40 – 45**
Mrs J Pearce, Chief Operating Officer and Interim Director of Nursing and Quality[6, 7]	100 – 105	-	-	**100 – 105**
Ms C A Tong, Director of Nursing & Quality[8]	95 – 100	-	17.5 – 20	**110 – 115**
Mr M Warner, Director of Organisational Development and Workforce	105 – 110	-	12.5 - 15	**120 – 125**
Mrs L Walters, Director of Finance & Resources	105 – 110	-	47.5 - 50	**155 – 160**
Mr N Johnson, Director of Strategy and Business Development[9]	15 – 20	-	-	**15 – 20**

Remuneration of Directors - 2014/15	Fees and salary (Bands of £5,000) £ 000s	Taxable benefits (nearest £100) £ 000s	Pension related benefits (Bands of £2,500) £ 000s	**2014/15 Total (Bands of £5,000) £ 000s**
Chairman				
Dr J Ellwood	40 – 45	-	-	**40 – 45**
Non-executive Directors				
Prof M Earwicker	15 – 20	-	-	**15 – 20**
Mr P Greensmith[10]	10 – 15	-	-	**10 – 15**
Mr R Knight[11]	0 – 5	-	-	**0 – 5**
Mrs T Peters	10 – 15	-	-	**10 – 15**
Prof J Reid	10 – 15	-	-	**10 – 15**
Mr M Rose[12]	10 – 15	-	-	**10 – 15**
Mr C Savory[13, 14]	0 – 5			**0 – 5**
Mr G Stanley	10 – 15	-	-	**10 – 15**
Ms P Turnbull[15]	0 – 5	-	-	**0 – 5**
Executive Directors				
Mrs J O'Callaghan, Chief Executive[16, 21]	45 – 50	-	82.5 - 85	**130 – 135**
Mr P Lear, Medical Director	60 – 65	-	0 - 2.5	**60 – 65**
Ms R King, Acting Director of Finance[17]	50 – 55	-	17.5 - 20	**70 – 75**
Mr R McEwan, Interim Chief Operating Officer[18]	165 – 170	-	-	**165 - 170**
Ms P Miller, Chief Executive[19, 21]	130 – 135	-	130 - 132.5	**265 – 270**
Ms C A Tong, Director of Nursing & Quality	90 – 95	-	20 – 22.5	**115 – 120**
Mr M Warner, Director of Organisational Development and Workforce[20, 21]	5 – 10	-	37.5 - 40	**45 – 50**
Mrs L Walters, Director of Finance & Resources	75 – 80	-	0 – 2.5	**75 – 80**

1 – Resigned on 25 March 2016
2 – Appointed on 23 March 2016
3 – Resigned on 31 October 2015
4 – Acting finished on 20 April 2015
5 – Resigned on 29 May 2015
6 – Appointed on 26 May 2015
7 – Acting from 4 January 2016
8 – Seconded from 4 January 2016
9 – Appointed on 1 February 2016
10 – Appointed on 1 June 2014
11 – Resigned on 31 May 2014
12 – Appointed on 17 June 2014
13 – Appointed on 1 May 2014
14 – Resigned on 13 May 2014
15 – Resigned on 30 April 2014
16 – Resigned on 18 July 2014
17 – Acting from 1 September 2014 to cover maternity leave
18 – Appointed on 21 July 2014
19 – Appointed on 15 September 2014, Acting Chief Executive between 19 July 2014 until 14 September 2014 and Director of Operations before 19 July 2014
20 – Appointed 2 March 2015
21 – Pension related benefit shows the annual increase in pension entitlement accrued during the current financial year from total NHS career service

There have been no payments during 2015/16 to individuals who were senior managers in the current or in a previous financial year for loss of office.

Fair Pay Multiple Statement

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

The banded remuneration of the highest-paid director in the Trust in financial year 2015/16 was £155,001 to £160,000 (2014/15: £165,001 to £170,000). This was 6.29 times (2014/15: 6.75 times) the median remuneration of the workforce, which was £25,047 (2014/15: £24,799).

In 2015/16, 9 (2014/15: 3) employees received remuneration in excess of the highest paid director. Remuneration ranged from £158,000 to £276,000 (2014/15: £171,000 to £239,000).

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions. The median remuneration of the workforce is the total remuneration of the staff member lying in the middle of the linear distribution of the total staff in the Trust, excluding the highest paid director. This is based on an annualised full time equivalent remuneration as at the reporting period date.

The multiple for 2015/16 has decreased due to the Interim Director post being vacated and the change in the median remuneration which is due to the national pay award of 1%.

The median remuneration of the workforce in both 2015/16 and 2014/15 falls within the salary range of a Band 5 position under the Agenda for Change terms and conditions that apply to all non-medical staff. The actual salary of staff within each band is dependent on a number of factors, the most significant being the number of years they have served in that position.

All employees receiving remuneration in excess of the highest paid director were medical consultants.

Pension Arrangements

All executive directors of the Trust are eligible to join the NHS Pension Scheme. The Chairman and non-executive directors are not eligible to join the scheme and are not accruing any retirement benefits in respect of their services to the Trust. The Trust did not make any contributions to any other pension arrangements for directors and senior managers during the year.

The principal features and benefits of the NHS Pension Scheme are set out in the table below.

	1995 section	2008 section	2015 section
Member contributions	5% - 13.3% depending on rate of pensionable pay		
Pension	A pension worth 1/80th of final year's pensionable pay per year of membership	A pension worth 1/60th of reckonable pay per year of membership	A pension worth 1/54th of Career Average Re-valued Earnings of pensionable pay per year of membership
Retirement lump sum	3 x pension. Option to exchange part of pension for more cash up to 25% of capital value	Option to exchange part of pension for cash at retirement, up to 25% of capital value. Some members may have a compulsory amount of lump sum	Option to exchange part of pension for a lump sum up to 25% of capital value
Normal retirement age	60	65	Equal to an individuals' State Pension Age or age 65 if that is later
Death in membership lump sum	2 x final years' pensionable pay (actual pensionable pay for part-time workers)	2 x reckonable pay (actual reckonable pay for part-time workers)	The higher of (2 x the relevant earnings in the last 12 months of pensionable service) or (2 x the revalued pensionable earnings for the Scheme year up to 10 years earlier with the highest revalued pensionable earnings
Pensionable pay	Normal pay and certain regular allowances		

The tables below set out details of the retirement benefits that executive directors have accrued as members of the NHS Pension Scheme. All of the executive directors that are accruing benefits under these Schemes with their normal retirement age in line with the table above.

	Real Increase / (decrease) in pension at retirement (bands of £2,500) £000	Real Increase / (decrease) in lump sum at retirement (bands of £2,500) £000	Total accrued pension at retirement at 31/03/2016 (bands of £5,000) £000	Related lump sum at retirement at 31/03/2016 (bands of £5,000) £000
Ms P Miller, Chief Executive	5.0 - 7.5	15.0 - 17.5	25 – 30	85 - 90
Ms CA Tong, Director of Nursing & Quality	0 - 2.5	2.5 – 5.0	30 – 35	100 – 105
Mr M Warner Director of Organisational Development and Workforce	0 - 2.5	5.0 - 7.5	0 – 5	5 – 10
Ms J Pearce, Chief Operating Officer and Interim Director of Nursing and Quality	0 - 2.5	0 - 2.5	50 – 55	155 – 160
Mrs L Walters, Director of Finance & Resources	2.5 – 5.0	2.5 – 5.0	30 - 35	90 – 95
Ms R King, Acting Director of Finance	0 - 2.5	0 - 2.5	0 – 5	0 – 5

	Cash Equivalent Transfer Value at 31/03/2016 £000	Cash Equivalent Transfer Value at 31/03/2015 £000	Real increase in Cash Equivalent Transfer Value £000
Ms P Miller, Chief Executive	480	388	87
Ms CA Tong, Director of Nursing & Quality	677	635	34
Mr M Warner Director of Organisational Development and Workforce	62	33	29
Ms J Pearce, Chief Operating Officer and Interim Director of Nursing and Quality	1124	1153	0
Mrs L Walters, Director of Finance & Resources	459	418	36
Ms R King, Acting Director of Finance	34	17	1

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. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries. CETVs are not disclosed for scheme members who have reached their normal retirement date.

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 the other pension details, include the value of any pension benefits in another scheme or arrangement that 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.

The real increase in CETV represents 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 year.

On 16 March 2016, the Chancellor of the Exchequer announced a change in the Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate from 3.0% to 2.8%. This rate affects the calculation of CETV figures in this report.

Due to the lead time required to perform calculations and prepare annual reports, the CETV figures quoted in this report for members of the NHS Pension scheme are based on the previous discount rate and have not been recalculated.

Patricia Miller
Chief Executive
23 May 2016

Staff Report

Valuing Our Staff

As a major local employer of 2,700 staff, who fulfil a wide range of professional and multidisciplinary roles, we recognise that our workforce defines who we are and how we are viewed by the patients and carers we serve. We strive to ensure our staff are highly skilled and well supported in their working environment, in order that they are able to deliver the highest standards of compassionate and safe care. Investment in the recruitment, education, training, support and well-being of our staff is an important consideration for us.

Recruitment continued to pose a major challenge for the Trust in 2015 with demand in the UK outstripping supply. To combat this, the Trust attended several focused recruitment events both in this country and abroad. Despite continuing recruitment challenges the substantive workforce of the Trust has increased by 1.5% in-year. Encouraging improvements have been achieved in several of the key workforce indicators, including an increase in appraisals (87%) and essential skills compliance (89%).

Employment Policies

The Trust has in excess of 70 employment policies in place which have been designed to provide guidance to our staff and to ensure we meet our legal obligations to them. The effectiveness of each policy is reviewed in conjunction with staff representatives every three years as a minimum, but most are reviewed more frequently due to changes to employment law or best practice or in response to feedback from staff. During 2015, 31 of our employment policies were reviewed to ensure effectiveness and adherence to legal requirements and an additional new policy was created in order to support staff who wish to broaden their experience of the healthcare sector via a secondment arrangement.

Average number of employees (WTE basis)

	Average for year ended 31 March 2016		
	Total number	Permanent number	Other number
Medical and dental	**299**	294	5
Administration and estates	**485**	485	-
Healthcare assistants and other support staff	**304**	304	-
Nursing, midwifery and health visiting staff	**627**	627	-
Scientific, therapeutic and technical staff	**245**	245	-
Healthcare science staff	**116**	116	-
Social care and staff	**4**	1	3
Agency and contract staff	**32**	-	32
Bank staff	**130**	-	130
Other	**153**	153	-
Total	**2,395**	2,225	170
Of which: Engaged on capital projects	**4**	4	-

The average number of employees is calculated on the basis of the number of worked hours reported. This means that the reporting of staff numbers and staff costs incurred are on a more consistent basis.

Staff Gender Analysis (as at 31 March 2016)

	At 31 March 2016
Board directors by gender;	
Male	8
Female	5
Employee headcount by gender (full-time equivalent basis)	
Male	532
Female	1,732
Total	2,264

Staff Sickness

The Staff sickness information contained in the table below has been calculated and supplied by the Department of Health. The information has been calculated on a calendar year basis.

	2014	2015
Total days lost	17,114	17,836
Total staff employed (Full-time equivalent basis)	2,176	2,236
Average working days lost per employee	7.9	8.0

Equality and Diversity

The Trust is committed to ensuring that people do not experience inequality through discrimination or disadvantage either in the health care they receive or as members of staff in their employment with the Trust. In this context, our Equality Policy defines the approach that we take to promoting and championing a culture of diversity and equality of opportunity, access, dignity, respect and fairness in the services we provide and in our employment practices. The policy also sets out our commitment to compliance with relevant equality legislation and the NHS Equality Delivery System 2 (EDS2) to support the delivery of its commitment to equality. In accordance with our legal obligations, we collate staff data and this forms part of an annual Equality and Diversity and Workforce Race Equality Standard Reports on compliance to the Trust Board. This information is also published on our website and through this analysis we are able to identify good practice and areas for improvement.

In 2015, we were pleased once again to retain the 'Two Ticks' symbol guaranteeing an interview for any disabled person who meets the minimum criteria for a role. The 'Two Ticks' symbol is awarded by Job Centre Plus to employers and signifies our positive attitude towards employing and retaining disabled staff and developing their abilities. The Trust policies aim to help prospective and current employees who may become disabled with a range of reasonable adjustments that enable them to return to and remain in work. Equality Impact Assessments (EIAs) are carried out on all proposed policies, service developments or functions to identify any adverse or positive effect on differing groups within the Trust and the local community. The Trust provides on-going skills training in Equality and Diversity to all staff; this covers steps that the Trust and staff must take in order to promote equality of opportunity for staff and patients across all protected characteristics. Training also covers disability equality, equality impact assessment and human rights. The Trust seeks to encourage all of our staff to value the possibilities in each other and explore the opportunities that difference brings.

Consultation, Partnership Working and Staff Engagement

We have a number of established mechanisms of communicating information across the Trust, including a weekly email bulletin, a weekly email briefing from the Chief Executive, monthly team briefing sessions, a quarterly staff magazine and a 'Bright Ideas' suggestions scheme. The Trust also communicates stories of interest via social and local media.

Our established consulting and negotiating bodies, the Partnership Forum (for non-medical staff) and Local Negotiating Committee (for medical staff), continue to make an important contribution to promoting effective staff engagement and partnership working and in ensuring these are underpinned by a commitment to: promoting the success of the organisation; recognising the respective parties' legitimate interests; operating in an honest and transparent manner; focusing on the quality of working life and its benefit to the quality of patient care; maintaining, as far as possible, employment security. The Trust also takes part in the national staff survey annually and a quarterly local staff survey.

As part of our People Strategy which was launched in 2015 we undertook a large-scale project to refresh and relaunch the staff values. Staff were encouraged to participate in the creation of the values through a series of workshops and the final version is below.

The values were launched Trust-wide in January 2016 and the focus moving forward will be to embed them into the day to day running of the hospital.

Health and Wellbeing

All our staff have access to occupational health and wellbeing services provided by our partner organisation, Dorset Healthcare University Foundation NHS Trust. Providing proactive and preventative support, the service undertakes health checks, vaccinations and immunisation programmes besides dealing with work related issues such as needlestick injuries. Advice and support are offered to employees and managers in relation to the rehabilitation of staff returning to work following illness or with a known disability. Staff also have access to confidential counselling via the department and can self-refer themselves for fast track physiotherapy treatment for joint or muscle pain.

Staff are encouraged to take a proactive approach to their wellbeing. The Trust's LightenUp in-house wellbeing programme continued this year and feedback from staff continues to be very positive, with the programme helping delegates to combat stress at work and in their personal lives. During the latter part of the year, the Trust took part in the seasonal flu campaign, aiming to vaccinate as many frontline staff as possible against the influenza virus in order to protect patients, visitors to the hospital, staff and their families. 43% of staff received the vaccine at work and the Trust won the most innovative flu fighter campaign award at the national NHS Flu Fighter Awards.

Health, safety and security are managed in the Trust according to risk management principles as set out in the HSE publication "Successful Health and Safety Management" (HSG65).

The health, safety and security key achievements during 2015/2016 were;

- The completion of Physical Intervention, disengagement and holding strategy in relation violence and aggression.
- The completion of Lone Working strategy looking at a holistic approach to the various types of lone workers in the trust.
- 3 lockdown exercises all completed within required timeframes

The Trust logged 235 workplace incidents during 2015/16. The total number of incidents reported to Health and Safety Executive under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) is 9. These comprise mainly of over-seven-day absences following an incident, with a small number of fracture incidents. There have been no notifiable dangerous occurrences within the year. A total of 226 incidents were logged which were not reportable to the Health and Safety Executive. The majority of these related to slip trip and fall incidents. Each incident is overseen by the Health, Safety & Security Advisor and where appropriate a Root Cause Analysis investigation is carried out.

The Trust provided training courses to its staff to promote health and safety in the workplace and ensure the workforce stays current with regulations, these courses included Control of Substances Hazardous to Health (COSHH) assessor, Risk Management/Health and Safety, Conflict Resolution Training, Risk Assessor, level 1 Health and Safety course, Human Factors training, Fire Training, Moving and Handling, including Slips, Trip and Falls, Raise Awareness of Prevent (terrorism) and Lone Worker familiarisation

Countering Fraud and Corruption

The Trust's Counter Fraud Policy sets out the standards of honesty and propriety expected of staff and encourages employees to report any suspicious activity that might indicate fraud or corruption promptly. The policy links to the Trust's Whistleblowing and Disciplinary policies and various NHS publications on this subject.

The Trust has a counter fraud service which reports directly to the Director of Finance and Resources and also reports regularly to the Audit Committee throughout the year.

Raising awareness of the need to counter fraud and corruption is taken seriously by the Trust and is communicated via a variety of methods, including leaflets, counter fraud newsletters and notices, staff bulletins, staff awareness presentations, induction training and the Trust's intranet.

What our Staff Say

Annually, we participate in the NHS national staff survey. In 2015 we surveyed all our staff and saw an improvement in our response rate. The Trust's overall score for staff engagement (measured on a scale of 1 to 5, where five is the best score) was 3.82, compared to the national average of 3.77.

Overall the results show a relatively good overall picture with most findings in line with national norms. Of the 32 key findings in the survey, when compared with last year's results, there is a positive increase in two areas and no negatives. These positives concern the degree to which staff recommend the Trust as a place to work and receive treatment and staff enthusiasm for their job and work. When the results are reviewed in the context of 99 other acute trusts, two key findings sit within the best 20%. They are concerned with equal opportunities around career progression and propensity to report health and safety issues.

This year 24 new questions were included, which means that some year-on-year comparisons are unavailable. The response rate to the staff survey and highest and lowest ranking scores were as follows:

	2014/15		2015/16		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Response Rate	55%	43%	57%	41%	2% improvement

Top 4 Ranking Scores	2014/15		2015/16		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Percentage of staff reporting errors, near misses or incidents witnessed in the last month (higher = better)	90%	90%	92%	90%	2% improvement
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion (higher = better)	90%	87%	91%	87%	1% improvement
Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse (higher = better)			41%	37%	
Percentage of staff experiencing discrimination at work in last 12 months (lower = better)	10%	11%	9%	10%	1% improvement

Bottom 4 Ranking Scores	2014/15		2015/16		Trust Improvement/ Deterioration
	Trust	National Average	Trust	National Average	
Percentage of staff satisfied with the opportunities for flexible working patterns			45%	49%	
Staff satisfaction with the quality of work and patient care they are able to deliver	76%	72%	77%	78%	1% improvement
Percentage of staff experiencing physical violence from staff in last 12 months	3%	2%	3%	2%	No change
Percentage of staff agreeing that their role makes a difference to patients / service users	89%	91%	89%	90%	No change

The latest results show that significant improvements have been made in a number of key areas including the percentage of staff who would recommend the Trust as a place to work (an increase of 2%) or to receive treatment (an increase of 4%). Whilst this is encouraging, it is clear that these and other key areas require further development and we will continue to work with staff representatives to address concerns raised through staff surveys held at national and local level with the aim of improving the working lives of staff.

In particular, we will focus on making sure that staff: are satisfied with the quality of their work and the patient care they deliver and feel able to contribute freely to the work of the Trust; can maximise opportunities to receive job relevant training, learning or development and have sufficient time in which to complete their essential skills training; and are encouraged to raise matters of concern at an early stage and, through improved incident reporting, receive feedback on issues of relevance to them. We will also continue to build on valuable work to create a healthy workplace for staff, via the introduction of new initiatives designed to increase engagement and support the physical and mental wellbeing of staff. Progress against the Trust's Staff Engagement Action Plan will be monitored via the Trust's Quality Committee, which is a sub-committee of the Trust Board.

The Trust also gauges staff responses in each quarter as to whether they would recommend the Trust to family or friends as a place to work. In quarters 1, 2 and 4 this information is gathered via the staff friends and family test (Staff FFT); in quarter 3 this test forms part of the national staff survey.

Staff Survey feedback – staff who would recommend the Trust as a place to work to family or friends	2013	2014	2015
Dorset County Hospital	56%	61%	63%
National Average (median)	59%	58%	59%

Staff FFT feedback – staff who would recommend the Trust as a place to work to family or friends	Quarter 1	Quarter 2	Quarter 4
Dorset County Hospital	59%	61%	61%
National Average (mean)	63%	62%	
Highest	90%	90%	
Lowest	22%	21%	

The Trust has taken a number of actions to improve staff satisfaction and in turn the quality of its services. Actions taken in 2015 in response to staff feedback include a review of the way training needs are identified, further investment in training and development for staff and the development of a working group focusing on staff wellbeing. Further work continues this year to continue to improve based on staff feedback, in line with the Trust's Staff Engagement Action Plan.

Consultancy

During 2015/16 the NHS introduced additional controls for spending on consultancy contracts over the value of £50,000 to ensure value for money. The Trust had no contracts which exceeded the £50,000 limit. The table below shows the consultancy costs breakdown by category. These figures include £99k of costs linked to the local Vanguard project with Poole and Bournemouth.

	2015/16 £000s
Finance	23
Human Resources	84
Marketing and Communication	25
Procurement	46
Property and Construction	28
Strategy	113
Programme and Project Management	29
Total	**348**

Reporting related to Review of Tax Arrangements of Public Sector Appointees

The Trust has a policy on the engagement of staff off-payroll to ensure compliance with employment law, tax law and HM Treasury guidance for government bodies. This contains a procedure to ensure appointees give assurances to the Trust that they are meeting their Income tax and National Insurance obligations.

The policy includes controls for highly paid staff including board members and senior officials, individuals under these sections require Accounting Officer approval and should only last longer than six months in exceptional circumstances.

For any off-payroll engagements as of 31 March 2016, for more than £220 per day and that last for longer than six months	Number of engagements
Number of existing engagements as of 31 March 2016	Nil

The Trust can confirm that we had no existing off-payroll engagements that had lasted for longer than six months as of the 31 March 2016.

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last for longer than six months	Number of engagements
Number of new engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016	3
Number of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and national insurance obligations	3
Number for whom assurance has been requested	3
Of which Number for whom assurance has been received	3

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016	Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	1
Number of individuals that have been deemed "board members and/or senior officials with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	18

The Trust appointed an Interim Chief Operating Officer from 4 August 2014, to cover the vacancy created when the Director of Operations was appointed acting Chief Executive and subsequently appointed permanently. The Trust held interviews for the post of Chief Operating Officer on the 13 and 24 November 2014 and was unsuccessful in appointing to the post. Due to this setback, the Trust extended the Interim engagement until 29 May 2015.

Exit Packages

2015/16 Exit package cost band	Number of Compulsory redundancies	Number of Other departures agreed	Total number of exit packages by cost band
< £10,000	1	9	10
£10,001 - £25,000	-	1	1
£25,001 - £50,000	-	1	1
Total number of exit packages by type	1	11	12
Total resource cost (£000)	8	69	77

2014/15 Exit package cost band	Number of Compulsory redundancies	Number of Other departures agreed	Total number of exit packages by cost band
< £10,000	-	10	10
£10,001 - £25,000	-	1	1
£25,001 - £50,000	-	-	-
Total number of exit packages by type	-	11	11
Total resource cost (£000)	-	40	40

The payments included in 'Other departures' agreed for 2015/16 are in respect of contractual payments made in lieu of notice (2014/15 included ten payments for lieu of notice (£26k) and one payment in respect of voluntary redundancy (£14k)). Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pension scheme. Ill-health retirement costs are met by the NHS pension scheme and are not included in this table.

Celebrating Success

Every day individuals and teams within the Trust go above and beyond the call of duty. Our annual GEM (Going the Extra Mile) Awards have become a well-established means of recognising and honouring staff and volunteers for their service and outstanding contribution to the care of patients and running of the hospital. Staff, patients, their relatives, members of the public and volunteers took the opportunity of nominating those individuals who they judged met the criteria for each of the Trust's nine award categories and best exemplified our values. The hard work and dedication of the nominees were celebrated at a presentation ceremony held in July at Athelhampton House in Dorchester. The event was hosted by the Chairman, Jeffrey Ellwood and Patricia Miller, Chief Executive, who personally congratulated staff on their achievements. This year's winners were:

Chairman's Award	Emergency Department
Innovation Award	Resuscitation and Simulation Training Team
Leadership Award	Anita Thomas
Lifetime Achievement Award	Patrick Rimmer
Patient Choice Award	Pearl Avery
Patient Safety Award	Orthotics Team
Student/Apprentice of the Year Award	Zara Penwell
Team of the Year Award	Centralised Ward Clerk Service
Volunteer Award	Jan Mitchell and Patrick Hansford

In 2015, we also continued our WOW! Award scheme, a national employee recognition scheme external to the NHS, which aims to raise customer care standards in order that patients and visitors receive the best possible service and care. WOW! Awards give everyone the opportunity of saying 'thank you' and help us to provide patients and visitors with an even better experience by recognising those occasions when staff have delivered excellent service. Staff can also nominate their colleagues if they think the service that they have received from them has been outstanding.

The scheme has proved very successful and during 2015 we awarded 316 WOW! Awards to staff in a variety of roles across the Trust. Nominations are reviewed monthly by the WOW! Awards team and signed certificates, endorsed with the wording of the nomination, are presented by a member of the Executive Team.

Volunteering

Volunteering continues to complement the work of the Trust and to provide much valued assistance and support to staff, patients and visitors alike. Volunteers come from all walks of life and range from those with extensive and diverse work and life skills to young people considering a career in the NHS. Anyone aged 16 or over who has some time to spare, and who can offer a regular commitment, is welcome to apply to be a Hospital volunteer.

The Trust employs a part-time Volunteer Workforce Co-ordinator, Louisa Plant, who regularly visits departments interested in support from volunteers to enhance the service they provide. She also lends assistance to teams setting up new roles and provides follow-on support to staff members designated as volunteer leads for individual wards and departments.

Volunteering opportunities include placements on elderly care wards, which encourage interaction with patients and provide assistance at mealtimes, while other opportunities exist with the Hospital Guides, Friends of DCH, Ridgeway Radio and the Chaplaincy Service.

Potential volunteers considering joining the Trust can contact Louisa via louisa.plant@dchft.nhs.uk.

Education, Learning and Development

We are committed to developing the capability and skills of our multi-professional workforce to enable staff to deliver high quality, safe patient care. The implementation of our Education, Learning and Development Strategy supports this commitment.

The Trust's Education Centre offers a wide range of education, learning and development opportunities, not only for our staff, but also for the wider healthcare community and is constantly developing new and innovative ways of delivering ongoing learning. An annual training needs analysis is conducted each year to ensure that the resources of the Centre are targeted to areas that will directly benefit patients. During 2015 we received funding from several charities to refurbish our audio visual equipment, lecture theatre seating and flooring. This will make a difference to the comfort of our audience.

Essential Skills Training' is the term we used to describe training we must provide by regulation and statute. This year, following a review of the provision of this training, we have seen an increase in levels of compliance and have been successful in reducing the amount of time staff need to take out of the workplace to maintain competence. With the recruitment of an e-Learning Lead we have seen an increase in the use of e-learning.

The Education Centre now has a new e-learning suite which will improve access for staff. The aim of which will be to offer out of hours and more flexible training opportunities.

Care Certificate: The Care Certificate has been running for one year now. After values based recruitment, the Care Certificate continues this theme with evidence that staff are being inducted with quality skills and confidence given by the completion of the 15 standards set out in the Care Certificate.

These qualities benefit not only the staff but patients and their carers knowing the Trusts values are not only met but demonstrated, producing person-centred, supportive and compassionate staff. The Care Quality Commission have given impressive feedback regarding the depth and quality of the Care Certificate. This is now given recognition to the first step of the Healthcare Support Worker career progression pathway.

Apprenticeships

Investment continues regarding the Apprenticeships level 2-5 for bands 1-4 and undergraduate courses are continuing in areas including Nursing, Medical, Radiography, Pharmacy, Support Services, Healthcare Sciences and Administration.

Also, together with Health Education Wessex we have introduced the **Foundation Degree** course in two areas which has commenced February 2016.

Bridging Programme

We are also offering support and progression with the launch of the Bridging Programme which is now another step for Healthcare Support Workers to progress towards a trained nursing career which supports the Kings Fund workforce initiative.

We also, are offering free Literacy & Numeracy courses for all staff wishing to progress and requiring the confidence and qualification to underpin further opportunities.

Dorset County Hospital is well regarded as an excellent place to train as a doctor, with consistently good feedback from medical students and junior doctors. In the 2015 General Medical Council survey of medical trainees, Dorset County Hospital scored highly as usual in comparison to other hospitals in Wessex, with particular praise for training in anaesthetics.

In a recent Foundation Quality Visit, feedback from our Foundation Doctors highlighted there being a supportive culture in the Trust as demonstrated by high level of engagement of Trust management with education, and friendly, helpful, approachable senior medical & nursing staff, resulting in a happy cohort of Foundation doctors with a strong sense of identification with the Trust.

The Trust ran its first 'Introduction to Medicine' two day course in July 2014 with 20 students from local schools attending; many also attended a 2 day work experience programme at the Trust. This course is designed to give students from local schools an opportunity to learn more about the role of a doctor. In 2015 30 students attended for 3 days with part of the session taking place in a GP Surgery. We were awarded a Wessex Shine Award for this course.

Our links with local GPs remain strong with a programme of education continuing to draw GPs from all over West Dorset and beyond, the annual week long GP Refresher saw 70 GPs attending each day for their annual update from our Consultants. Our programme in 2015/16 expanded with a range of Palliative Care sessions including a series of masterclasses for both GPs and hospital staff.

Library

Trust staff and students on placement benefit from the professional library service which offers access to a wide range of print and electronic information resources and expert library staff. The service belongs to the large Thames Valley and Wessex NHS library network.

The Disclosures Set Out in the NHS Foundation Trust Code of Governance

Dorset County 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

The requirements of section C1.1 of the Code of Governance are covered within the Directors' Report and the Annual Governance Statement contained within this document.

The Board reviews its effectiveness of systems of internal control via assurance from the Chair of the Audit Committee in relation to their annual work programme.

Board of Directors

The Board of Directors primary role is to lead the Trust and set the Trust's strategic direction and objectives and ensure that delivery of these is achieved within planned resources. The Board composition is as follows:

- Chair
- Six Non-Executive Directors
- Six Executive Directors
    - Chief Executive
    - Director of Finance and Resources
    - Medical Director
    - Director of Nursing and Quality
    - Chief Operating Officer
    - Director of Organisational Development and Workforce

The Trust also has one Non Voting Executive Director (from 1 February 2016) who is in attendance at Board meetings.

- Director of Strategy and Business Development

The Chair and Non-Executive Directors come from a range of professional backgrounds and succession planning is kept under review to ensure that Non-Executive Director skills and experience reflect the evolving needs of the Trust. The Chair and Non-Executive Directors meet the independence criteria laid down in Monitor's Code of Governance.

The Trust has made a number of appointments to the Board during 2015/16:

- a new Chair who commenced on 24 March 2016
- a Director of Strategy and Business Development who commenced in post on 1 February 2016. The Director of Strategy and Business Development is a member of the Board of Directors and attends Board meetings. However, he attends in an advisory capacity only and therefore does not have voting rights.

- A substantive appointment to the post of Chief Operating Officer who commenced on 26 May 2015. The Chief Operating Officer has also been acting as Interim Director of Nursing and Quality to cover the absence of the substantive post holder.

The Board has in place a Scheme of Delegation and a Schedule of Powers and Decisions Reserved to the Board to ensure that decisions are taken at the appropriate level. Governors are provided at induction with full details of the decision making responsibilities of the Council of Governors and regularly reminded of these throughout their tenure.

The Board is held accountable by Monitor on behalf of the Secretary of State for the following key functions:

- To formulate strategy;
- To ensure accountability by holding the organisation to account for the delivery of the strategy and through seeking assurance that systems of control are robust and reliable;
- Shaping a positive culture for the Board and the organisation;
- To, individually and collectively, act with a view to promoting the success of the Trust so as to maximise the benefits for the members as a whole and for the public;
- To maintain and improve quality of care
- To ensure compliance with all applicable laws, regulation and statutory guidance;
- To work in partnership with patients, carers, local health organisations, local government authorities and other to provide safe, effective, accessible, and well governed services for patients.

Non-Executive Director appointments, including that of the Chair, are made by the Council of Governors. Executive Director appointments are made by a Committee comprising the Chair and all other Non-Executive Directors. The Council of Governors is asked to approve the appointment of the Chief Executive. All Board level appointments are made using fair and transparent selection processes, with specialist Human Resources input and external assessors utilised as required.

Executive Director contracts do not have fixed terms. In accordance with Monitor's Code of Governance and good corporate governance practice, the Chair and Non-Executive Director positions have a fixed tenure of three years renewable with a further period of three years, subject to satisfactory annual performance appraisal by the Chair and the agreement of the Council of Governors. Any Non-Executive Director tenure beyond six years is subject to annual review, satisfactory performance appraisal and agreement of the Council of Governors, and can be extended to a maximum of nine years in total. Tenure beyond six years must be deemed to be in the interests of the organisation and take into account the need to regularly refresh the composition and skill set of the Non-Executive Director element of the Board. Early termination of Non-Executive Director appointments is a matter for the Council of Governors. The circumstances in which a Non-Executive Director contract may be terminated early are set out in the Trust's Constitution and included in Non-Executive Director Terms and Conditions.

The Trust has in place a formal annual performance appraisal process for both Executive and Non-Executive Directors carried out against agreed objectives. The Chief Executive appraises other Executive Directors, the Chair appraises the Chief Executive and Non-Executive Directors and the Senior Independent Director appraises the Chair having taken input from Governors and other Directors. The outcomes of Executive Directors' appraisals are shared with the Remuneration and Terms of Service Committee, and those of the Chair and Non-Executive directors with the Nominations and Remuneration Committee.

Board of Directors' Profiles

Chair

Dr Jeffrey Ellwood – appointed Chair 26/03/10. First term 26/03/10 – 25/03/13; second term 26/03/13 – 23/03/16

Retired following a long career in marketing chemicals and pharmaceuticals and several years as a company chief executive. Previously a local magistrate and former Chair of the council of Brunel University. First appointed as Non-Executive Director (NED) of West Dorset General Hospitals NHS Trust from 1 June 2006 – 31 May 2010, with this appointment rolled over into Dorset County Hospital NHS Foundation Trust upon authorisation in 2007. Jeffrey was appointed Chair of Dorset County Hospital on 26 March 2010. Jeffrey became a NED member of the Foundation Trust Network Board in 2013. He has no other significant time commitments that impact upon his ability to chair Dorset County Hospital NHS Foundation Trust.

Mark Addison - First term 24/3/2016 – 23/3/2019

Mark has had an executive career in central government, working in senior operational and policy roles in a number of departments. He was the Chief Executive of the Crown Prosecution Service, Director General for Operations in the Department of Environment, Food and Rural Affairs, and was for a short spell the Permanent Secretary of that Department and the Chief Executive of the Rural Payments Agency. He has previously held non-executive roles, sitting on the boards of The National Archives and the Which? Council. He was the Chair of the Nursing and Midwifery Council. Mark remains a Public Appointments Assessor and a member of the Advisory Committee on Business Appointments. These commitments have no impact upon his ability to chair Dorset County Hospital NHS Foundation Trust.

Chief Executive

Patricia Miller – appointed substantive Chief Executive 15/09/14

Patricia holds a Masters degree in Health Care Management from Manchester Business School, and is a graduate of the East of England Aspiring Directors Programme. She is also a graduate of the Kings Fund Athena Programme – a leadership programmed for Executive women from across the public sector. She has worked for the NHS for over 20 years and was a member of the senior management at Bedford Hospital NHS Trust where she worked for nine years: her last role there was as Interim Chief Operating Officer. She has led a range of innovative and successful initiatives to improve patient safety and quality and has a proven track record in turning around hospital departments in financial difficulty, without impacting on service provision. Patricia joined the Trust in 2011 as Director of Operations and was appointed Chief Executive in 2014.

Non-Executive Directors

Dr Martin Earwicker – appointed to first term 01/10/13 – 30/09/16. Vice Chair from 1/06/14

Retiring from his post as Vice Chancellor and Chief Executive of London South Bank University in 2013, Martin has considerable experience as a Chief Executive of major scientific, cultural and higher education institutions, with previous roles including Director and Chief Executive of the National Museum of Science and Industry and Chief Executive of the Defence Science and Technology Laboratory (Dstl). Martin has significant non-executive experience and is currently a Board member of the NHS South London Local Education and Training Board and is Chair of Tower Hamlets College in London. He is a fellow of the Royal Academy of Engineering and was the recipient of an Honorary Doctorate from the University of Surrey in 2009.

Peter Greensmith – appointed to first term 01/06/14 – 31/05/17

Peter has extensive experience as a Board Director having served on six Boards. He has worked in the UK food and drink sectors, most recently on the board of Hall & Woodhouse Ltd as a Chief Executive from 1991 to 2005. He also ran the Cow & Gate baby foods UK operation and now runs his own business consultancy focusing on business growth and marketing effectiveness. He has previously been a Non-Executive Director for Avon and Wiltshire Mental Health Partnership NHS Trust.

Professor Jane Reid – appointed as Non-Executive Director 01/11/10 – 31/10/13; second term 1/11/13 – 31/10/16

A nurse by profession, Jane has extensive experience as an executive lead in the NHS and Higher Education. A past President of the Association for Perioperative Practice and formerly Nurse Advisor to the National Patient Safety Agency and the World Health Organisation, Jane has successfully led a number of national and international initiatives, focussed on patient safety improvement. In addition to her role as Non-Executive Director, Jane is co-Chair of the Health Education England Learning to be Safer Programme, Clinical Lead for Wessex Academic Health Science Network Patient Safety Collaborative, Regional Lead (South) for Sign Up to Safety and Visiting Professor to Bournemouth University. A widely published Nurse Academic, Jane now combines a portfolio of research, education and reviews, providing independent advice in support of innovation and service improvement in the NHS.

Matthew Rose – appointed to first term 17/06/14 – 16/06/17

Matthew is a qualified accountant and a member of the Chartered Institute of Management Accountants. He has had a number of senior finance roles including previously working for Portsmouth Hospitals NHS Trust. He is a highly experienced senior commercial finance professional and has worked for New Look Retailers based in Weymouth for the last 16 years. In his role as Head of Finance he has the responsibility to implement the financial strategy to optimise the trading performance across all channels. He has extensive experience on strategic financial planning and budgeting and has a strong track record of challenging existing resources, systems and ways of working.

Graeme Stanley – appointed to first term 01/10/13 – 30/09/16 – Senior Independent Director

Graeme is a former Chief Executive of a South West based housing group. He is currently working in consultancy acting as Aster Group's Strategy and Implementation Director and is Chairman of Bracknell Forest Homes. He is a Fellow of the Chartered Institute of Housing and holds an MSc in Strategic Management and Housing. Graeme's previous non-executive roles include Non-Executive Director of the Independent Housing Ombudsman Ltd and housing association statutory board appointee.

Non-Executive Directors who left during 15/16

Tracey Peters – appointed as Non-Executive Director 01/04/09 – 07/07/09, re-appointed for second term 01/09/10 – 31/5/13; third term 1/6/13 – 1/11/15. Senior Independent Director from 1/06/14.

An experienced HR professional. Former HR and Tenanted Estate Director of Hall and Woodhouse Brewery Group in Blandford, former Non-Executive Director for the National Probation Service. Non-Executive of the Signpost Housing Group. MSc in HR Development; Postgraduate Diploma in Personnel Management; Member of the Chartered Institute of Personnel and Development.

Executive Directors

Interim Chief Operating Officer: Dr R McEwan 21 July 2014 to 29 May 2015

Chief Operating Officer (and Interim Director of Nursing and Quality from 4 January 2016 – appointed 26 May 2015: Julie Pearce

Julie joined the Trust in May 2015 from East Kent Hospitals University Foundation Trust where she held a combined role of Chief Nurse and Chief Operating Officer. Julie is a first level Registered Nurse with specialist qualification in critical care nursing and holds BSc and MSc in Nursing Studies. She has worked in a number of acute teaching hospitals in Leeds, London, Birmingham, Cardiff, and Southampton before becoming the nursing advisor for acute and specialist services at the Department of Health. In 2004 Julie took up her first Director post as Chief Nurse for Hampshire and Isle of Wight Strategic Health Authority and then moved to East Kent Hospitals in 2007. Julie's passions are the provision of person-centred, high quality services through continuous service improvement and innovation. She has a good track record in leading and developing clinical services across a network of acute and community hospitals.

Director of Finance and Resources: Libby Walters – appointed Director of Finance and Resources 12/9/12

Libby came to the Trust in September 2012 from Yeovil District Hospital NHS Foundation Trust where she was Director of Finance and Deputy Chief Executive. Libby has worked in the NHS for 21 years and has a track record of ensuring strong financial performance. She has a particular interest in ensuring the focus on use of resources is intrinsically linked with improving the quality of care provided.

Libby was on maternity leave until 20 April 2015. Her position was covered by Rebecca King, Acting Director of Finance (substantive Deputy Director of Finance)

Medical Director: Mr Paul Lear – appointed October 2011

Paul qualified from London University in 1975. Following further periods of training in the Midlands and in Boston, USA, he was appointed to his first consultant position in 1988, at London's St Bartholomew's Hospital, London. In 1991, Paul moved to Bristol to practise as a specialist vascular and renal transplant surgeon, from where he has also worked closely with the renal service at Dorchester for the past fifteen years. Paul was the inaugural Clinical Director of Surgery at the newly merged Frenchay and Southmead Hospitals (now North Bristol Trust) and maintained this role for ten years

Director of Nursing and Quality: Alison Tong – appointed to current position 05/01/11 (on secondment from 4 January 2016)

Wide experience and track record of improving standards of care and patient experience through developing leadership at the bedside. Has worked in a variety of acute hospitals across the UK including two large teaching hospitals. Proven track record of improving infection control practice and patient safety initiatives. First level registered nurse with a specialist qualification in orthopaedics, BSc (Hons) in Health Studies, qualified Neuro-Linguistic Practitioner and graduate of the NHS South West Top Leaders programme (2010) for aspiring Chief Executives.

Director of Organisational Development (OD) and Workforce: Mark Warner – appointed 2/03/15

Mark formerly worked for Buckinghamshire Healthcare NHS Trust from July 2013 and was responsible for leading the people agenda for the Trust. Previously, he was Head of Human Resources at West Sussex County Council. Mark has more than 25 years' experience in the field of HR, including 18 years in the airline industry with British Airways.

Director of Strategy and Business Development: Nick Johnson – appointed 1/02/2016 (non voting)

Nick joined the Trust from University Hospital Southampton NHS Foundation Trust where he was responsible for strategy and commercial development projects, including establishing an innovative commercial development joint venture, for which he was a Board Member. Prior to that he was responsible for business development and bid management at a large, multi-national infrastructure and support services provider focusing on strategic public private partnerships. Nick has also worked in a number of local authorities delivering innovative strategic partnerships, contract management and service transformation. Nick has a MSc from Warwick Business School and started his career on the National Graduate Management Scheme for Local Government.

Council of Governors

The Council of Governors is made up of elected and appointed representatives from members of the public, staff and stakeholder organisations. It consists of 28 Governors (16 elected Public Governors, 4 elected Staff Governors and 8 Appointed Governors). The Trust membership elects the Public and Staff Governors and it is part of the elected Governor role to represent the members of their constituencies and communicate their views to the Board. The Trust has a duty to ensure that is members are engaged in and kept up to date with developments within the hospital and its services.

The Council of Governors plays a vital part in the work of the Trust including statutory duties such as appointments and hold Non-Executive Directors to account for the performance of the Board. The Council of Governors' specific statutory duties are:

- Appoint and, if appropriate, remove the Chair
- Appoint and, if appropriate, remove the other Non-Executive Directors
- Decide the remuneration and allowances and other terms and conditions of office of the Chair and the other Non-Executives
- Approve the appointment of the Chief Executive
- Appoint and, if appropriate, remove the Trust's External Auditor
- Receive the Trust's annual accounts, any report of the Auditor on them and the Annual Report
- Hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors.
- Represent the interests of the members of the Trust as a whole and the interests of the public
- Approve "significant transactions"
- Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution
- Approve any increase by 5% or more the proportion of the Trust's total income in any financial year attributable to activities other than the provision of goods and service for the purposes of the health service in England
- Approve amendments to the Trust's Constitution

The Council of Governors meets on a quarterly basis. Additionally the Governors Working Group meets four times a year on a more informal basis.

Attendance at Council of Governor Meetings 2015/16

Members and Constituency		Current Tenure	Attendance at Council of Governors
ELECTED GOVERNORS			
Jane Holdaway	West Dorset	10/07/15 – 09/07/18	1/4
David Cove	West Dorset	01/06/13 – 31/05/17	3/4
Christine Case	West Dorset	10/07/15 – 09/07/18	3/4
Les Fry	West Dorset	10/07/15 – 09/07/18	3/3
Gladys Gundry	West Dorset	10/07/15 – 09/07/18	3/3
David Tett	West Dorset	10/07/15 – 09/07/18	3/3
Michel Hooper-Immins	Weymouth and Portland	10/07/15 – 09/07/18	4/4
Andy Hutchings	Weymouth and Portland	10/07/15 – 09/07/18	4/4
Edward Gibbs	Weymouth and Portland	01/06/13 – 31/05/17	3/4
Ian Sedwell	Weymouth and Portland	10/07/15 – 09/07/18	3/3
Sharon Waight	Weymouth and Portland	10/07/15 – 09/07/18	3/3
Christine McGee	North Dorset	10/07/15 – 09/07/18	4/4
Peter Coghlan	Purbeck, East Dorset, Christchurch, Poole and Bournemouth	01/06/13 – 31/05/17	4/4
1 VACANCY	Purbeck, East Dorset, Christchurch, Poole and Bournemouth		
1 VACANCY	North Dorset		
1 VACANCY	South Somerset		
STAFF GOVERNORS			
Duncan Farquhar-Thomson	Staff (Lead Governor)	01/06/13 – 31/05/17	3/4
Piet Bakker	Staff	01/06/13 – 31/05/17	4/4
Ron Martin	Staff	10/07/15 – 09/07/18	3/3
James Metcalfe	Staff	10/07/15 – 09/07/18	2/3
APPOINTED GOVERNORS			
Peter Wood	Age UK	01/10/13 – 30/09/16	4/4
Jenny Bubb	Dorset Clinical Commissioning Group	01/04/13 – 31/03/17	4/4
Ian Gardiner	Dorset County Council	01/06/13 – 31/05/17	4/4

Steph Vincent	Dorset Kidney Fund	23/05/14 – 22/05/17	3/4
John Weir	Friends of Dorset County Hospital	01/04/14 – 31/3/17	4/4
Davina Smith	Weldmar Hospicecare Trust	09/10/15 – 08/10/18	2/2
Governors who left during the year			
Alan Jenkins	West Dorset	01/06/12 – 31/05/15*	1/1
David Machin	West Dorset	01/06/12 – 31/05/15*	0/1
Derek Julian	Weymouth and Portland	01/06/12 – 31/05/15*	0/1
Abbigail Langstone-Wring	Weymouth and Portland	01/06/12 – 31/05/15*	1/1
Richard Hughes	North Dorset	01/06/12 – 31/05/15*	1/1
Eileen Nolan	Purbeck, East Dorset, Christchurch, Poole and Bournemouth	01/06/13 – 31/05/17	0/0
Dee Angell	Staff	01/06/12 – 31/05/15*	1/1
Fran Leaper	Weldmar Hospicecare Trust	01/06/12 – 31/05/15*	0/1

Governor elections took place during 2015/16 which were administered by Electoral Reform Services Limited.

- West Dorset: 11 candidates from which 5 were elected. Turnout of 34%
- Weymouth and Portland: 11 candidates from which 4 were elected. Turnout of 42%
- Staff: 5 candidates from which 2 were elected. Turnout of 21%
- North Dorset: 1 candidate elected unopposed
- South Somerset/Out of Area: no candidates.

The Trust currently has one vacant post for South Somerset and one for North Dorset due to a lack of candidates at election. In addition, one East Dorset Governor resigned in year.

During 2015/16 the Council of Governors maintained two committees to progress various aspects of the Council's work:

- Nominations and Remuneration Committee – to develop and deliver the selection and recruitment process for the new Chair and Non Executive Directors
- Membership Development Committee – to implement the membership strategy and develop communication and engagement mechanisms with the membership

Governors' contact details are available on the Trust's website www.dchft.nhs.uk or correspondence can be sent to foundation@dchft.nhs.uk or to the Trust Secretary, Dorset County Hospital NHS Foundation Trust, Trust HQ, Williams Avenue, Dorchester, Dorset DT1 2JY.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee's duties are to make recommendation to the Council of Governors in respect of:

- agreeing the Terms and Conditions including Job Description and Person Specification of the Chair and Non-Executive Directors
- receiving annual appraisals of the Chair from the Vice Chair
- receiving annual appraisals of the Non-Executive Directors from the Chair
- appointing and (subject to satisfactory appraisal and the requirement to regularly refresh the composition and skill-set of the Board) re-appointing to the Non-Executive Director positions.
- agreeing the remuneration of the Chair and Non-Executives
- being involved in the appointment of the Chief Executive and make recommendation to the Council of Governors for approval

The Nominations and Remuneration Committee comprises the Chair, Vice Chair (who chairs the Committee when issues relating to the Chair are under discussion), the Lead Governor, four elected Public Governors, two elected Staff Governors and one Appointed Governor. The Chief Executive, the Director of Organisational Development and Workforce and the Trust Secretary are also in attendance as required.

The Nominations and Remuneration Committee convened three times during the period. The meetings took place on 13 May 2015, 29 September 2015 and 7 March 2016 regarding the recruitment processes for the new Chair and Non-Executive Directors.

Nominations and Remuneration Committee	Number of meetings attended
Jeffrey Ellwood – Chair	1/3
Martin Earwicker – NED/Vice Chair	3/3
David Machin – Public Governor	0/1
Michel Hooper-Immins – Public Governor	3/3
Eileen Nolan – Public Governor	1/1
Andy Hutchings – Public Governor	2/2
Christine McGee – Public Governor	2/2
Sharon Waight – Public Governor	2/2
Duncan Farquhar-Thomson – Staff Governor/Lead Governor	3/3
Piet Bakker – Staff Governor	2/3
John Weir – Appointed Governor	3/3
Mark Warner – Director of Organisational Development and Workforce	2/3

How the Board and Governors Work Together

Governors are allocated time at the end of each Board meeting to ask questions of the Board on behalf of members or to relay members views. In addition, Governors are able to contact Trust Officers at any time outside formal meetings in relation to members' feedback and/or questions.

Nominated Governors are invited to attend Board Committee meetings (with the exception of Remuneration and Terms of Service Committee) and the Clinical Governance Committee as observers. Governors also sit as lay members on the Learning from Patients Committee.

The Trust encourages its Governors to engage with the public and members through the circulation of regular membership newsletters to which the Governors contribute and by holding Governor and member events on topics of interest to patients and the public and an annual Open Day.

Governors provide the Trust with an independent quality assurance mechanism through the conduct of visits to ward areas to assess patients' privacy and dignity, ward cleanliness and other aspects of the ward environment.

Non-Executive Directors are invited to attend formal Council of Governor meetings, Governors Working Group, Membership Development Committee and membership events as additional opportunities to further these relationships.

In the event of disagreement between the Council of Governors and the Board of Directors, the Dispute Resolution process referred to in the Trust's Constitution (Annex 8) will be invoked.

Director Attendance at Council of Governors' Meetings during 2015/16:

Name	Title	Current Tenure	Attendance / Meetings eligible to attend
Non-Executive Directors			
Dr Jeffrey Ellwood	Chair	25/03/13 - 23/03/16	4/4
Mr Peter Greensmith	NED	01/06/14 – 31/05/17	0/4
Mr Matthew Rose	NED	17/06/14 – 16/06/17	0/4
Prof Jane Reid	NED, Chair, Quality Committee	01/11/13 – 31/10/16	0/4
Ms Tracey Peters	NED, Senior Independent Director	01/06/13 – 31/05/16 (left 31/10/15)	0/2
Dr Martin Earwicker	NED, Vice Chair	01/10/13 – 30/09/16	4/4
Mr Graeme Stanley	NED, Chair Audit Committee, Senior Independent Director	01/10/13 – 30/09/16	0/4
Executive Directors			
Ms Patricia Miller	Chief Executive from 19/07/14, previously Director of Operations	Commenced 05/01/10	3/4
Ms Libby Walters	Director of Finance and Resources	Commenced 12/09/12	1/4
Mr Mark Warner	Director of OD and Workforce	Commenced 02/03/15	0/4

Ms Alison Tong	Director of Nursing and Quality	Change of title wef 05/01/11 (on secondment from 4/01/2016 onwards)	1/2
Mr P Lear	Medical Director	Commenced 01/10/11	0/4
Mrs J Pearce	Chief Operating Officer (and Interim Director of Nursing and Quality)	Commenced 26/05/15 (and 04/01/16)	3/3
Mr N Johnson	Director of Strategy and Business Development	Commenced 01/02/16	0/1
Dr R McEwan	Interim Chief Operating Officer	from 21/07/14 to 29/05/15	0/0
Ms R King	Acting Director of Finance	from Sept 14 to 20/04/2015	0/0

*Non-Executive Directors attend Council of Governors on a discretionary basis. Executive Directors attend as appropriate to present reports or to present specific items. Non-Executive Directors attend Governors working Group (informal) meetings on a rotational basis.

Membership of the Trust

Foundation Trusts have a responsibility to engage with the communities that they service and listen to community views when planning service.

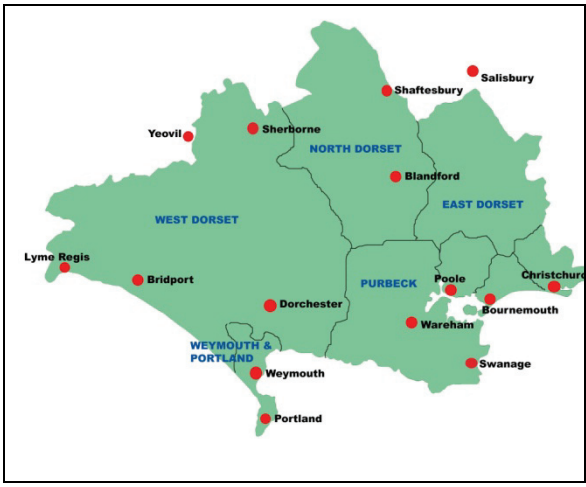
The Trust has two types of membership: public and staff. The Trust encourages people who live within its constituency boundaries to register as public members. Being a member demonstrates support for the hospital and the services it provides and gives the opportunity to share views with the Trust to help it best meet patient needs.

Membership is open to people aged 16+ years who live in one of the Trust's public constituencies. Registering as a member can be via a membership application form from hospital reception areas, online at www.dchft.nhs.uk , via email to foundation@dchft.nhs.uk or by phoning 01305 255419.

The Council of Governors has established a Membership Development Committee to keep the Membership Strategy under review and oversee membership communications, events and recruitment. Progress towards increasing membership numbers has been slow despite considerable efforts by Governors and staff. It is felt that the elderly demographic may contribute to the challenges in membership recruitment and the fairly steady state in membership numbers.

Membership engagement rather than size, however, is the Trust's key focus, with a series of membership events held throughout the year, hard copy and electronic membership newsletters and a successful Trust Open Day in October 2015.

Dorset



South Somerset

Analysis of Membership

Constituency	2015/16	2014/15	Eligible Members
West Dorset	1,481	1,487	91,642
Weymouth and Portland	885	878	62,614
North Dorset	327	321	62,065
South Somerset and out of area	83	79	-
Purbeck, East Dorset, Christchurch, Poole and Bournemouth	272	271	499,243
Total Public Constituencies	3,048	3,036	-
Staff	3,345	3,413	3,345
Total	6,393	6,449	-

Auditors

The Trust's audit services during 2015/16 were provided as follows

- Internal Auditors – KPMG – the internal audit plan is risk based and is developed annually in conjunction with Executive Directors. The draft plan is then agreed by the Audit Committee. The plan comprises both financial and clinical quality audit work, in addition to reviews of areas which are considered by Executive Directors and/or internal auditors to be high risk or of concern.

- External Auditors – BDO – external auditors prepare and present an annual plan of work to review the financial management and reporting systems of the Trust and provide assurance that the annual accounts and supporting financial systems are operating effectively. Should external auditors be asked to provide non audit services, this has to be in line with the Trust's policy on Engagement of External Auditors for Non-Audit Services.

Audit Committee

The Audit Committee provides assurance to the Board on the effectiveness of the Trust's systems of governance and control across the full range of the Trust's responsibilities. It does this by receiving and testing assurance provided in relation to the establishment and maintenance of effective systems of governance, risk management, finance, counter-fraud, and internal controls and assures itself regarding the Trust's compliance with regulatory, legal and other requirements. The Audit Committee's remit encompasses healthcare assurance as well as the more traditional audit areas of finance and corporate governance.

Internal auditors assist the Audit Committee by providing clear statements of assurance regarding the adequacy and effectiveness of internal control. The Director of Finance and Resources is professionally responsible for implementing systems of internal financial control and is able to advise the Audit Committee on such matters.

At its meetings on 20 April 2016 and 23 May 2016 the Committee considered the financial statements and agreed that they contained no significant issues that required addressing under the terms of the UK Corporate Governance Code 2014, para C3.8.

The Committee has reviewed its performance and in line with other Board Committees nominated Governors are invited to attend and observe Audit Committee meetings.

Arrangements for allowing staff to raise concerns are detailed in the Trust's Whistleblowing Policy which was reviewed during 2015/16 by the Partnership Forum. The Chair of Audit is the Trust's current Freedom to Speak up Guardian.

Audit Committee Attendance

Name	Position	Attendance
Graeme Stanley	Chair (from 17/06/14)	6/7
Peter Greensmith	NED (from 17/06/14)	6/7
Matthew Rose	NED (from 17/06/14)	7/7

Regulatory Ratings

Financial Sustainability Risk Rating

The financial sustainability risk rating aims to identify whether the financial position of any foundation trust could place its services at risk and whether there may be wider issues relating to financial efficiency. This rating allows early warning and enables Monitor to take necessary steps to safeguard services and address financial issues while minimising disruption and uncertainty for patients.

The rating uses four measures, these being capital service capacity, liquidity, income and expenditure margin and variance of planned income and expenditure. These give four rating categories ranging from 1, which represents the most serious risk, to 4, representing the least risk. A low rating does not necessarily represent a breach of the provider's licence. Rather, it reflects the degree of financial concern Monitor may have about a provider and consequently the frequency with which it will monitor the Trust.

Governance Rating

The governance rating assesses how well the Trust is governed. This rating takes into account a number of indicators including Care Quality Commission concerns, access and outcomes metrics, financial risk and efficiency, quality governance indicators and third-party reports.

There are three categories of the governance rating applicable to all NHS foundation trusts. Where there are no governance concerns evident or no formal investigation being undertaken, a green rating will be assigned. Where it has identified a concern but not yet taken action, the foundation trust's rating will be placed 'under review' and it will provide a written description stating the issue(s) at hand. Where it has already begun enforcement action, it will assign a red rating.

Changes to ratings

Monitor changed its regulatory framework during 2015/16. The continuity of service rating was changed to a financial sustainability rating; this introduced two new measures for monitoring in year financial performance (income and expenditure margin) and the accuracy of planning.

The impact of this change on the Trust's Annual plan of these two measures was as follows;

- In year financial performance plan was to achieve a rating of 1 because of the planned deficit of £3.5 million,
- The accuracy of planning could still be rated at 4 if the Trust delivered its planned deficit position,
- The overall Financial Sustainability rating could not achieve higher than a 2 because of the introduction of an override if any of the four measures achieve a rating of 1.

Therefore the Trust planned to achieve a rating of 2 because of its planned deficit position.

Rating Performance

The Trusts quarterly ratings are included in the table below. The Trust achieved a Financial Sustainability risk rating of 2 in line with its plan. However, the new framework override, means that failure by the trust to achieve a financial sustainability risk rating of 3 or above has led to the Trusts governance rating being 'Under Review – Requesting Further Information' by its regulator.

	Annual Plan 2015/16	Q1 2015/16	Q2 2015/16	Q3 2015/16	Q4 2015/16
Financial Sustainability risk rating			2	2	2
Governance rating			Under Review	Under Review	Under Review

Continuity of Service rating	3	3			
Governance rating	Green	Green			

	Annual Plan 2014/15	Q1 2014/15	Q2 2014/15	Q3 2014/15	Q4 2014/15
Continuity of Service rating	4	4	4	4	4
Governance rating	Green	Green	Green	Green	Green

Sustainability

Introduction

The Trust recognises its impact on the environment. This ranges from local to global impacts, from air pollution to climate change and from river pollution to use of natural resources. In line with its Sustainability Policy the Trust is committed to reducing its environmental impact.

There is almost universal agreement amongst independent scientists that climate change is happening and that it is the greatest environmental challenge facing the world today. The only real debate should be what to do about it.

The main contributing gases, known as Greenhouse Gases, are water vapour, methane and carbon dioxide. The volumes of greenhouse gases emitted by human activity have increased significantly as our dependence on fossil fuels has increased. Climate change is set to change the Earth's climate in many ways including increasing temperatures, increased rainfall and flooding, increased desertification, droughts and rising sea levels. The social, environmental and economic costs of climate change will be high.

In Dorset the effects of climate change are likely to include increased risk of severe weather and flooding as rainfall increases. Changes in biodiversity may be evident as species from southern regions migrate north as the weather becomes warmer.

The NHS makes a significant contribution to the UK's carbon dioxide emissions. However, the size of the organisation ensures that there is a large potential for reducing these emissions. Because of the large number of people that come into contact with it, the NHS has the opportunity to influence attitudes towards the environment and sustainability.

The running of an NHS Trust involves many activities which can have an impact on the environment. These include the use of energy and water and production of waste and the use of natural resources via the procurement of goods and services. The Trust has looked at these activities to investigate ways in which their environmental impact can be reduced.

The Trust measures a number of key indicators to assist with the monitoring of environmental performance. These comprise quantifiable indicators such as utility usage and waste generation. Quantifiable key indicators are measured and reported to the Department of Health through ERIC returns. The Trust will continue to develop more accurate key performance indicators as the management of our environmental impact progresses.

Energy Use

The use of energy by the Trust in the form of gas and electricity for heating, lighting and equipment, contributes to climate change and the depletion of natural resources.

Figures 1 - 4 provides a summary of energy consumption and associated CO2 emissions for the period 2012/13 – 2015/16. For the purposes of NHS reporting energy consumption has been provided in GJ, and for the purposes of HM Treasury reporting, energy consumption is required to be reported in kWh.
Figure 1 shows that energy consumption during the year decreased by 1,271 GJ (353,055 kWh) compared to 2014/15. Of this, electricity accounts for a decrease of 500 GJ (138,888 kWh), whilst gas accounts for a decrease of 771 GJ (214,166 kWh). Total energy for 2015/16 was 68,883 GJ (19,134,462 kWh).

This reduction in energy usage is an excellent achievement by the Trust, especially considering that patient episodes increased by 4,194 episodes during 2015/16 (when compared to 2014/15).

Figure 1 - Energy Consumption (GJ)

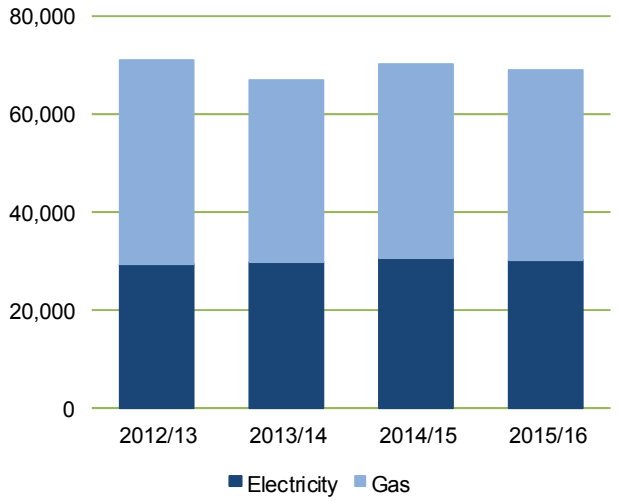


Figure 2 - Energy Consumption (GJ) per 1,000 Patient Episodes

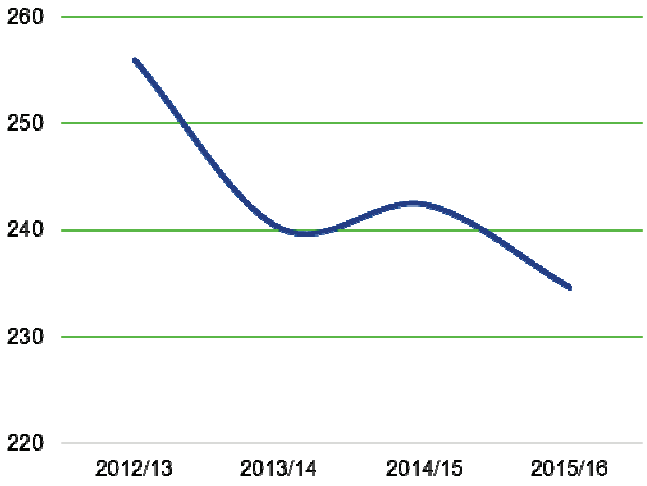


Figure 3 - CO_2 Production (tonnes)

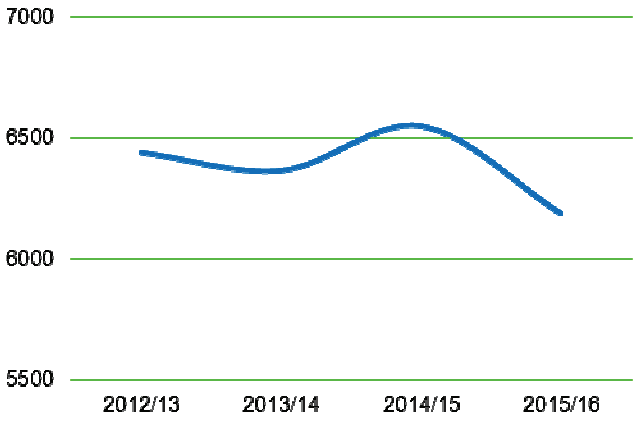


Figure 4 - CO_2 Production (tonnes) per 1,000 Patient Episodes

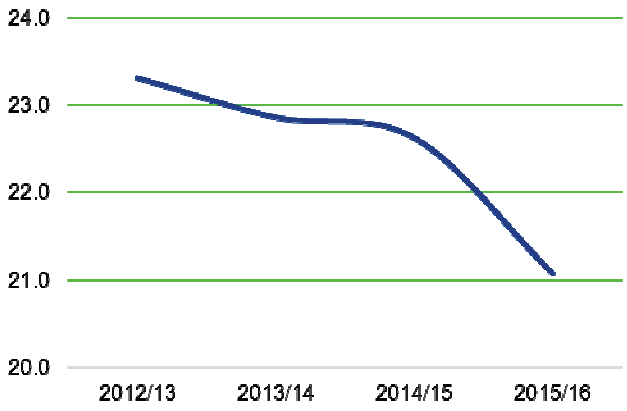


Figure 2 shows that during the year, energy consumption per 1,000 patient episodes decreased by 8 GJ (2,222 kWh) to 235 GJ (65,277 kWh) per 1000 patient episodes (when compared to 2014/15). This can be attributed to the energy efficiency measures implemented by the Trust (detailed below).

In line with a decrease in energy consumption, Figure 3 shows that CO2 production decreased by 362 tonnes during the year compared to 2014/15. The Trust emitted 6,187 tonnes of CO2 during 2015/16.

Figure 4 provides a summary of CO2 production per 1,000 patient episodes for the period 2012/13 – 2015/16. In 2015/16 the Trust emitted 21.1 tonnes of CO2 per 1,000 patient episodes, a decrease of 1.6 tonnes per 1,000 patient episodes compared to 2014/15.

The reduction in energy usage and associated CO2 emissions detailed above can be attributed to the following energy efficiency measures implemented by the Trust during 2015/16:

- Robust monitoring of electricity and gas usage, including sub metering on high energy demand areas;
- Green energy supply to Dorset County Hospital;
- Expanded the energy and carbon champion programme throughout the Trust;
- Upgrading of lighting with the use of LED fittings and presence sensor devices during alterations to the building fabric;
- Replacement of two calorifiers with plate heat exchangers in the South and East Wings;
- Excellent maintenance regime for all boilers for maximum efficiency as part of the Trusts Planned Preventative Maintenance schedule;
- All air conditioning systems with an effective rated output of 12kW have been inspected by Energy Assessors, along with suggestions for improvement;
- Continued to promote an energy efficiency programme, including:
- An energy awareness day;
- Energy awareness training;
- Communication of energy performance and targets;
- Articles in Trust newsletters;
- Email campaigns; and
- Stickers and posters.

Tables 1 to 3 at the end of this report provide a summary of energy consumption, associated CO2 emissions and associated costs from financial year 2012/13 through to 2015/16.

Water Use

Figure 5 provides a summary of water consumption during the period 2012/13 – 2015/16. Overall, water consumption for 2015/16 was 77,807 m3. This represents an increase of 2.6% compared to 2014/15. However this is not surprising considering the fact that patient episode numbers increased during 2015/16.

Figure 6 provides a summary of water consumption (m3) per 1,000 patient episodes for the period 2012/13 – 2015/16.

Figure 5 - Water consumption (m^3)

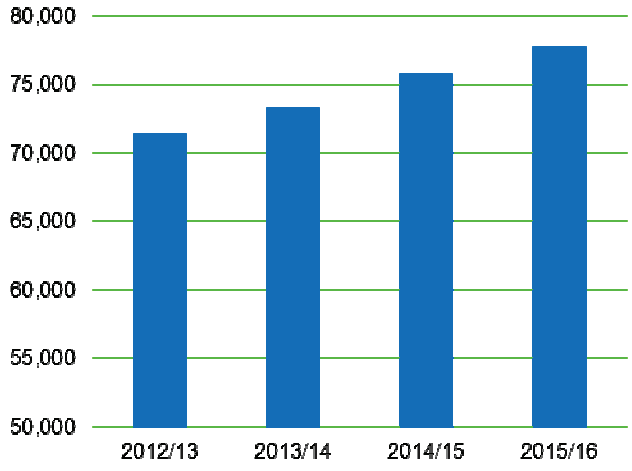
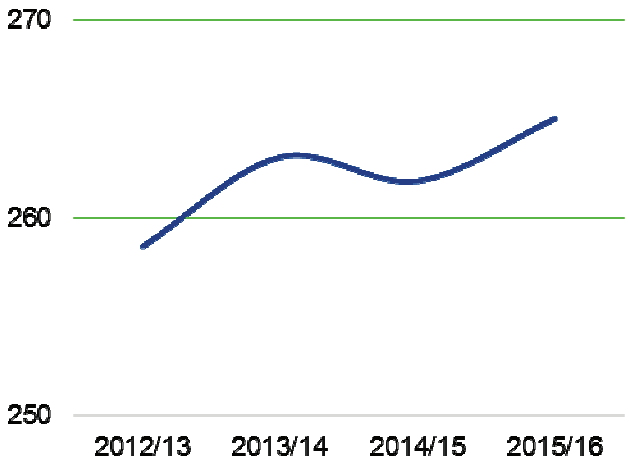


Figure 6 - Water consumption (m^3) per 1,000 patient episode



When comparing water use to patient episodes, the percentage increase for 2015/16 compared to 2014/15 is less. In 2014/2015 the figure stood at 262 m3 per 1,000 patient episodes, whilst in 2015/16 it stood at 265 m3 per 1,000 patient episodes; an increase of 1.24%, which represents an increase of 3 m3 (3,000 litres) per 1,000 episodes compared to 2014/15.

The Trust remains committed to reducing water consumption. Water efficiency measures implemented during 2015/16 include:

- Robust monitoring of water usage; and
- Implementation of a water efficiency campaign across the Trust.

Table 4 at the end of this report provides a summary of water consumption and associated costs from financial year 2012/13 through to 2015/16.

Waste

Figure 7 provides a summary of waste production during the period 2012/13 – 2015/16.

It must be noted that waste figures for the period 2012/2013 – 2013/2014 are significantly lower due to the fact that robust recycling waste data was not available from the waste contractors. This has been rectified and thus reflected in the higher waste figures for the period 2014/15 – 2015/16.

Overall waste production for 2015/16 stood at 734.6 tonnes; a decrease of 5%, which represents a reduction of 42 tonnes compared to 2014/15. This is a significant achievement considering higher patient episode numbers during 2015/2016.

When comparing total waste production to patient episodes, the percentage reduction for 2015/16 compared to 2014/15 is even greater. In 2014/2015 the total waste figure stood at 2,685 kg (2.7 tonnes) per 1,000 patient episodes, whilst in 2015/16 it stood at 2,500 kg (2.5 tonnes) per 1,000 patient episodes; a decrease of 7%, which represents a reduction of 185 kg per 1,000 episodes compared to 2014/15.

Figure 7 - Waste Production (tonnes)

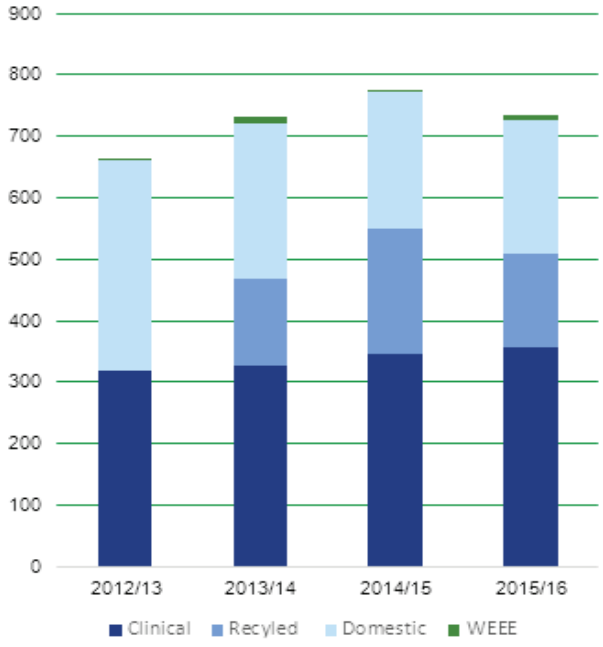
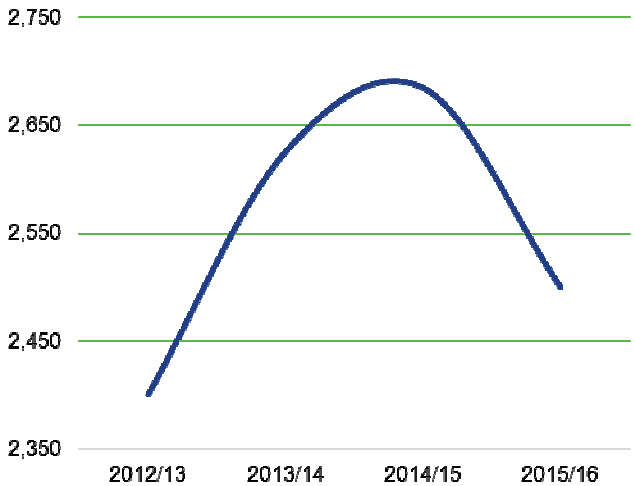


Figure 8 - Total Waste Production (Kg) per 1,000 Patient Episodes



Of all the waste streams produced by the Trust, only Waste, Electrical and Electronic Equipment (WEEE) and clinical waste increased whilst the amount of recycling and domestic waste produced decreased.

Of the total waste produced, 22% was recovered / recycled, which equates to 161 tonnes.

Clinical waste increased by 11 tonnes to 357 tonnes in 2015/16; an increase of 3.2% from the previous year. This can be attributed to an increase in the number of patient episodes.

However, when comparing total clinical waste to patient episodes, the percentage increase in clinical waste production for 2015/16 compared to 2014/15 is less. In 2014/2015 the clinical waste figure stood at 1,196 kg (1.20 tonnes) per 1,000 patient episodes, whilst in 2015/16 it stood at 1,216 kg (1.22 tonnes) per 1,000 patient episodes. This represents an increase of 1.7%.

Domestic waste decreased by 6 tonnes to 216 tonnes in 2015/16, a decrease of 2.7% when compared to 2014/15.

When comparing total domestic waste produced to patient episodes, the percentage decrease in domestic waste production for 2015/16 compared to 2014/15 is even greater. In 2014/2015 the domestic waste figure stood at 767 kg (0.77 tonnes) per 1,000 patient episodes, whilst in 2015/16 it stood at 736 kg (0.74 tonnes) per 1,000 patient episodes. This represents a decrease of 4.0%.

WEEE waste increased from 4 tonnes in 2014/15 to 8 tonnes in 2015/16.

The reduction in waste detailed above can be attributed to the following measures implemented by the Trust during 2015/16:

- Purchased twenty split aperture recycling bins and placed in high footfall areas around the Trust;
- Introduced dry waste bin collections within theatres;
- Introduced hand dryers in public and office spaces and changed paper towel supplier to paper roller towels;
- Appointed a six month secondment position as Waste Co-Ordination Project Lead. Specific tasks associated with the role include:
- Liaising with staff to improve knowledge on waste streams;
- Improve waste segregation;
- Update Policies and procedures;
- Act as the point of contact for all waste related queries and leads.
- Set up regular internal communications giving updates on the progress of waste segregation.

This included the use of infographics to improve understanding of the Trust current position and to portray a clear aim;

- Worked with Trust's 'Champions' to implement recycling in high use areas;
- Worked with contractors to produce posters to improve segregation at source;
- Increased the number of dry mixed recycling bins in the waste compound and also the frequency of collections to accommodate for improved recycling;
- Installed a cardboard bailer, ensuring all cardboard is correctly segregated and recycled;
- Revised the Trust's bin inventory and reassigned bins for recycling. This has enabled the Trust to introduce recycling within ward areas without spending any additional funds;
- Introduced new confidential waste bins and updated the Trusts confidential waste policy;
- Reorganised the Housekeeping central store to reduce wastage; and
- Undertook a rolling plan of reorganising clinical stores and storage areas.

Tables 5 and 6 at the end of this report provide a summary of waste production and associated disposal costs from financial year 2012/13 through to 2015/16.

Fugitive Emissions

The Trust have no reported F Gas losses during 2015/16. This is achieved due to a comprehensive planned and preventative maintenance schedule in place.

Procurement

The Trust continues to ensure that sustainable development is integrated throughout the procurement process. Measures implemented to-date to promote this include:

- Identification of a sustainable procurement champion;
- Whole life cycle training for key procurement staff;
- Implementation of a sustainable procurement statement;
- Expenditure analysis to identify key sustainability impacts;
- Ensuring key contracts contain sustainability criteria;
- Inclusion of whole life cycle costing within the procurement process;
- Increased partnership working with key suppliers to further promote sustainability within the Trust;
- Continue to use sustainable products (e.g. FSC wood);
- Inclusion of environmental appraisals prior to tendering for significant goods and services;
- Continue to review supplier lists and consolidate / reduce where possible;
- Use of local suppliers and their inclusion within the Trusts sustainability action day;
- Integration of the 'flexible framework';
- Provision of healthy seasonal menus;
- Introduction of quality assurance and sustainable and ethical standards in the procurement of food items.

Transport

As part of the HM Treasury requirement to report on sustainability, the Trust is required to report the following on an annual basis;

- Emissions relating to official business travel directly paid for by the Trust.
- Total expenditure on official business travel.

Total business mileage during 2015/16 was 970,441 miles (2014/15: 956,561 miles). This represents an increase of 13,880 miles.

Despite the increase, the Trust continues to promote more sustainable forms of transport via the transport group. Actions undertaken by the Trust to encourage low carbon travel and transport include:

- A review of the Board approved green travel plan;
- The continual assessment and review of transport needs via travel surveys;
- Promotion of sustainable transport measures to all staff;
- Consideration of 'green fleet' vehicles;
- Implementation of a lease car policy which sets out a single mileage allowance (regardless of engine size) for the majority of staff;
- Continued promotion of video / tele conferencing;
- Regular joint meeting with Dorset County Council and local bus companies to promote the use of sustainable transport;
- Increased the number of cycle storage facilities to promote cycling;
- The consideration of incentives for low carbon 'grey fleet'.

Building and Refurbishment

The Trust continues to ensure compliance with the Building Performance Directive and ensure that updated Display Energy Certificates (DEC) are in place.

Future Priorities and Targets

The Trust has continued to develop and strengthen its SDMP in line with its Sustainable Development Strategy. Regular reviews of the SDMP are undertaken by the Trust's Sustainability Working Group, which meet on a regular basis to ensure that the Trust's commitments to sustainable development are being fully integrated into all areas of the Trust's activities.

Whilst the Trust recognises that significant progress has been made this year, it also acknowledges that the original targets have not been met. In light of recent service delivery changes the Trust plans to review these targets during 2016/17 and refocus efforts accordingly.

The Trust's current targets are listed below:

1. Energy and Carbon Management

- Reduce energy consumption to 42 kwh per patient episode by 2015.
- Reduce energy consumption to 38 kwh per patient episode by 2020.
- Reduce energy consumption from buildings by 10% by 2015 (compared to 2007 levels). Base line = 20,195,278 tonnes
- Reduce energy consumption from buildings by 34% by 2020 (based on 2007 levels). Base line =20,195,278 tonnes.

2. Procurement

Ensure that sustainable development is fully integrated within the procurement process of the Trust.

3. Food

Ensure that sustainable development is fully integrated within the procurement of Food within the Trust

4. Low Carbon Travel, Transport and Access

- Reduce carbon emissions from transport by 10% by 2015 (compared to 2012/13 levels).Base line 251 tonnes.
- Reduce carbon emissions from transport by 34% by 2020 (compared to 2012/13 levels).Base line 251 tonnes.

5. Water

- Reduce water consumption to 145 litres/patient episode by 2015.
- Reduce water consumption to 130 litres/patient episode by 2020.

6. Waste

- Ensure legal compliance with waste legislation.
- Increase recycling rates by 20% by 2015 (based on 2001/02 levels).
- Increase recycling rates by 40% by 2020 (based on 2001/02 levels).

7. Designing the Built Environment

Ensure that all new builds and refurbishments over £2 million (capital costs) comply with Bream New Construction 2011 requirements.

8. Organisational Workforce Development

Ensure that sustainability is thoroughly communicated throughout the Trust and ensure that appropriate employees receive relevant training.

9. Role of Partnerships and Networks

To work in partnership with local groups and key stakeholders in order to support sustainable development within the South West of England.

10. Governance

Ensure that sustainable development is consistently managed in line with the Trust's Sustainable Development Policy and Strategy.

11. Finance

Ensure sustainable development is integrated within finance.

Table 1

Energy consumption	2012/13	2013/14	2014/15	2015/16
Gas (1,000 GJ)	41.3	37.1	39.7	**38.9**
Electricity (1,000 GJ)	29.4	29.8	30.5	**30.0**
Total energy (1,000 GJ)	70.7	66.9	70.2	**68.9**
Gas (1,000 kWh)	10,992	10,305	11,018	**10,804**
Electricity (1,000 kWh)	8,177	8,269	8,469	**8,330**
Total energy (1,000 kWh)	19,169	18,574	19,487	**19,134**

Table 2

Energy consumption and emissions per patient episode	2012/13	2013/14	2014/15	2015/16
Total energy (1,000 kWh)	19,169	18,574	19,487	**19,134**
CO_2 emissions (100 tonnes)	64.4	63.7	65.5	**61.9**
Patient episodes (1,000's)	276.2	278.4	289.4	**293.6**
kWh per patient episode	69.4	66.7	67.3	**65.2**
CO_2 emissions per patient episode (kg)	23.3	22.9	22.6	**21.0**

Table 3

Energy financial indicators	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000
Energy expenditure	1,427.1	1,201.1	1279.7	**1,280.5**
Carbon reduction commitment (CRC) expenditure	77.3	76.4	102.2	**96.5**

Table 4

Water use and costs	2012/13	2013/14	2014/15	2015/16
Water use (1,000 m^3)	71.4	73.2	75.8	**77.8**
Patient episodes (1,000's)	276.2	278.4	289.4	**293.6**
Water use per patient episode (litres)	258.5	262.9	261.9	**265.0**
Water and sewerage expenditure (£'000)	228.4	235.2	262.0	**215.2**

Table 5

Waste production	2012/13	2013/14	2014/15	2015/16
High temp clinical waste (tonnes)	48	47	49.6	**42.8**
Alternative treatment clinical waste (tonnes)	270	279	297.2	**314.9**
Total clinical waste (tonnes)	318	326	346.8	**357.7**
Domestic waste (tonnes)	342	252	222.3	**216**
WEEE (tonnes)	2.6	10.2	4.2	**7.9**
Recycling (tonnes)	-	143	204	**153**
Total waste (tonnes)	662.6*	731.2	777.3	**734.6**
% of waste recycled (including WEEE)	23%	20%	26%	**22%**
Patient episodes (1,000's)	276.2	278.4	289.4	**293.6**
Total waste (Kg) per patient episode	2.40	2.63	2.69	**2.50**

***This figure is lower than the following years as robust recycling waste data was not available from the waste contractors.**

Table 6

Waste costs	2012/13 £'000	2013/14 £'000	2013/14 £'000	2015/16 £'000
High temp clinical waste	28.86	28.56	28.76	**27.51**
Alternative treatment clinical waste	134.75	148.12	142.52	**113.57**
Total clinical waste	163.61	176.68	171.28	**141.08**
Domestic waste	52.72	42.52	31.26	**39.78**
WEEE	0.92	0.32	0.69	**1.34**
Total waste costs	217.25	219.52	203.23	**182.20**

Table 7

Business travel and costs	2012/13	2013/14	2014/15	2015/16
Business mileage (miles)	1,131,500	1,113,840	956,562	**970,440**
Business mileage CO_2 emissions (tonnes)	-	-	-	**-**
Total expenditure on business travel (£)	£396,554	£498,563	£484,394	**462,199**

Statement of Accounting Officers Responsibilities

Statement of the Chief Executive's Responsibilities as the Accounting officer of Dorset County Hospital NHS Foundation Trust

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

Under the NHS Act 2006, Monitor has directed Dorset County Hospital NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Dorset County Hospital NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the NHS Foundation Trust Annual Reporting Manual and in particular to:

1. observe the Accounts Direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
2. make judgements and estimates on a reasonable basis
3. state whether applicable accounting standards as set out in the *NHS Foundation Trust Annual Reporting Manual* have been followed, and disclose and explain any material departures in the financial statements
4. ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
5. 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 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 Monitor's *NHS Foundation Trust Accounting Officer Memorandum.*

Patricia Miller
Chief Executive
23 May 2016

Annual Governance Statement

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 Dorset County 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 Dorset County Hospital NHS Foundation Trust for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The Director of Nursing and Quality is the executive lead for risk management and is supported in this by the Head of Risk Management. The Trust has a Risk Management Committee, which reports to the Senior Management Team. The Board and Audit Committee receive the Corporate Risk Register and the Board Assurance Framework every two months. The Risk Management Strategy sets out the Board's requirement that a systematic approach to identify and manage risks is adopted across the Trust and that systems are in place to mitigate those risks where possible. The strategy also stipulates that it is essential that all Trust staff are made aware and have an understanding of the procedures in place to identify, assess, monitor and reduce or control risk. Risk management training is included in all induction programmes and in key development courses. The Board receives risk management training and last received this in September 2015.

The Trust's approach to risk management is pro-active and involves the following:

- identifying sources of potential risk and proactively assessing risk situations;
- identifying risk issues through serious untoward incidents, adverse incidents, near misses, complaints and claims, the business cycle, and internal and external review reports;
- investigating and analysing the root causes of risk events;
- undertaking aggregated root cause analysis (considering risk events, complaints, claims and RIDDOR data);
- taking action to eliminate or at least minimise harmful risks;

- monitoring the delivery and effectiveness of actions taken to control risk;

- learning from near misses, risk events, legal claims and complaints and sharing the lessons learned across the organisation

The Trust has adopted a coordinated and holistic approach to risk and does not differentiate the processes applied to clinical and non-clinical issues. Common systems for the reporting, identification, assessment, evaluation and monitoring of risk have been developed within the Trust and apply to all risk issues, regardless of type.

The effective implementation of the strategy facilitates the delivery of a quality service and, alongside staff training and support, provides an improved awareness of the measures needed to prevent, control and contain risk. To achieve this, the Trust:

- ensures all staff and stakeholders have access to a copy of the Risk Management Strategy;

- produces a register of risks across the Trust which is subject to regular review at Divisional level, by the Senior Management Team, Audit Committee and the Board;

- communicates to staff any action to be taken in respect of risk issues;

- has developed policies, procedures and guidelines based on the results of assessments and identified risks;

- ensures that training programmes raise and sustain awareness throughout the Trust of the importance of identifying and managing risk;

- monitors attendance at training sessions and ensures that non-attendance is followed up;

- ensures that staff have the knowledge, skills, support and access to expert advice necessary to implement the policies, procedures and guidelines associated with the strategy; and

- monitors and reviews the performance of the Trust in relation to the management of risk and the continuing suitability and effectiveness of the systems and processes in place to manage risk.

Risk training forms part of the Trust Induction training for clinical and non clinical staff.

The Risk and Control Framework

The Trust acknowledges that all members of staff have an important role to play in identifying, assessing and managing risk. This can be achieved proactively, through risk assessment, or reactively, through review of risk events, complaints and legal claims. To support staff in this role, the Trust provides a fair, consistent environment that encourages a culture of openness and willingness to admit mistakes. All staff are encouraged to report when things have, or could have, gone wrong. At the heart of the Trust's Risk Management Strategy is the desire to learn from risk events and near misses, complaints and claims, in order to continuously improve management processes and clinical practice.

The Trust has in place clear policies and systems for identifying, evaluating and monitoring risk. Trust-wide risk profiling is an ongoing process and managers are required to ensure that risk assessment and audit is undertaken within their areas of responsibility and that findings are acted upon and adequately monitored. Managers are also responsible for ensure that all risk assessments are reviewed as required.

The Trust's Risk Event Reporting Policy requires staff to report all adverse incidents, both actual and potential (near misses), and sets out the methodology and responsibilities for assessing and evaluating the risks. The impact of a risk will dictate at which level of the organisation the risk event is investigated and reported, with the lowest category (green) managed at a local level and the highest (red) managed at executive level with reports made to the Board and statutory external agencies.

In 2015/16, the Trust's main risks related to ophthalmology service capacity, histopathology performance and delivery of its full Cost Improvement Programme on a recurrent basis.

The Trust provides an Ophthalmology service which covers a large geographical area. This service covers a range of monitoring and interventions for a number of eye conditions, including glaucoma, cataracts and AMD. Demand placed on the service has previously exceeded capacity resulting in delays to outpatient and elective care. The actual service provision capacity was also unclear, this added to the risk as clinics were cancelled due to clinician availability. Since the initial review of this risk the Ophthalmology Department has completed a full service review which has included the development of a complete service improvement plan, a comprehensive demand and capacity review and a rewrite of the clinic timetables. This review has quantified the shortfall and allowed the correct level of additional capacity to be generated.

The Histopathology Laboratory is a CPA (Clinical Pathology Accreditation) accredited service. A CPA visit in 2013 identified non-conformities – especially in respect of turn around time. Turn around time remained an issue in early 2015/16 however there has now been a sustained period of achievement of turn around times and a major reorganisation of the departmental structure.

The Cost Improvement Programme target at the commencement of the year was identified as presenting a challenge to the Trust in meeting this within the current health economy and ensuring continuing high standard of quality management. The target for the year, was £5.035m.

The Trust has identified key risks for 2016/17 as the delivery of the 16/17 Cost Improvement Programme and delivery of the overall financial plan.

The Trust recognises that its long term sustainability depends upon the delivery of its strategic objectives and its relationships with its patients, the public and strategic partners. As such, the Trust will not accept risks that materially impact on patient safety. However, the Trust has a greater appetite to take considered risks in terms of their impact on organisational issues. The Trust has greatest appetite to pursue innovation and challenge current working practices and reputational risk in terms of its willingness to take opportunities where positive gains can be anticipated, with the constraints of the regulatory environment.

The Director of Nursing and Quality is the executive lead for quality governance, supported as appropriate by the Medical Director and the Chief Operating Officer. The Board receives a monthly Integrated Performance Report in which areas of good practice, issues of concern, and performance against quality metrics are reported. The Board also review specific examples of patient feedback, both positive and negative, at each meeting, with a view to ensure that appropriate action is taken to safeguard quality and the patient experience and that learning is embedded.

The Quality Committee scrutinises the detail of quality governance in the organisation and provides additional assurance to the Board. The Quality Committee meets monthly and receives key regulatory and other inspection reports and scrutinises the delivery of associated action plans. The committee also carries out "deep dive" reviews of any aspects of quality that are causing concern.

The Finance and Performance Committee meets monthly and includes the detailed monitoring of all national and local performance targets within its remit. Many of these indicators contain quality components, for example, infection control trajectories, Cancer Standards, Emergency Department Indicators, the National Stroke Strategy indicators and levels of cancelled operations.

The Board is actively engaged in quality improvement and is assured that quality governance is subject to rigorous challenge through Non-Executive Director engagement and Chairmanship of the key Board committees.

As part of the Trust's Informatics Strategy (revised and passed by the Board in February 2015) the Trust has recognised that electronic data and information is becoming a more integral part of the routine processes used to deliver healthcare across the organisation. This makes the quality of data used by health professionals in their day to day decisions more important than it has been. Whilst data quality processes and procedures have been in place for some time the Trust intends to build on these over 2016/17. Current processes and procedures as well as recent initiatives to improve data quality include the following:

- Establishment of a Clinical Coding Task and Finish Group. To specifically address the use of clinical terms, codes and classifications at the clinical practice level. This will monitor data quality metrics relating to the accuracy and validity of recorded data against actual activity and the delivery of care and treatment.

- Regular audit and external assurance. Audits and in-depth analysis of data quality are conducted in a number of areas, including: mortality; specialist clinical coding areas (on a regular, randomly selected basis as per national best practice recommendations); in additional to departmental clinical audits. External review has been conducted specifically in relation to clinical coding and an action plan will be reviewed by the Quality Committee in the near future.

The Trust intends to implement a Business Intelligence Strategy to underpin each aim outlined in the Informatics strategy. The Trust intends to meet the national timeframes to be paperlight, hence our move towards an integrated digital record in the next two years and our contribution to the Dorset wide plan for integrated health and social care records.

The Trust had a Care Quality Commission inspection during early March and is currently awaiting the report.

The Trust considers the only risks to compliance with the NHS Foundation Trust Licence condition 4 (FT Governance) are in relation to Divisional and Service Level Governance arrangements. The Trust commissioned an external review of is governance arrangements in order to identify any areas for improvement and action to enhance the design and operating effectiveness of Divisional level governance. The review highlighted a number of areas of good practice and identified four keys areas for improvement. The Trust is developing a detailed action plan to address the gaps identified.

The Trust is able to assure itself of the validity of its Corporate Governance Statement as required under NHS Foundation Trust Licence condition 4 through the following mechanisms that have been deployed during 2015/16:

- the Board has maintained a strong emphasis on quality in its meeting agendas to ensure that quality is the focus of decision making and planning;
- the Board has an executive lead for quality and clear accountability structures are in place for a quality agenda that is integrated into all aspects of the organisation's work;
- the Board carries out visits to wards to meet with staff and patients and gain feedback. The Governors also carried out assurance visits.
- annual workforce planning for clinical and non-clinical staff groups is carried out to ensure that the Trust has in place personnel on the Board, reporting to the Board and within the rest of the organisation, who are sufficient in number and appropriately qualified to ensure compliance with the conditions of the license;
- the Board has driven and overseen delivery of the 2015/16 Operational Plan, demonstrating that the Trust can operate with efficiency, economy and effectiveness;
- the Board has maintained appropriate oversight of regulatory and inspection regimes including that of Monitor, the Care Quality Commission and the HRA and has monitored the management of gaps where any have been identified. The Board encourages close working with regulators and inspectors to ensure that all requirements are met and quality standards are maintained at the highest level;
- the Board Assurance Framework has been regularly reviewed by the Board to ensure focus on the key risks to delivery of the organisation's principal objectives.

The Trust involves it stakeholders in managing risk in the following ways:

- regular reporting to the Council of Governors on quality, finance and performance, with an emphasis on the reporting of risks, current concerns and complaints;
- attendance of Governors at key meetings including Quality Committee, Audit Committee, Finance and Performance Committee and Clinical Governance Committee;
- regular contract meetings with the Trust's principle commissioners to review performance against and risks relating to delivery of the contract;
- consulting with its membership on key strategic direction decisions and any proposed major changes in service delivery;
- regular attendance at and presentations as required to the local Overview and Scrutiny Committee meetings;
- joint working with other local and regional healthcare providers to shape optimum care pathways and mitigate risks.

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

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

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

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 produces detailed annual plans reflecting its service and operational requirements and its financial targets in respect of income and expenditure and capital investments. The plan incorporate the Trust's plan for improving productivity and efficiency in order to minimise income losses, meet the national efficiency targets applied to all NHS providers and fund local investment proposals. Financial plans are approved by the Board, having previously been assessed by the Finance and Performance Committee.

The in-year resource utilisation is monitored by the Board and its committees via detailed reports covering finance, activity, capacity, workforce management and risk.

The Board is provided with assurance on the use of resources through a monthly integrated performance report. The Finance and Performance Committee also undertakes a detailed review on a monthly basis. Reports are submitted to Monitor on a monthly basis from which a financial and governance risk rating is assigned in line with the Risk Assessment Framework. External auditors review the use of resources each year as part of the annual audit programme. Internal audit resources are directed to areas where risk is attached or where issues have been identified. Any concerns on the economy, efficiency and effectiveness of the use of resources are well monitored and addressed in a timely and appropriate manner.

The external auditors have reviewed our use of resources and concluded that: 'we are satisfied that, for two out of three areas (partnership working and informed decision making), the Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016. However, the deteriorating financial position and particularly the increased scale of the forecast deficit for 2016/17 does impact upon the Trust's ability to plan finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.'

The Trust accepts that this is the current position but anticipates that a longer term solution will be provided through the implementation of the Trust's Strategy which includes the Acute Care Vanguard Project, working towards integrated models of care and the Dorset Clinical Services Review.

Information Governance

The Trust has a set of embedded NHS Information Risk Management Guidelines and maintains a full register of key information assets, managed by Information Asset Owners and Information Asset Administrators. Information risk management is regularly reviewed and monitored by the Information Governance Committee, reporting via the Chief Information Officer to both the Senior Information Risk Owner and Caldicott Guardian. An aligned Information Risk and Information Security Policy is also in place to control storage and use of personal information. This includes procedures to safeguard the use of portable devices and access to systems from remote sites.

In terms of events relating to significant losses in the year 2015/16:

- There have been no losses of data from the Trust as a result of electronic systems.
- There have been a small number of losses due to errors and mistakes made with paper information.

There have been two cases of patient information put down and left in public areas in the Trust. No breaches occurred as a result and records were duly returned to their correct and secure locations.

The Trust has no reported level 2 Information Governance incidents during 2015/16.

Annual Quality Report

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

The Trust's Quality Accounts priorities for each year are selected following consultation with the Board, Council of Governors, clinicians and other relevant parties. Priorities that will require implementation over a period of years are carried forward into the following year. The Director of Nursing and Quality is the executive lead for the Quality Accounts and preparation of the Quality Report. The Trust's policies, procedures and clinical guidelines provide a robust foundation for and support the delivery of quality care. All policies, procedures and guidelines are stored on databases that are centrally co-ordinated to ensure the documents are kept up to date and only current versions are available to staff.

Data collected to provide assurance of progress against priorities comes from a range of sources both internal and external. These include clinical audit, the VitalPac system, falls risk assessments, the Global Trigger Tool, performance metrics and national patient and staff surveys. The data is used to provide both the Quality Committee and the Board with quarterly reports on progress against the selected current year Quality Accounts priorities and to identify trends and any issues of concern.

The Trust Quality Report is shared with key stakeholders including the Council of Governors, Dorset CCG, Dorset County Council Health Scrutiny Committee and the Dorset Health and Wellbeing Board, all of whom are invited to comment.

The Quality Report for 2015/16 is subject to External 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 the 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 and the Quality Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust continually seeks to improve the effectiveness of its systems of internal control and put action plans in place to meet any identified shortfalls. The Board agenda concludes with a reflection session on the conduct of each board meeting. The Board reviewed its effectiveness at the end of the year. Reviews of effectiveness have also been undertaken by the Audit Committee, Quality Committee and Finance and Performance Committee. Outcomes of the review of the effectiveness of Board Committees will be reported to the Board through the committee minutes. Board Committees have also reviewed their terms of reference. Trust Board meetings are open to members of the public and Board Committee meetings are attended by nominated Governor observers. The Board reporting cycle ensures that the Board receives regular reports from its Committees, monthly operational reports from Executives, the Assurance Framework and Corporate Risk Register bimonthly and planned reports on business and other operational issues, including compliance.

The governance structure is as follows:

The Board: The powers reserved to the Board are, broadly, regulation and control; strategy; business plans and budgets; risk management; financial and performance reporting and audit arrangements.

Audit Committee: provides assurance to the Board as to the effectiveness of the Trust's systems of governance and control across the full range of the Trust's responsibilities. It reviews the establishment and maintenance of an effective system of integrated governance, risk management, finance, counter-fraud, security management, and internal control across the whole of the organisation's activities, both clinical and non-clinical. It uses the assurance framework, risk register, internal and external audit reports, the work of the Quality Committee and the ability to question the Chief Executive regarding the Annual Governance Statement to support its work. The Committee has undertaken a self-assessment of its effectiveness.

Finance and Performance Committee –provides assurance to the Board and does not replace or remove the requirements for the Board to monitor financial, operational and workforce performance. The Committee provides scrutiny and makes recommendations to the Board to assist in decision-making. Specific areas scrutinised by the Finance and Performance Committee include financial planning, operational performance, workforce, business case assessments and the delivery of efficiency and cost improvement programmes.

Quality Committee – provides assurance that the Trust has an effective framework within which it can work to improve and assure the quality and safety of services it provides in a timely, cost effective way. The Committee assesses reviews and monitors performance, internal control, external validation and assessment, annual reports and plans and national guidance and policy.

My review is further informed by:

- Opinion and reports by Internal Audit, who work to a risk based annual plan with topics that cover governance and risk management, service delivery and performance, financial management and control, human resources, operational and other reviews. The Head of Internal Audit Opinion for 2015/16 was as follows:

  "Significant assurance with minor improvements can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control."

- Opinion and reports from the Trust's External Auditors
- Quarterly performance management reports to Monitor
- Department of Health performance requirements/indicators
- Full compliance with the Care Quality Commission essential standard for quality and safety for all regulated activities across all locations
- The Information Governance Toolkit
- Results of patient and staff surveys
- Investigation reports and action plans following serious incidents
- Council of Governors' reports
- Clinical audit reports.

Conclusion

No significant internal control issues have been identified for the year ended 31 March 2016 and up to the date of approval of the annual report and accounts.

Patricia Miller
Chief Executive
23 May 2016

The Accountability Report was approved by the Board of Directors on 23 May 2016 and signed on its behalf by

Patricia Miller
Chief Executive
23 May 2016

Quality Report

Part 1 – Statement on Quality from the Chief Executive

The vision for Dorset County Hospital Foundation Trust ("The Trust") is Delivering Safe and Compassionate Healthcare to all those who use our services. This means delivering excellent clinical outcomes in a caring, compassionate and safe environment. This Quality Report (also known as the Quality Account) demonstrates the progress made in our quality priority areas in the previous year and also details the areas of work we aim to deliver in the forthcoming year.

Falls, as with many NHS Acute trusts, have remained the highest number of reported incidents. Although the reasons for falls are often complex, we have worked with our staff in all areas of the Trust to ensure that we are able to perform an effective and accurate assessment of the falls risk on admission to hospital. Although we may not always be able to prevent patients from falling, we aim to minimise the risk of harm to any patients that do fall and prevent significant harm. This has been an area of improvement that has been demonstrated in 2015/16. In the Trust, each time harm is caused to a patient an internal scrutiny panel is held to ascertain learning and recommendations to help prevent a reoccurrence. From these scrutiny panels we have been able to adapt the way in which we assess patients' risk of falls to enhance the preventative care that they receive.

Nationally, Sepsis kills 44,000 people annually. International estimates of incidence vary, but consensus points to approximately 300 cases per 100,000 population per annum. As the catchment area of Dorset County Hospital is approximately 210,000 this results in an expected incidence of more than 600 cases of severe sepsis and septic shock annually at our Trust. This has been a significant area of focus within the organisation, raising awareness through posters and campaigns. We were also able to participate in the Wessex Patient Safety Collaborative ensuring that learning was wide-spread and best practice was shared across the various providers and external parties. We, as a Trust, are also in the process of becoming a national pilot site for the UK Sepsis Screening tool and will provide feedback to ensure that others can learn from our findings.

We have continued to make progress on improving the measures included in the National Safety Thermometer. These measures include the prevention of venous thrombosis (blood clots) and catheter associated urinary tract infections. The Trust ended the year reporting 98% harm-free care. Our aim is to always prevent possible harm to our patients and when harm does occur we ensure that we learn from it to improve care to others. The National Safety Thermometer has been a useful tool to enable us to benchmark our care against others and learn from best practice.

We have reviewed the data available on patient safety and quality and in discussion with our partners and stakeholders have agreed the following priorities for 2016/17: (Full explanations of meanings and how they will be measured are detailed in the following section of this report)

- Zero Tolerance to Hospital Acquired Pressure Ulcers
- Improved Mortality Surveillance and Reducing Variation
- Reducing the incidence of Severe Sepsis and managing patients effectively when admitted with this condition
- Implementation of improved discharge processes
- Increase the percentage of Electronic Discharge Summaries sent within 24 hours and meeting the quality requirements agreed with primary care

- Improving Availability and Accessibility of Information to Improving services for patients with Learning Disabilities
- Advanced communication skills for staff supporting those at the End of Life
- Timely and Compassionate Response to Complaints

I would like to take this opportunity to assure you that, as a board, we will continue to ensure that services are developed and improved for the benefit of our patients. On behalf of the Board, I wish to thank both our staff for all their dedication and hard work, and our patients for the invaluable feedback that they provide. Our commitment is to providing a learning environment for our staff where they feel valued and engaged, together with maintaining our close relationship with our patients, working with them to ensure that services are designed with them and for them.

I am pleased to present to you the 2015/16 Quality Report and I look forward, with enthusiasm to the challenges and successes that 2016/17 will bring.

I confirm that to the best of my knowledge the information included in this Quality Report is accurate and reflects the quality improvements made at Dorset County Hospital NHS Foundation Trust.

Patricia Miller
Chief Executive
23 May 2016

Our Approach to Quality

As part of the standards for patient services detailed within the NHS Constitution and the Care Quality Commissions's ("CQC's") fundamental standards of quality and safety, the Trust is committed to the provision of safe, high quality care and achieving a good or outstanding CQC rating.

The Trust has had independent reviews undertaken in 2015 to seek assurance and provide recommendations into each of the domains of the CQC inspection programme. A full action plan has been developed and implemented, with priorities being incorporated into the Trust's Quality Improvement Strategy. A CQC Inspection was undertaken 9-11 March 2016 and the Trust is awaiting the final report. Any further recommendations will be incorporated into the Quality Improvement Strategy for the Trust 2016-2019.

The Trust commissioned an independent review of its governance processes which has highlighted the need for more structured visibility of quality and safety metrics from 'Ward to Board'. The Trust is currently in the process of implementing a mechanism for the display of this data to provide assurance at both divisional and executive level. The data collection has commenced on several of the ward areas.

The Quality Account priorities 2016/17 have been selected by the Trust. These build on the recommendations detailed within the independent reviews as well as reflecting the National and Local commissioning needs and the top risks to quality identified internally.

The National Commisioning for Quality and Innovation schemes ("CQUINs") for this year include the promotion of staff health and well-being, the identification and early treatment of Sepsis and encouraging focus on antimicrobial stewardship.

Following initial discussions with our commissioners, local CQUINs, although not yet finalised, are set to revolve around the effective and safe transfer/discharge of patients, with a second CQUIN focusing on the impact of non-delivery of performance targets on patient care. The specialised CQUINs for the forthcoming year include HIV service specifications to have networked arrangements in adult and paediatric care and assurance that waiting lists/access policies ensure that the principles of the Armed Forces covenant as set out in the NHS constitution are applied.

Currently, in line with the guidance of responsible consultants, as detailed within the Academy of Medical Royal Colleges, all patients are admitted under a named consultant. That consultant is responsible for initial assessment and formulating a treatment plan. If care is better provided by a specialist there is handover both face to face and electronic (vitalPac). The named responsible consultant is recorded on the ward board and is responsible for the overall care during the inpatient stay and provision of the discharge summary in a timely fashion.

Taking all of the above into account, the Trust has identified three overarching Quality Priorities for 2016/17 with underpinning aims grouped into the five domains of the CQC (Caring, Responsive, Well-led, Effective and Safe). These also incorporate the nine Quality Account Priorities agreed for 2016/17.

The Board are continuously reviewing processes and identifying ways in which to strengthen our approach to quality further.

Part 2.1 – Priorities for Improvement

How we chose our Priorities for 2016/17

The Trust has used a variety of methods to agree our quality priorities for 2016/17. To ensure we continue to improve our services and learn as an organisation we have used incident reports and listened to the views of our staff through our executive safety walk rounds. Both the patients and staff friends and family test responses alongside open sessions with the Chief Executive and Executive Directors have also helped to shape the priorities for 2016/17.

Proactive use of patient feedback, to learn from the experiences of our service users, as well as information from national and local patient surveys, is a rich source of data which has helped us to further identify trends and prioritise areas for improvement. In addition, our Governors' undertake assurance visits which provide the Board with a valuable independent view on the services patients receive and an insight from an alternative perspective on any concerns our staff may have.

The priorities have been discussed with our clinical teams as part of service planning and through routine updates on the quality priorities to our Governors, staff and local groups such as Dorset Health Scrutiny Committee, Dorset HealthWatch and Dorset Clinical Commissioning Group. Our commissioners and local GPs have helped us determine our priorities through a range of discussions held throughout the year.

The Trust has made good progress on last year's priorities. However, further improvements can be made and, to that end, some existing priorities will be carried forward as well as additional areas of focus proposed for 2016/17. A number of these areas are required to achieve our CQUIN Programme (Commissioning for Quality and Innovation), the Trust's corporate objectives, and to support the CQC (Care Quality Commission) standards and Trust Strategic Imperatives.

In summary, the Trust has built up its quality priorities for 2016/17, based on the quality recommendations from national reports, commissioner and regulators requirements and its own audit and assessment of the needs of our patients for service development. The Trust Board agreed the nine priorities in March 2016 and details of these priorities are set out below and cover the following three main areas:

- Patient Safety
- Clinical Effectiveness
- Patient Experience

Our Quality Priorities for 2016-17

Patient Safety

Our quality priorities and why we chose them.	What success will look like?	How will we monitor progress?
Zero Tolerance to Hospital Acquired Pressure Ulcers Pressure ulcers cause patients acute discomfort and can prolong their stay in hospital. There has been considerable work done in recent years to reduce the incidence of hospital acquired pressure ulcers. The rationale for keeping this priority into 2016/17 is that we believe further reduction in harm to patients can be achieved.	We will reduce the number of pressure ulcers developed due to a lapse in the care we provide by 10% compared to 2015/16.	Patient Quality, Safety and Experience Reports for Trust Board Risk Management Committee
Improved Mortality Surveillance and Reducing Variation We will develop an effective and proportionate approach to monitoring the mortality ratios of our Trust as part of our established oversight processes. This will ensure that continual learning can take place and that we ensure that our patients receive the care that they need appropriately.	We will ensure that we have robust mechanisms in place for the reviewing of our mortality data and associated coding. We will establish a mortality surveillance group and agree a standardised approach to mortality and morbidity meetings carried out by each specialty team. Hospital Standardised Mortality Rate (HSMR) to return to within expected range	Mortality Surveillance Group Quality Committee
Reducing the incidence of Severe Sepsis and managing patients effectively when admitted with this condition Sepsis is a common and potentially life-threatening condition and is recognised as a significant cause of mortality and morbidity in the NHS. Approximately 70% of patients with sepsis will require treatment in a Critical Care or High Dependency Unit. Consistent recognition and rapid treatment contribute to the number of preventable deaths from Sepsis.	We will increase our Sepsis Screening rates up to 90% and administer antibiotics within 1 hour to those patients who require them.	Risk Management Committee Safety Improvement Committee 'Sign up to Safety' National Pledges 2016/17

Our Quality Priorities for 2016-17

Clinical effectiveness

Our quality priorities and why we chose them	What success will look like	How will we monitor progress?
Implementation of improved discharge processes Discharge from hospital can be a difficult time for many patients, some of which will not be returning to their usual place of residency. Ensuring that effective measures are in place and that the transition is as seamless as possible is important to recovery. We want to work with our commissioner, community providers and other agencies to ensure that our processes, both internally and externally are as efficient as possible	We will reduce the amount of patients who are waiting to be discharged from hospital by having less than 3.5% of our beds occupied with delayed transfers of care. We will reduce the number of complaints and negative responses to the Friends and Family test we receive. We will work with our commissioners to identify and feedback themes from our external partners.	Clinical Commissioning Group Contract Monitoring Meetings/Quarterly Quality Monitoring Meetings Risk Management Committee Friends and family test analysis
Increase the percentage of Electronic Discharge Summaries (EDS) sent within 24 hours and meeting the quality requirements agreed with primary care We recognise that valuable information regarding a patients hospital stay needs to be communicated effectively with our partners in other organisations and patients own GP's. We have heard from our commissioners the difficulties that GP's in particular face when they do not receive this information in a timely fashion in order to enable them to make plans about the future care of their patients back in the community setting	We will increase the percentage of EDS sent within 24 hours to 90% and reduce the number of incidents reported where this does not occur. We will reduce the number of concerns raised by our partners in primary care regarding the quality of information supplied.	Clinical Commissioning Group Contract Monitoring Meetings/Quarterly Quality Monitoring Meetings Risk Management Committee Quality Committee
Improving Availability and Accessibility of Information to Patients Although we provide information to our patients, in reality many patients continue to receive information in formats which they are unable to understand. This includes, but is not limited to, people who are blind or have some visual loss, or people who are deaf or have some hearing loss. We want to ensure that all of our patients, where possible, are able to understand the information that we provide.	We will make changes to policy, procedure, human behaviour and, where applicable, electronic systems which will lead to improved outcomes and experiences for our patients. We will achieve the standards outlined within the National Accessible Information Standard	Friends and Family test analysis Review and analysis of complaints Compliance with the NHS Accessible Information Standard

Our Quality Priorities for 2016-17

Patient experience

Our quality priorities and why we chose them	What success will look like	How will we monitor progress?
Improving services for patients with Learning Disabilities People with learning disabilities can sometimes feel invisible to mainstream health services and health professionals. Hospitals can be a daunting experience for all patients, and even more so when you are not able to understand the process or procedures that are taking place. Our aim is to make our services more welcoming to those patients with a learning disability that need to enter our hospital.	We will implement a learning disability specialist post within the Trust to help us understand how we can improve the services we provide and to make adjustments to our clinical areas where required. We will also provide training and education for our staff to ensure that they are equipped to provide an excellent level of care.	Learning from Patients Committee Monthly Patient Quality, Safety and Experience Reports Review of all patient feedback
Advanced communication skills for staff supporting those at the End of Life End of life is a particularly vulnerable and emotive time for our patients and their relatives. Enabling conversations surrounding preferences, wishes and desires is never more important than at this time. We want to ensure that our staff are as equipped as possible to provide this to our patients and their families.	We will work with the Gold Standards Framework team to deliver a bespoke model of education that suits the needs of our staff in supporting those at the end of life	Participation in the 'Voices' National Audit Review and analysis of complaints
Timely and Compassionate Response to Complaints We believe that when our patients or their families have cause to complain, the response they receive should be both within an agreed timescale and also acknowledge the experience of the patient through their own eyes. We believe that the response should cover all the concerns that are raised, and that our patients/families should have an identified lead who will keep them updated on the progress of any investigation.	We will contact all patients or relatives who make a complaint and agree a timescale in which to work. Our target will be to achieve this agreed timescale on 95% or more occasions	Clinical Commissioning Group Contract Monitoring Meetings/Quarterly Quality Monitoring Meetings Learning from Patients Committee

Progress against Priorities for 2015-16

Patient Safety

Zero Tolerance to Hospital Acquired Pressure Ulcers

What did we set out to achieve?
Pressure ulcers pose a significant risk of harm to patients whether inherited or hospital acquired. Avoidable pressure ulcers are a key indicator of the quality of nursing care. The Pan- Dorset Pressure Ulcer Prevention Strategy was launched in November 2014 with the three Dorset acute trusts working in partnership with Dorset Healthcare University NHS FT (DHUFT) and our commissioners, with the mutual aim of reducing the incidence of pressure damage to patients in both the community and hospital setting. Since its launch, the strategy has been monitored by the trusts and considerable progress made to reduce the incidence of avoidable pressure ulcers prior to admission to hospital and during the patient's hospital stay.

Our priority is to have a zero tolerance for patients developing an avoidable hospital acquired pressure ulcer due to a lapse in care.

What was our rationale for including this priority?
Pressure ulcers cause patients acute discomfort, can prolong their stay in hospital and contribute to other risk factors such as infection. The development of a pressure ulcer in any setting provides the patient with a lifelong risk as the tissue from any healed ulcer will only ever achieve approximately 70% strength of previously undamaged tissue.

What have we done to improve?
In 2015/16 work has continued to reduce the risk of developing pressure ulcers at the Trust through a number of mechanisms:

- The role of the Tissue Viability Nurse (TVN)
- Education
- Prevention strategy
- Treatments
- Pressure ulcer data

The Role of the TVN*:*
The TVN continues to provide a high profile on the wards to support staff in the prevention and management of pressure ulcers. Accurate reporting has become embedded in practice with improved documentation overall. In December/January of 2015/16 evidence from the Trust documentation demonstrated an increase in unstageable heel ulcers. A trial of the 'Devon Foot Protector' raised the profile of the heel as an area vulnerable to skin breakdown.

The trial raised the profile of heels but also demonstrated that the Devon foot protectors were not a 'cure all' to protect heels and prevent heel ulcers. Staff reported that they were unsuitable for patients with swollen legs, or patients who lacked the ability to comply with such equipment. Medical devices have increased the stock of the Repose booty/wedges. The Kennapro gel heel protector is available and staff advised by the TVN that whatever method is available the most important factor is to keep the heels off-loaded.

Education:
Grade II pressure ulcers and above are wounds which require assessment and monitoring. The TVN has held study days throughout the year to educate staff in wound assessment using the TIME framework:

T – Tissue

I -Infection of inflammation

M – Moisture imbalance

E – Edge of wound not advancing

Wound assessment is not as standardised as possible across the Trust. The TVN will audit the SSKIN bundle and wound assessment documentation in 2016.

Timely skin assessment (within 6 hours of admission) and the completion of the SSKIN bundle document provide assurance that the patient's skin is a nursing priority. A 'Stop the Pressure' board game has been purchased by the Trust to assist the TVN with education on the wards.

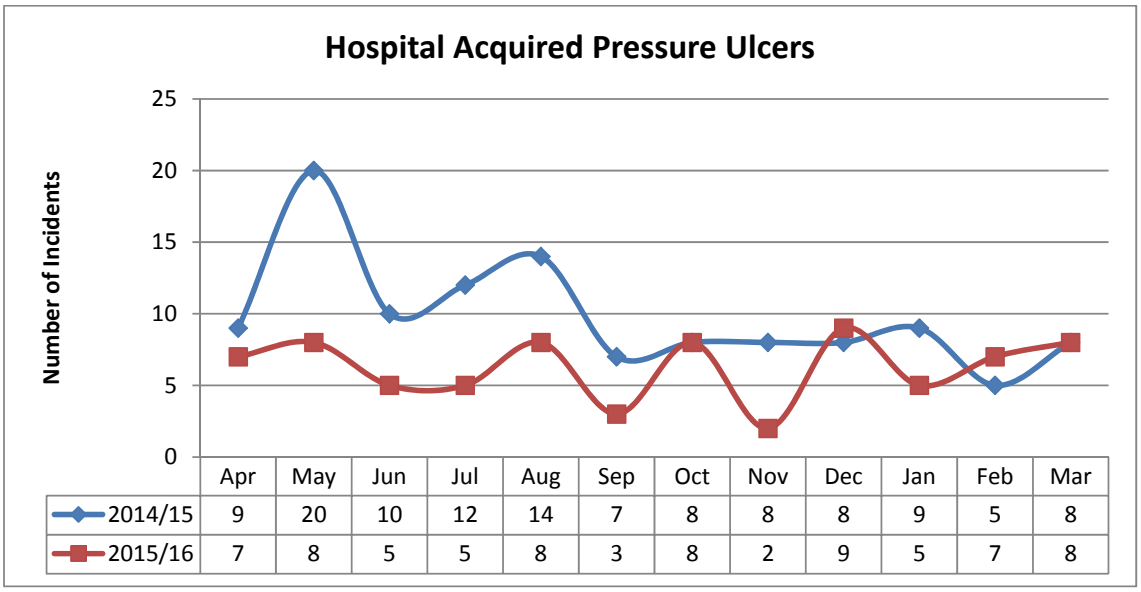
Prevention:
To help prevent pressure ulcers, the Trust has commenced a replacement mattress programme which is on-going with training of Trust staff being provided by the mattress supplier. We have also increased our stock of Repose heel protectors, wedges and seat cusions.

Treatment:
After a series of education events and with the introduction of a simple wound assessment flowchart to the wards, staff at DCHFT have improved knowledge of the Pan-Dorset wound formulary.

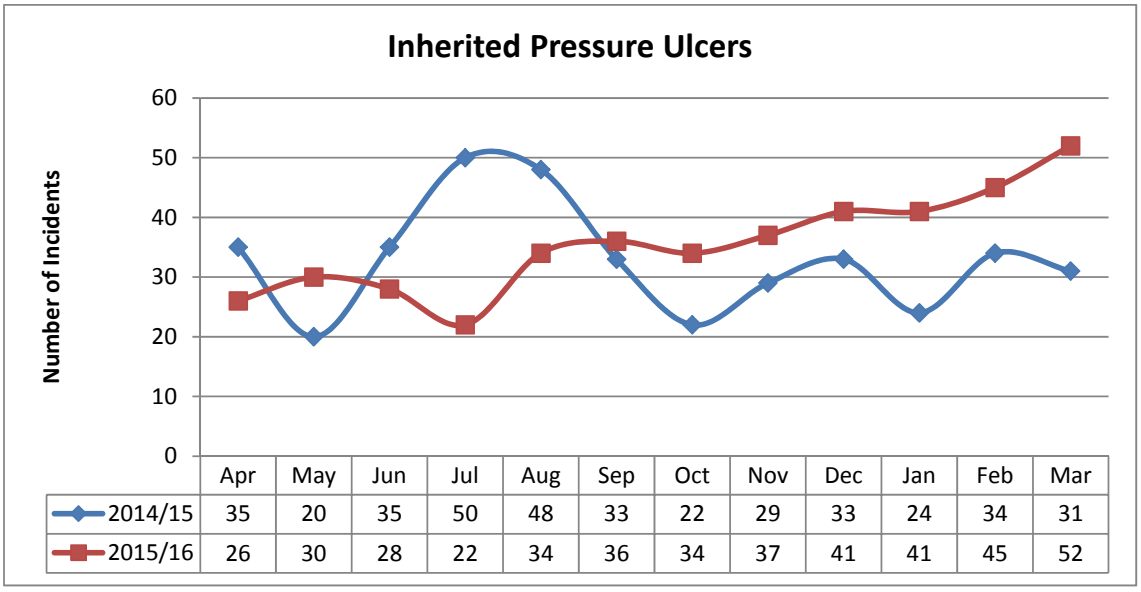
The Pan-Dorset wound formulary is in the process of review and an evaluation of products will take place in the coming months. The TVN will contribute to the process to ensure that patients' requirements at DCHFT are met. A table top evaluation followed by trials of the top five products in each dressing category is pending.

What has this achieved?
Overall, the Trust has seen a decrease in the prevalence of hospital acquired pressure ulcers, and an increase in staff knowledge. Working within the pan-Dorset pressure ulcer prevention strategy group has allowed for greater understanding of the factors affecting patients prior to admission.

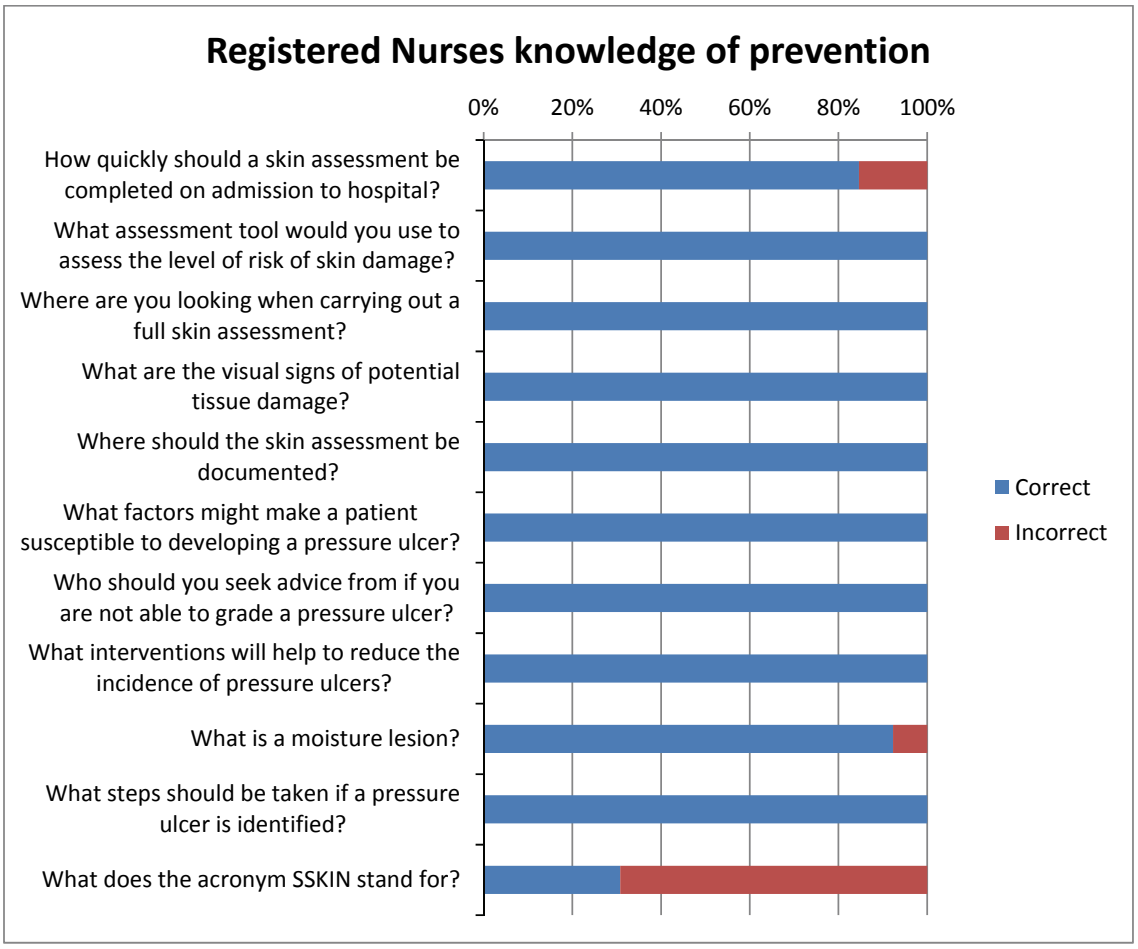
The Trust believes that there is further work that can be performed and this has remained as a quality priority for 2016/17.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2014/15	9	20	10	12	14	7	8	8	8	9	5	8
2015/16	7	8	5	5	8	3	8	2	9	5	7	8



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2014/15	35	20	35	50	48	33	22	29	33	24	34	31
2015/16	26	30	28	22	34	36	34	37	41	41	45	52



Reducing Harm to Patients who Fall in Hospital

What did we set out to achieve?
Falls remain the most commonly recorded patient-related incident in the Trust. Although the reasons for patients falling in hospital are several and it is unlikely that falls could ever be totally prevented, reducing the level of harm that patients experience when they do fall can be improved and lead to better outcomes for patients. We aimed to reduce the number of patients experiencing moderate or severe harm by identifying those at high risk.

What was our rationale for including this priority?
Falls and fall-related injuries are a common and serious problem for older people. People aged 65 and older have the highest risk of falling, with 30% of people older than 65 and 50% of people older than 80 falling at least once a year.

The human cost of falling includes distress, pain, injury, loss of confidence, loss of independence and mortality. Falling also affects the family members and carers of people who fall and therefore the entire consequences of a significant fall can be life-changing and devastating to both patients and their families.

What have we done to improve?

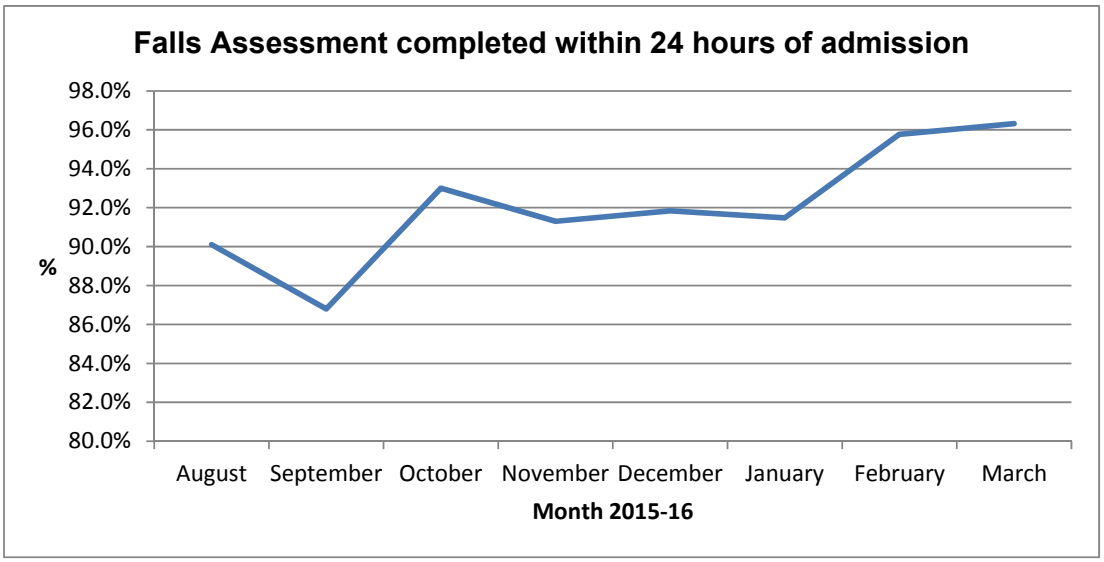
Throughout the year we have been working with our clinical staff, ward leaders and matrons to develop a risk assessment approach to identify those patients at higher risk and then identify actions to implement to further reduce the risk of harm to patients.

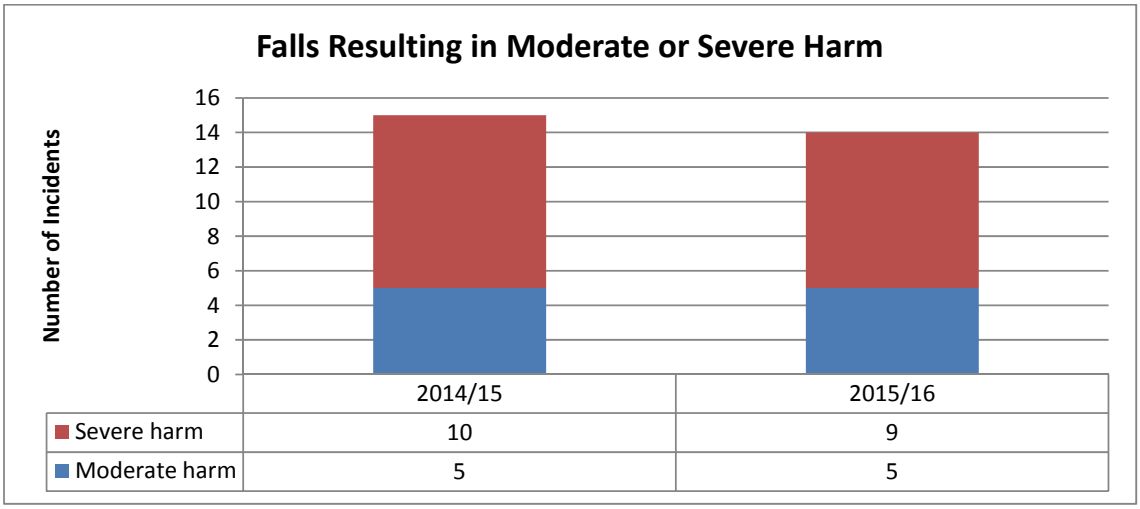
The first National Audit of Inpatient Falls took place in May 2015. The National Report delivered 12 recommendations that the Falls and Bone Health Steering Group have reviewed and incorporated into an action plan, with the aim of completing the actions over the coming year. Actions include a full review of the Multifactorial Falls Risk Assessment to ensure that all elements of current NICE Guidance are embraced. Other actions include closer working with the Dementia and Delirium team, and a robust cycle of audit led by the Matrons, looking at areas such as use of the PACT Assessment in nursing documentation and the recently reviewed Bed Rail Policy.

All falls resulting in moderate or severe harm are subject to a thorough investigation and reviewed at Scrutiny Panel, thus providing assurance to the Trust that all efforts are made to minimise harm to our patients, and that learning points are identified and shared.

What has this achieved?

The risk assessment was successfully introduced into our new Adult Inpatient Record and disseminated across all ward areas in December 2014. An initial audit in January 2015 demonstrated compliance with the new risk assessment to be greater than 85%. Over the course of 2015-16, the compliance rate of completing assessments within 24 hours of admission has risen, and been sustained, as demonstrated below.





Early Recognition of Sepsis:

What did we set out to achieve?
Sepsis kills 44,000 people annually in the United Kingdom (UK Sepsis Trust 2016). International estimates of incidence vary, but consensus points to approximately 300 cases per 100,000 population per annum. (National Centre for Health Statistics, 2011). There are approximately 210,000 people in the Trust's catchment area resulting in an expected incidence of more than 600 cases of severe sepsis and septic shock annually.

The early identification and treatment of sepsis has been demonstrated to reduce mortality from sepsis by 50% (Daniels 2011). Early warning scores have been shown to have a value in indicating the need for Intensive Care Unit (ICU) admission and risk of death (Corfield et al 2013) and a diagnostic value for sepsis diagnosis in Emergency Departments (Keep et al 2015.)

Recording of Sepsis is acknowledged as a complex issue nationally and efforts are being made to review how sepsis is recorded.

What was our rationale for including this priority?
The priority was included as a result of national reports into the management of sepsis (Time to act - Severe sepsis: rapid diagnosis and treatment saves lives', Parliamentary and Health Service Ombudsman Report for World Sepsis Day, 13 Sept 2013) as well as identification and acknowledgement of the issue within the Trust following national and local audit.

What have we done to improve?
Raising awareness of sepsis has been the main focus of the Sepsis Committee's initiatives and has included formal and informal teaching to all grades of clinical staff.

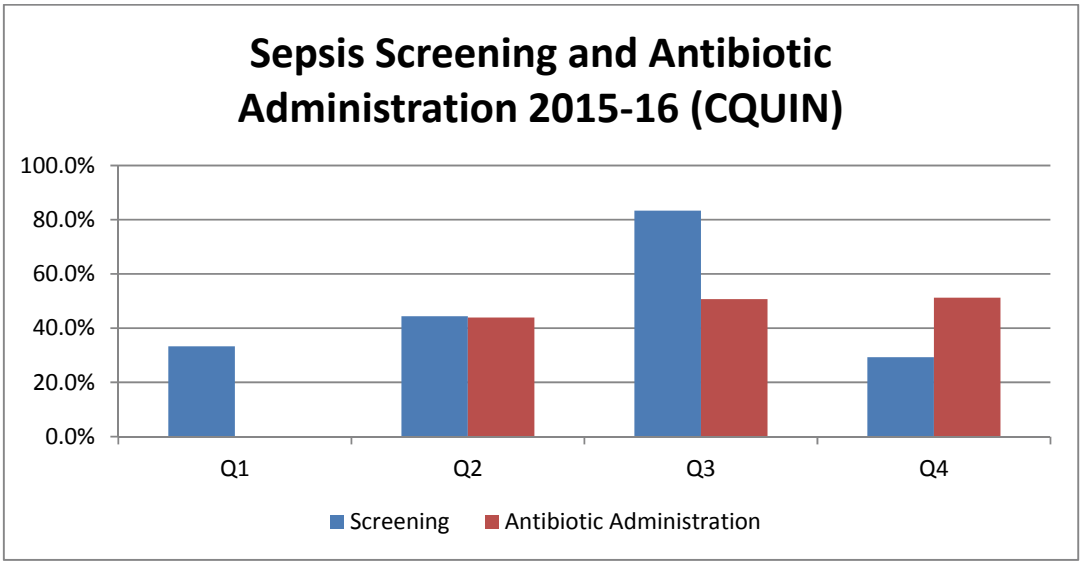
Screening tools have been developed and introduced to areas of the Trust where emergency admissions are accepted and have been subject to Plan, Do, Study, Act (PDSA) cycles in order to assess their effectiveness.

An audit of patients admitted to the Trust's Intensive Care Unit (ICU) with severe sepsis/septic shock is currently underway in order to identify areas of good practice and those areas where we can improve practice.

Patients identified under national codes as having severe sepsis and septic shock are subject to audit to determine the accuracy of diagnosis and improve care following discharge from hospital. Accurate recording of sepsis will ensure costs and revenue collected are balanced.

What has this achieved?

CQUIN data collected, based on screening of patients admitted as emergencies, had demonstrated an improvement overall in screening and treatment although this was not sustained in Q4. The Sepsis Committee have been tasked with identifying why this has not been sustained and what other measures can be put in place to achieve this. This will remain as a Quality Priority for the forthcoming year 2016-2017.



CQUIN 2015-16	Q1	Q2	Q3	Q4
Screening	33.3% (7/21)	44.4% (4/9)	83.3% (125/150)	29.3% (44/150)
Antibiotic Administration	n/a	43.9% (25/57)	50.7% (36/71)	51.2% (22/43)

Clinical effectiveness

Reducing the Number of Patients Discharged at Night (22.00-05.59)

What did we set out to achieve?
The safety of patients, particularly frail elderly and vulnerable adults is of crucial importance to the Trust. Safe discharge planning must always start on admission and involve the patient and their family/representative to ensure that transfers home enable the person to regain their independence and begin recovery, without concern of unnecessarily having to return to hospital.

What was our rationale for including this priority?
Readmission information provided some evidence to suggest that there were a minority of patients who were being discharged overnight, which could increase the risk of readmission.

Older people should only be discharged from hospital with adequate support and with respect for their preferences.

'Safe compassionate care for frail older people using an integrated care pathway' (NHS England, 2014)

What have we done to improve?
Ensuring Estimated Discharge Dates (EDDs) are in place following admission to support earlier discussion with patients and families on plans for discharge.

Improved identification of complex patient discharges through use of the VitalFlo system (patients declared 'medically fit' are marked with green doors) which in turn trigger discharge team processes to check discharge plans for complex/vulnerable patients.

Investigation and ward debrief where patients, over 75, have been re-admitted within 72 hours following discharge at night – where there have been found to be unmitigated risks.

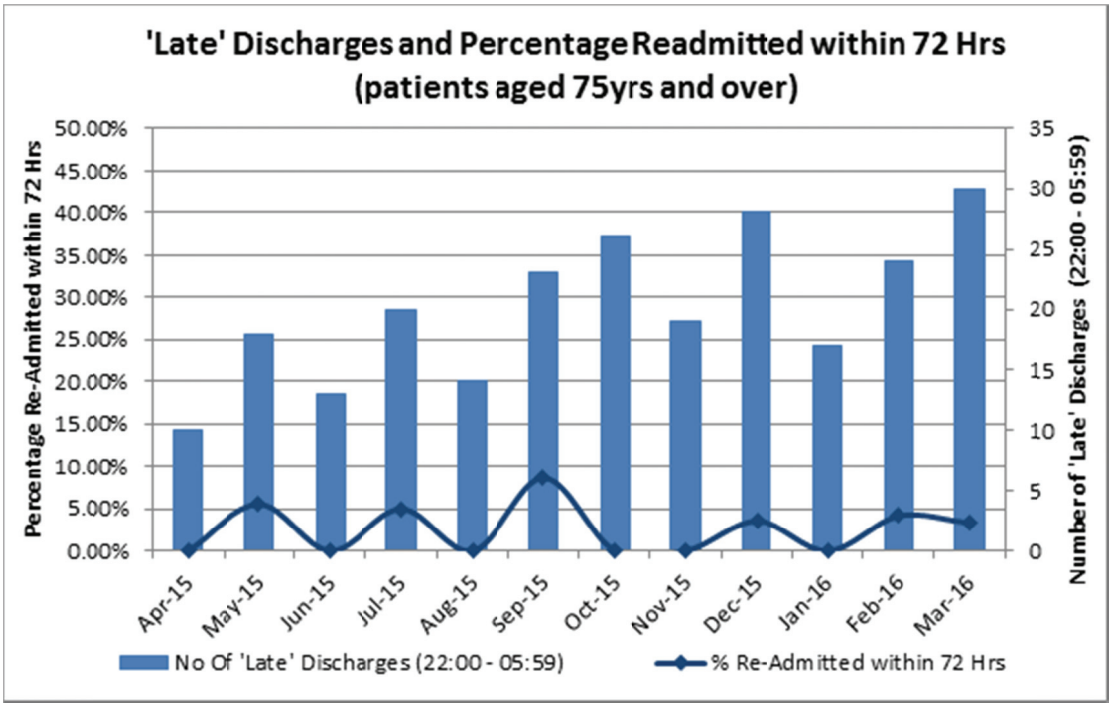
Almost always, patients will choose to leave hospital, preferring to be at home, rather than stay in a ward. This does not necessarily mean that the discharge is unsafe as long as the ward is assured that patients have support at home.

Data quality issues with regard to the maintenance of PAS overnight have been addressed where issues have arisen, this accounts for most of the patients who, on first report are readmitted following discharge at night.

What has this achieved?
Greater awareness of the risks associated with discharge at night.

Improved data quality for discharging patients

Earlier identification of issues through improved processes with VitalFlo.



	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Total
Total 'Late' Discharges (22:00 - 05:59)	10	18	13	20	14	23	26	19	28	17	24	30	242
Readmitted within 72 Hrs	0	1	0	1	0	2	0	0	1	0	1	1	7
% Readmitted within 72 Hrs	0.00%	5.56%	0.00%	5.00%	0.00%	8.70%	0.00%	0.00%	3.57%	0.00%	4.17%	3.33%	2.89%

Increase the Number of Electronic Discharge Summaries (EDS) sent within 24 Hours

What did we set out to achieve?
To encourage medical staff to provide the best quality information to primary care centres within 24 hours of discharge.

What was our rationale for including this priority?
This priority was included as it has been highlighted that, EDSs were not sent out in a timely manner and the quality on some of the EDSs were poor.

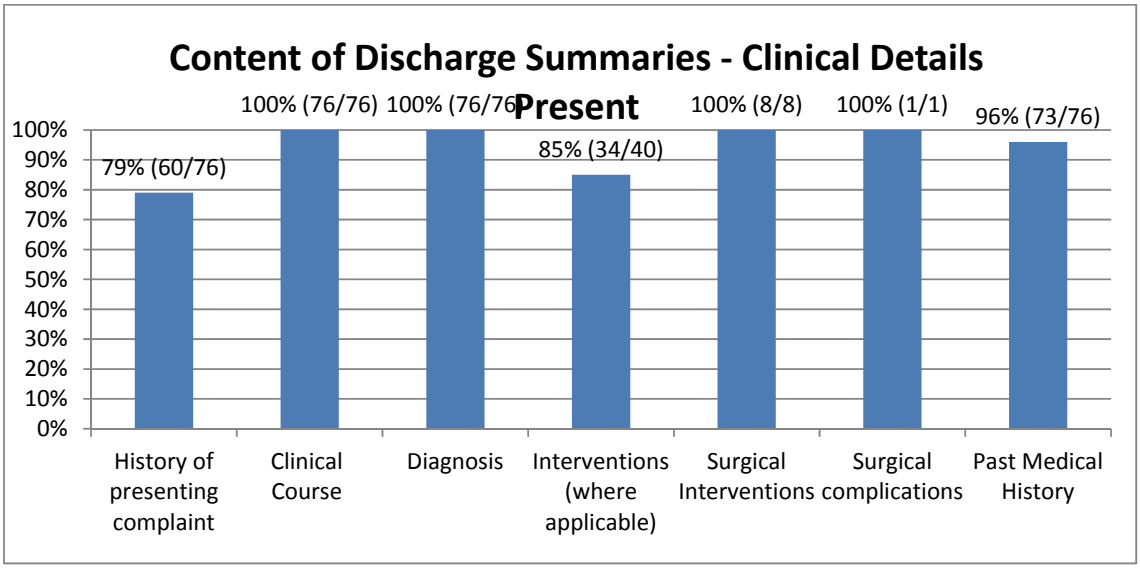
What have we done to improve?
A new EDS system is currently being rolled out and all staff should be fully trained and using the new system by June. This system links up with ICE (Integrated Clinical Environment) and allows information to be transferred making it easier to complete in real time.

Nursing staff are engaged and a trial of nurse led EDS for completion of routine/elective EDSs on Ridgeway Ward and Prince of Wales will be commenced at the end of April.

Audit has been completed by junior doctors on the quality of EDS's. This included auditing against the Royal College Physician guidance on the content of discharge summaries.

What has this achieved?
We expect to see an increase in the percentage of completed EDSs within 24 hours of discharge.

Agree action plan to improve the quality of completed EDSs from the audit (this is to be compiled and agreed by May 2016 based on the results below which demonstrate areas in need of improvement).



Learning from 'Near Miss' Incidents

What did we set out to achieve?
The Trust established that two main areas of improvement were required:

- Improving reporting of Near Miss Events (An incident that could have lead to harm that was either prevented or events caused it not to occur).

  It is important to recognise and report near-miss incidents, ensuring staff are able to identify such occurrences and escalate them accordingly.

- Suitable investigation of Near Miss Events
  Once a near-miss incident is reported, appropriate investigations should take place accordingly to the potential severity of the near miss incident. This means that structured and detailed investigations (such as the type of investigation used for Serious Incidents) is used to review near-misses.

What was our rationale for including this priority?
NHS England (2014) highlights that improving reporting and learning from Near Misses is a key part of the identification themes and trends and assists in proactively managing patient safety. Recognising and addressing issues before harm occurs is clearly preferable to waiting for an incident to occur.

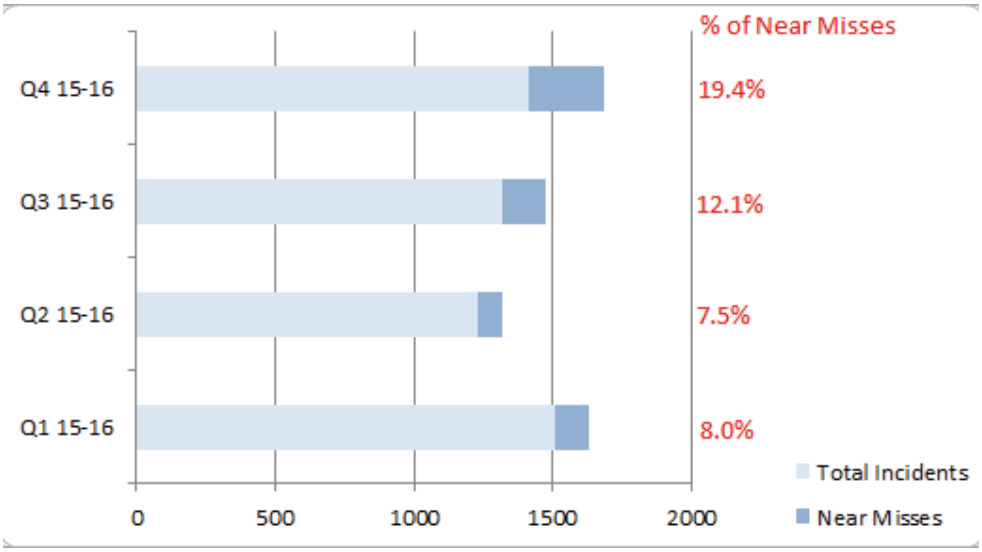
Previous audits have identified that the Trust's level of near-miss reporting has been consistently less than 5% of all incidents reported. By working to increase the level of reporting and identifying the causal factors through appropriate investigations, the frequency and severity of harm is expected to reduce.

What have we done to improve in this area?
The Trust's Risk Management Department are coordinating the work to improve the reporting of Near Misses by staff. This is achieved through education and familiarisation and through challenging verbal reports of Near Misses which have not been reported via the Datix system.

The Pathology Department utilise a Non Conformance system as part of the Quality Management process. Each Non Conformance is reviewed to establish if there are factors relating to other departments or specialities which can be identified and where appropriate a Datix Near Miss report is generated.

All Incidents and Near Misses are reported to all Risk Leads and reviewed at the weekly Risk Leads Group meeting. Through work of this group, particularly the Medicines Safety & Governance Pharmacist, a number of Near Misses have been investigated using the Significant Incidents process. These are concluded with a Scrutiny Panel and lessons learned tracked to completion.

What has been achieved?
Reporting
During 2015/16, there has been a continual increase in the reporting of Near Miss incidents. This has risen from just 2.5% of the total Incidents reported in April 2015 to over 14% in December 2015.



During the year, the number of Pathology Department Non Conformances which triggered a Near Miss report has increased from 1 per month to 5 per month, with the majority relating to the management of blood transfusion.

Investigations
The number of Root Cause Analysis investigations into near-miss incidents has steadily increased during the year and a total of 10 Near Misses have been investigated in this way during 2015/16. When compared to the number of Serious Incident investigations conducted by the Trust, the number of Near Misses which are investigated through root cause analysis investigations represents just over 20% of the total investigations.

The undertaking of these investigations has led to improvements in patient safety within the Trust such as changes to the storage of medicines in two clinical areas. A near-miss prevented wrong-site surgery incident has been investigated and resulted in a review of the WHO (World Health Organisation) checklist used by the Trust, which has further strengthened surgical safety.

Action Tracker
The Trust established actions to assist in the implementation of improvements to near-miss reporting and investigations. These are outlined below.

Issue				
Improving reporting of Near Miss Events				
Resulting Action	**Planned timescale &Progress**	**Person Responsible**	**Outcome**	**Evidence**
Identifying events which are near miss incidents requiring investigation	Ongoing	Head of Risk Management	Induction training Department meetings Preceptorship training Datix training	
Promotion of near miss reporting through attendance at Division Governance Meetings	Ongoing	Head of Risk Management	RMD regularly attend Medicine & Surgery Divisional Governance meetings and subordinated groups	Minutes.
Use of Pathology Non Conformance System to trigger Near Miss reporting	Ongoing	Head of Risk Management	Electronic Non Conformance System used to identify potential Near Misses	Non Conformance System

Issue				
Suitable investigation of Near Miss Events				
Resulting Action	**Planned timescale &Progress**	**Person Responsible**	**Outcome**	**Evidence**
Implementation of Serious Risk Event (SRE) investigation for appropriate events	IN PLACE	Risk Support Coordinator	Significant Investigations undertaken	Serious Risk Event (SRE) Files
Sharing of findings of near miss investigations to reduce potential for a repeat incident	IN PLACE	Risk Support Coordinator	Findings of Significant Investigations shared	Scrutiny Panel outcomes presented to Divisional meetings and Risk Management Committee.

Patient experience

Friends and Family Test

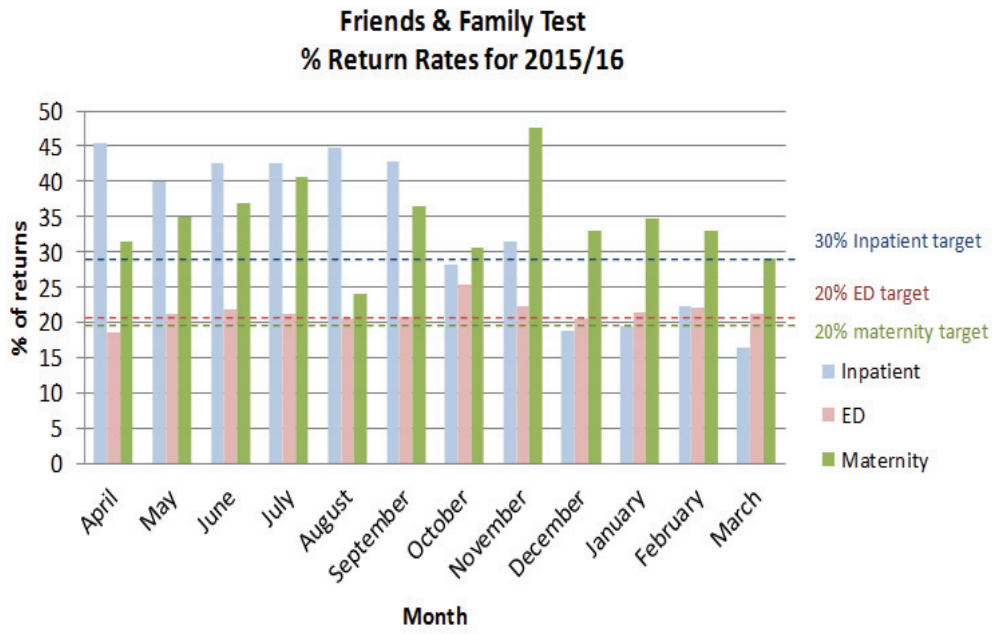
What did we set out to achieve?
The friends and family test was introduced to capture feedback from patients as they left the hospital (within 48 hours) by asking them a simple question:

'How likely are you to recommend our Ward / A & E Department / Maternity Service/ Outpatient Service to friends and family if they needed similar care or treatment?'

30% return rate per month for Inpatient
20% return rate per month Emergency Department
20% return rate per month for Maternity
Roll out across all outpatient services

What was our rationale for including this priority?
The Friends and Family Test (FFT) is a national requirement that must be undertaken in all Adult In-patient wards, Emergency Department and Maternity Services. It was a national mandate to extend it to all Outpatient Services in April 2015. The responses received allow the Trust to monitor and review the services it provides in real time and in relation to providing a positive experience of care.

What have we done to improve?



Feedback from the Friends & Family Test is linked to staff recognition for their outstanding contributions to patient experience and care. Members of staff consistently mentioned in patient comments are given an annual report for their appraisal and revalidation.

What has this achieved?
In March 2016 the Trust was highly commended in the National Friends & Family Test Awards for the Best Initiative. More than 100 entries were shortlisted in the finals of the awards, with the results announced during NHS England's Patient Insight and Feedback Conference in Leeds. Prizes were awarded to five main categories winners and a total of ten runners-up. A further seven entries were highly commended by the judges.

Monthly reports and information are shared with the ward teams using a sample of the comments received (the full narrative is shared if requested). These are displayed on PALS boards throughout the Trust, with service improvement in the form of "you said, we did".

We have developed a sustainable, meaningful and cost-effective method of delivering the Friends and Family Test (FFT) across maternity, inpatients, outpatients and the emergency department, which improves patient experience and engages and inspires staff.

This is an ambitious and innovative approach which links the FFT, National Institute for Health and Care Excellence (NICE) Quality Standard in Adult Patient Experience (NICE QS15), the CQC Outcome Framework, Trust and NHS Constitution Values and staff recognition scheme The WOW! Awards. This links values and standards to frontline behaviours.

We have worked with clinical and administration staff and patients across the Trust using a flexible approach to co-design the most suitable way of delivering the FFT. We have developed a mixed method of capturing FFT feedback which uses text/telephone in the Emergency Department, Maternity and Outpatients and tablets and paper/postcards in the Inpatients.

All feedback (voice messages, texts, paper, postcards, tablet) is captured on the same About Time database.

Every comment is read and coded to the quality standards of NICE QS15, CQC Outcome Statements and the values of the NHS and the Trust. Detailed thematic analysis can be done and cross referenced, using quality standards, departments, staff roles, staff names, rating, experience etc. See diagrams below.

Reports are produced monthly for the teams, quarterly for the Trust's Quality Committee and Board and annually for individuals.

Local and National Leadership
We have delivered credible and visible professional leadership in the Friends & Family Test (FFT) at Trust as well as national level, delivering a regional workshop for NHS England Wessex to share best practice.

We have presented the methodology at national conferences:

- Customer Experience World London 2015
- NICE Conference 2015

Robust Application of the Duty of Candour

What did we set out to achieve?
The Trust aimed to ensure that all cases were identified where the Duty of Candour was judged to have been appropriate. With the introduction of a legal requirement for the Trust, the intention was to raise awareness and to support staff in being able to hold discussions with patients where things had not gone as expected.

What was our rationale for including this priority?
The Duty of Candour became effective in April 2015 and has the intention of ensuring that Healthcare providers are open and transparent with people who use their services. It also set out some specific requirements that providers must follow when things go wrong with care and treatment. Failure to introduce appropiare arrangements exposes the Trust to the risk of prosecution

What have we done to improve in this area?
Raising awareness
The Head of Risk Management delivered a presentation to Team Brief (meeting of Managers and clinical leads) in July 2015 and provided cascade material to be shared amongst clinical teams.

Guidance on this topic has been issued by the General Medical Coucil (GMC) and Royal College of Nursing (RCN). This has been cascaded through the communications processes.

This is being further supported by familiarisation sessions available to all staff. The Investigations Training programme (which provides knowledge and skills to local leadership teams on techniques for learning from investigations) also includes scenarios in relation to conducting initial Duty of Candour discussions with patients and relatives. Following the successful piloting of these training sessions, these will be widely rolled out across the Trust during 2016/17.

Detailed investigation for all Duty of Candour cases
A decision was taken to utilise a Root Cause Analysis investigation approach for all occurrences where the Duty of Candour is considered to have been triggered. This means that there is a structured investigation and final review by a scrutiny panel. All cases where significant harm has been identified during validation and where complaints review has identified a potential duty of candour case have been reviewed as a Root Case Analysis investigation – and reviewed by a Scrutiny Panel.

Capturing Duty of Candour cases from complaints
The Risk Management Department have committed to ensuring that reviews of complaints received within the Trust are undertaken in a timely manner – to identify cases where the Duty of Candour may have been triggered. Additionally, the Risk Management Department have committed to swift validation of all clinical and non-clinical incidents – to ensure that potential cases where the Duty of Candour is triggered are identified quickly.

Strengthening initial Notification of Duty of Candour
Following feedback from other local Trusts who have undergone CQC inspections, a change to the process for Notification Letters being issued as part of the process was implemented. The previous leaflet, supported by the CCG, has been removed and an individualised letter (signed by the Requester of the Root Cause Analysis) has been introduced.

Prompt validation of Incidents to capture Duty of Candour cases
To ensure that the application of Duty of Candour is timely, it is important to ensure that the suspected severity of harm is validated and considered promptly. Validation of Incidents is undertaken every day by the risk management team and the aim is to validate these within a maximum of five calendar days.

What has been achieved?
Raising awareness
Following the Team Brief cascade familiarisation and the sharing of guidance from GMC and NMC, along with national publicity surrounding the Duty of Candour topic, the Trust has seen engagement in relation to Duty of Candour by staff across all specialties.

The preparation for the CQC Inspection of the Trust highlighted positive awareness amongst staff about the Duty of Candour. The mock inspection led by a team from the Trust's internal auditors (KPMG) reported a good level of understanding and awareness of the Duty of Candour amongst staff at all levels.

The Trust Policy relating to "Being Open" has been updated to include the Duty of Candour and is now referred to as the "Being Open and Duty of Candour" policy.

Prompt Validation
The validation and review of Incidents has been achieved in a timely manner through the year and in 2015/16 5462 incidents were confirmed. The majority of incidents (89%) were validated within 2 calendar days of being reported. All incidents were validated within 5 calendar days. Fig1 outlines the duration taken to validate incidents reported, by quarter.

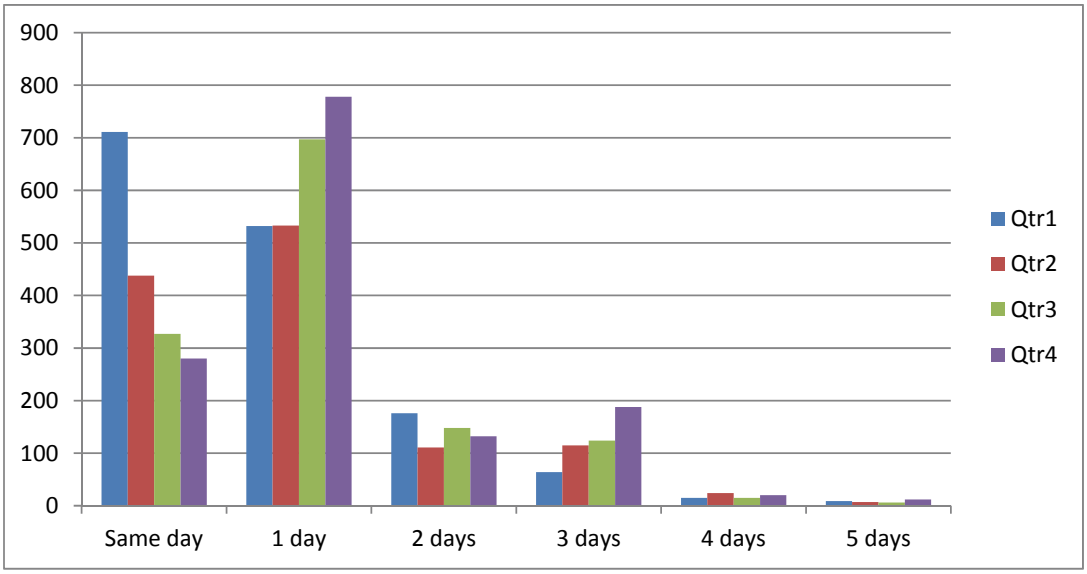


Fig1 Duration taken to validate incidents reported, by quarter

Capturing all cases where the Duty of Candour is triggered
The Duty of Candour is triggered where a patient safety incident leads to moderate harm, severe harm, death or prolonged psychological harm. Through the validation process when incidents are reported and throug the review of cases at a Scrutiny Panel, the Trust is able to identify the level of harm.

All formal complaints were reviewed by the Head of Risk Management, to consider if the Duty of Candour appeared to have been triggered and seven cases where a complaint was made and no corresponding incident report had been submitted were identified as potential Duty of Candour cases. Each of these were transferred to a full Root Cause Analysis investigation and reviewed by a Scrutiny Panel.

The severity of harm allocated when an incident is validated is presented to the Risk Leads Group (RLG) – who receive all reported incidents. 17 incidents which had been validated as low harm were escalated by the RLG for preliminary review – to gather more information to enable a better understanding of the harm to a patient.

A total of 120 incidents were validated as likely Duty of Candour cases (where moderate harm, severe harm or death was the likely severity of harm). This represents 2.2% of all reported incidents. Fig2 outlines the grading of the severity of harm for 2015-16, by quarter.

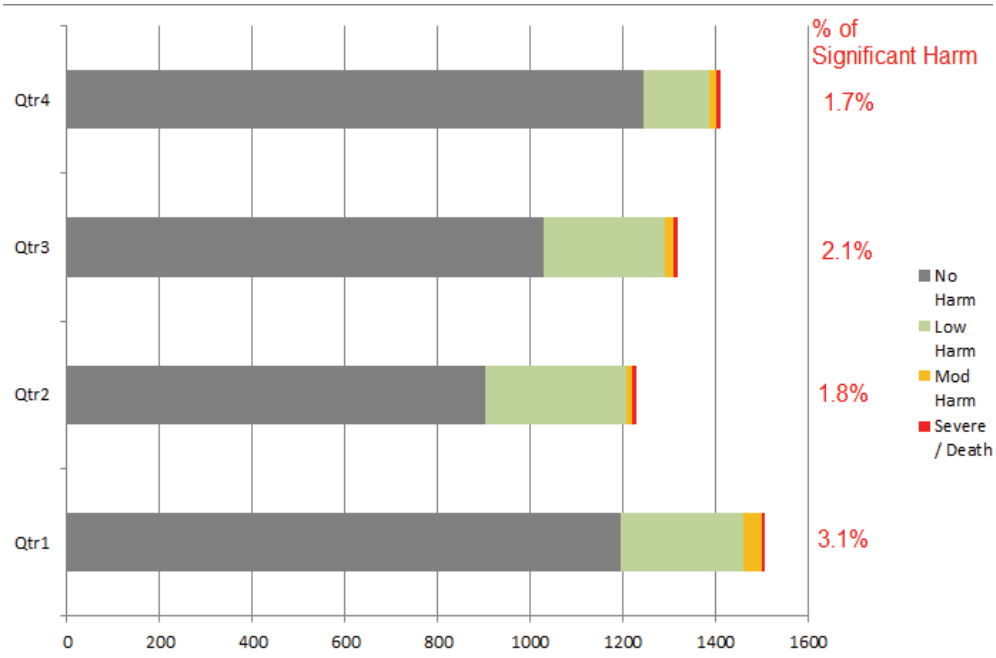


Fig 2. DCH Grading of the severity of harm for 2015-16, by quarter

The National Reporting and Learning System (NRLS) is a tool used by the Department of Health to support organisations in assessing their reporting culture. The Trust is required to submit data to this system and reports are produced on a six monthly basis. The most recently available NRLS data (covering the period Apr-Sep 15) demonstrates that nationally, the number of incidents of significant harm is 3.2 per 1000 bed days. The data for the Trust highlights that significant harm is determined in 2.5 per 1000 bed days. Analysis of the data for Oct 15 – Mar 16 will be undertaken when available.

Fig3 outlines the comparison of the national data showing severity and harm per 1000 bed days, compared with the Trust.

Data from NRLS (covering Apr15 - Sep15)		
Severity of Harm	All Acute Trusts	DCH
No Harm	75.1	74.2
Low Harm	21.7	22.7
Significant Harm	3.2	2.5
	per 1000 bed days	

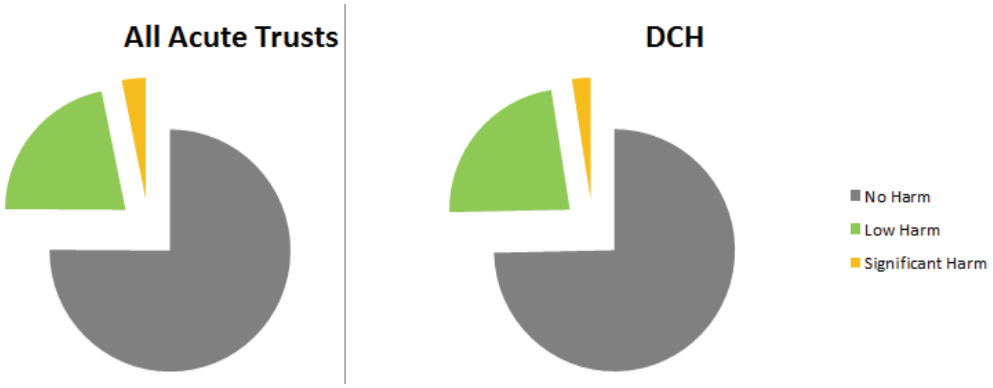


Fig 3 Outline of NRLS Data – Severity of Harm per 1000 bed days: All Acute Trusts v DCH

Action Tracker

The Trust established actions to assist in the implementation of improvements to the robust application of the Duty of Candour. These are outlined below.

Issue	Resulting Action	Planned timescale & Progress	Outcome	Evidence
Raising awareness of the Legal Duty of Candour	Presentation to Team Brief	July 15 *Delayed due to pressure of presentations at Team Brief*	Recognise, React, Inform Presentation COMPLETE	Presentation & Notes
	Issuing guidance via Communications system	May 15	COMPLETE	Comms records
	Sharing of published GMC and RCN guidelines	May 15	COMPLETE	Comms records
	Familiarisation / Learning sessions for front-line staff	Q4 15-16	Pilot sessions completed. *Roll out delayed to Q1 16-17 due to bed state / pressures*	Attendance registers
Capturing all events where the DoC is triggered	Review of outgoing complaints by RMD	Aug-15	ONGOING	Complaint review notes on Datix
	Escalation of likely cases where DoC triggered via Risk Event Validation process	Apr-15	IN PLACE	Significant Risk Event files
	Implementation of SRE investigation for all DoC cases (to ensure thoroughness and scrutiny of investigation)	Aug-15	Agreed with stakeholders IN PLACE	SRE files
Undertaking effective preliminary DoC discussions	Familiarisation / Learning sessions for front-line staff	Q4 15-16	Pilot sessions completed. *Roll out delayed to Q1 16-17 due to bed state / pressures*	Attendance registers
	Risk Manager of the Day available to support local teams	Apr-15	IN PLACE	RMD Records
Ensuring quality and timeliness of DoC process	Review of DoC process	16/07/15	COMPLETE	Revised process – RMD leading on DoC process

Next Steps
The Trust intends to ensure that the timeliness and documentation of discussions with patients and / or their relatives is effective. This will be achieved through monitoring the date and time of discussions and capturing a copy of the record.

Continued training and awareness will be undertaken regarding the Duty of Candour, to ensure that junior staff are fully familiar with the need to escalate incidents, and that those staff tasked with conducting discussions with patients and / or their relatives are confident to do so.

A further review of the severity of harm, by considering the accuracy of grading of no harm and low harm incidents will be undertaken.

Timely and Compassionate Response to Complaints

What did we set out to achieve?
Improve the timeliness of responses to complaints so that complainants are responded to within mutually agreed timescales.

Improve the compassion in the response so that it responds to the emotions of the complainant.

What was our rationale for including this priority?
We believe that when our patients or their families have cause to complain, the response they receive should be within an agreed timescale and acknowledge the experience of the patient through their own eyes. We believe that the response should cover all the concerns that are raised, should not cause any further distress, and that our patients/families should have an identified lead who will keep them updated on the progress of any investigation.

What have we done to improve?
We have reviewed the Trust's Complaints Policy and Standards which includes the standards for the complaints process and agreements of timescales for responding to complaints for non-complex complaints and concerns involving one area. This was approved by the Clinical Governance Committee December 2015.

We have met with Divisions whenever possible (as per Division capacity/resource) on a weekly basis to highlight complaints response times, and complaints in need or urgent response.

We have sent out a weekly report highlighting which complaints and concerns are outstanding and complaint timeframes to Divisions and senior management team, Director of Nursing, Deputy Director of Nursing and Chief Operating Officer.

We have put request for timescales included in complaint email from PALS.

We have process mapped the complaint journey for the development of the Complaints module on Datix.

We participate in a quarterly deep dive review from the Clinical Commissioning Group and action any improvements identified in their report.

The Patient & Public Experience Lead reviews all responses using experience based design methodology to ensure compassion and response to the complainant's emotions.

What is still outstanding?
Complaints module of Datix to be developed and timeliness of complaints to be monitored via complaints module of Datix

What has this achieved?
This is still taking time to embed within the Divisions to have a noticeable effect on improving the response times, however the Divisions report that:

- All complainants now receive a personal telephone call from the relevant Directorate Manager/Service Lead.

- The purpose of the call is to reassure the patient and deal with the matter there and then if possible and to find out whether a written response or meeting is required in the first instance. A short confirmatory letter then is sent as a follow up.

- If the patient wants a full and formal response this is provided and is read and signed by the CEO.

- If this response does not meet the needs of the patient, then the patient is offered a meeting with an appropriate person (usually the Divisional Manager). At this meeting every attempt will be made within reason to meet the patient's needs.

- A follow up letter is then sent after the meeting

In terms of improving services as a result of complaints, our method of "Learning from Complaints" was highly commended by the National Institute for Health and Care Excellence, as a finalist for the national NICE shared learning awards, we presented at the NICE conference 2015.

Feedback from clinicians into the delivery of complaints training and education by the PALS team is very positive, with clinicians reporting that they have changed their practice to deal with complaints more effectively, understand the emotions in complaints and feel confident when dealing with them.

Part 2.2 – Statements of Assurance from the Board of Directors

Review of Services
During 2015/16 the Trust provided and/or sub-contracted 35 relevant health services. The Trust continually reviews the data available to it on the quality of care in these services.

The income generated by the relevant health services reviewed in 2015/16 represents 100% of the total income generated from the provision of relevant health services by the Trust for 2015/16.

Participation in Clinical Audits and National Confidential Enquiries
A clinical audit aims to improve patient care by reviewing services and making changes where necessary. National Confidential Enquiries investigate an area of healthcare and recommend ways to improve it.

During 2015/16 37national clinical audits and 4 national confidential enquiries covered NHS services that the Trust provides. During that period the Trust participated in 94% of national clinical audits and 100% of National Confidential Enquiries which it was eligible to participate in.

Some of the National Bodies do not recommend the use of HES data for example NELA recommend clinical definition as opposed to coding definition to be used to identify cases.

The national clinical audits and national confidential enquiries that the Trust was eligible to participate in during 2015/16 and the extent of its' participation, are set out in the following tables:

National Clinical Audits 2015/16				
Name of audit	**Trust eligible**	**Trust Participation**	**Cases submitted**	**% of registered cases**
Acute Care				
Adult critical care (Case Mix Programme)	✓	✓	741	n/a
Emergency Use of Oxygen	✓	✓	15	100%
Procedural Sedation in Adults (Care in Emergency Departments)	✓	✓	51	100%
National Emergency Laparotomy Audit	✓	✓	150	98%
National Joint Registry	✓	✓	Ankles Hips Knees Shoulders Elbows	100% 70% 70% 100% 66%
VTE Risk in Lower Limb Immobilisation (Care in Emergency Departments)	✓	✓	114	100%
Severe trauma (Trauma Audit & Research Network)	✓	✓	284/315	96%

National Clinical Audits 2015/16				
Name of audit	**Trust eligible**	**Trust Participation**	**Cases submitted**	**% of registered cases**
Blood and transplant				
National Comparative Audit of Blood Transfusion programme	✓	✓	32	100%
Cancer				
Bowel cancer (NBOCAP)	✓	✓	135	100%
Head and neck oncology (DAHNO) *DCH patients submitted via Poole Hospital	×	×	n/a	n/a
Lung cancer (NLCA)	✓	✓	90	100%
National Prostate Cancer	✓	✓	317	100%
Oesophago-gastric cancer (NAOGC)	✓	✓	35	100%
Heart				
Acute coronary syndrome or Acute myocardial infarction (MINAP)	✓	✓	18	n/a
Cardiac Rhythm Management	✓	✓	388	100%
Congenital heart disease (Paediatric/adult cardiac surgery)	×	×	n/a	n/a
Coronary angioplasty (PCI)	✓	✓	290/291	99.65%
National Adult Cardiac Surgery Audit	×	×	n/a	n/a
National Cardiac Arrest Audit	✓	✓	159	100%
National Heart Failure Audit	✓	✓	198	(data entry closes 31.5.16)
National Vascular Registry	✓	✓	AAA's 4 IIB's 20/32 Amputations 13/33	100% 62.5% 39%
Pulmonary Hypertension Audit	×	×	n/a	n/a
Long term conditions				
Diabetes (Adult), includes National Diabetes Inpatient Audit	✓	✓	3904	100%
Diabetes (Paediatric) (NPDA)	✓	✓	98	100%
National Foot Care Audit	✓	✓	66	100%
Inflammatory bowel disease	✓	×	n/a	n/a
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme- Pulmonary Rehabilitation	✓	✓	21	100%
Renal replacement therapy (Renal Registry)	✓	✓	665 (2014 figures)	100%

National Clinical Audits 2015/16				
Name of audit	**Trust eligible**	**Trust Participation**	**Cases submitted**	**% of registered cases**
Rheumatoid and early inflammatory arthritis	✓	×	n/a	n/a
Mental Health				
Prescribing Observatory for Mental Health	×	×	n/a	n/a
Mental Health (Care in the ED)	✓	✓	52/50	100%
Older people				
National Hip Fracture Database	✓	✓	363	100%
Inpatient Falls	✓	✓	9/40	22.5%
Fracture Liaison Service Database	✓	✓	1038	n/a
UK Parkinson's Audit	✓	✓	20	100%
Sentinel Stroke National Audit Programme	✓	✓	390/416 (Feb 2016)	94%
Women and children's health				
National Pregnancy in Diabetes Audit	✓	✓	8	100%
Paediatric Asthma	✓	✓	23	100%
Maternal, Newborn and Infant Clinical Outcome Review Programme	✓	✓	late fetal loss 22-23+6 weeks - 7 stillbirth 24+weeks - 6 early neonatal death 20+weeks - 3	n/a n/a n/a
Vital Signs in Children (care provided in emergency departments)	✓	✓	100 (sample)	100%
Neonatal intensive and special care	✓	✓	261	100%
Paediatric intensive care	×	×	n/a	n/a
Other				
Elective surgery (National PROMs Programme) *provisional data for April-December 2015, released May 2016	✓	✓	Hips 224 Knees 177 Groin Hernia 28 Varicose Veins 45	Hips 92.2% Knees 88.1% Groin (Hernia) 58.3% Varicose Veins 100%

National Clinical Audits 2015/16				
Name of audit	Trust eligible	Trust Participation	Cases submitted	% of registered cases
End of Life care Audit: Dying in Hospital	✓	✓	49	100%

National Confidential Enquiries 2015/16		
Name of enquiry	Cases submitted	% of registered cases
Acute Pancreatitis	4	100%
Physical and Mental Health Care of Mental Health Patients in Acute Hospitals	1 (figures not finalized)	100%
Gastrointestinal Haemorrhage	2	100%
Sepsis	5	100%

* 5 cases submitted but only 2 selected for review.

The reports of 25 national clinical audits were reviewed by the provider in 2015/16 and we intend to take the following actions to improve the quality of healthcare we provide.

Actions arising from National Clinical Audits	
Name of audit	Actions required
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	The Trust has the best door to balloon time for ST elevation MI in the UK. The Trust has the third best call to balloon time in the UK. The Trust is above average in all other fields in this audit except for the number of patients admitted to a cardiac ward. This is because the admitting ward is not coded as cardiac and action needs to be taken to address this
Bowel cancer (NBOCAP)	This Trust had very good outcomes during the reporting period. In particular the 90 day post-operative mortality figures are excellent and there are high rates of procedures performed laparoscopically. From this data there are no areas of concern.
Cardiac Rhythm Management (CRM)	This Trust has good implant rates which are above the UK average for all devices. We have a high percentage for patients who receive physiological pacing. Complication rates were not recorded in this report, but will be in future reports; however, this Trust has no significant complications. The only area which could be improved is entry of data for indication for device.

Actions arising from National Clinical Audits

Name of audit	Actions required
Case Mix Programme (CMP) (ICNARC)	The results of this audit continue to be good. Cases are reviewed by the Critical Care Delivery Group (CCDG) on a quarterly basis
Child health clinical outcome review programme	We fulfil our obligations for data entry to this national dataset. There have been no themed reports from this national report during this year
Diabetes (Paediatric) (NPDA)	Results for this audit continue to be in line with the region and better than national values. There have been some reporting errors including the percentage of patients reaching target cholesterol levels. This means that the report shows no patients achieving all 7 care processes – this is not the case and this has been raised with the national team. An action plan is in place to address high blood pressure readings and to improve the percentage of patients who receive retinopathy screening.
Patient Reported Outcome measures (PROMs) – Hip/Knee	The nominated leads are responsible for review of PROMs outcomes. The Trust is not an outlier in any of the areas measured.
Falls and Fragility Fractures Audit Programme (FFFAP), incorporating National Hip Fracture database (NHFD), National Audit of Inpatient Falls (NAIF), and Fracture Liaison Service Database (FLDS).	NHFD - This Trust continues to have good outcome results particular for length of stay. We scored 'red' for patients returning home within 30 days - this is because a high number of our patients are discharged to Community Hospitals until rehab has been optimised. NAIF – Our sample size was small compared to the audit requirements; therefore we have not been able to benchmark ourselves against other Trusts. An action plan has been developed based on national recommendations. The Falls Steering Group is responsible for follow up of actions.

Actions arising from National Clinical Audits

Name of audit	Actions required
Lung cancer (NLCA)	We have good compliance for: Patients discussed at an MDT (100%); seen by a specialist nurse (92.5%); and % NSCLC having surgery (19.4%) The areas of concern are: % of patients having CT before bronchoscopy (81.4% - should be over 95%); Nurse Specialist present at diagnosis (56.1% - should be 78%); histological diagnosis (71% - should be 77.5%). These results have been reviewed by the MDT. The employment of an associate nurse should improve the % of patients with a Nurse Specialist present at diagnosis. The slightly decreased percentage of patients with a histological diagnosis is explained by our elderly population (with high numbers of co-morbidities)
Major Trauma: The Trauma Audit & Research Network (TARN)	These results are reviewed quarterly by the Major Trauma Review Committee. This shows this Trust to have both the highest data reporting and the best outcomes of all major trauma units in Wessex. Outcome at 30 days shows we have 2.24 additional survivors per 100 patients than would be expected from their injuries. Areas which need improvement are: number of TARN eligible patients who have a trauma call recorded prior to their arrival; only 40% of ISS>15 patients are seen by a consultant in the Emergency Department within the first 5 minutes of arrival; average time to CT is around 1½ -2hrs against a target of 30 mins. Actions are in place to address these issues.
Maternal, Newborn and Infant Clinical Outcome Review Programme (MBRRACE-UK)	Publications from this project are reviewed by the Maternity Forum.
Medical and Surgical Clinical Outcome Review Programme, National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	Reports published this year: **GI Haemorrhage: Time to get control** – the NCEPOD self-assessment pro-forma for this study has highlighted the difficulty in delivering this service due to manpower issues **Just Say Sepsis** – This report has been reviewed by the sepsis steering group. Work is underway to improve sepsis management at this Trust

Actions arising from National Clinical Audits

Name of audit	Actions required
National Cardiac Arrest Audit (NCAA)	To communicate the learning points from compliance monitoring amongst the medical staff. The use of the cardiac arrest statistics to target training and improve management of deteriorating patients has been implemented.
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Issues with coding have been raised, which means the report does not accurately reflect our activity. This is being addressed. The Trust has a low number of WTE Consultant Staff for the clinical workload. A new Consultant has since been appointed. A smoking cessation programme was not in place at the time of the report – this has been raised with Public Health Dorset. The Pulmonary Rehabilitation report has been reviewed by the rehab team. Most standards are met for: acceptance onto programmes; programme structure and content; education and patient information; and record keeping. Areas of concern are around resources and staffing – we have levels of 0.85 WTE compared with a national range of 1.5-4.94. The team are reviewing clinic templates to accommodate post hospital discharge referrals and standard operating procedures are to be developed
National Comparative Audit of Blood Transfusion programme	There were only had 5 patients in this audit rendering results difficult to interpret. This report has been reviewed by the Transfusion Committee. This committee is responsible for action planning and follow up of actions

Actions arising from National Clinical Audits

Name of audit	Actions required
National Emergency Laparotomy Audit (NELA)	Data collection and risk scoring prior to emergency laparotomy as areas of good practice (>80%). Score average (50-79%) for: Consultant presence in theatre; time from decision to operate to arrive in theatre; time to first antibiotics (should be <4 hrs); access to critical care for all patients Our areas of concerns (<49%) are: patients seen within 12 hours of admission by consultant surgeon; patients over 70 seen by Care of Elderly Physician (nationally results are poor). DCH do not have access to this service.
National Heart Failure Audit	Data entry for this audit continues to be problematic. This was escalated to the Clinical Governance Committee in Nov 2015. The main issue is that only 50% of patients eligible for audit are cardiology patients, yet cardiology are tasked with data collection and data entry for all patients.
National Joint Registry (NJR)	As a registry of joint replacements which aims to identify substandard hardware, there are no standards against which to measure this Trust. However, our data entry to the registry and revision rates remain within national ranges
National Prostate Cancer Audit	The initial report simply benchmarked our services against other trusts. Year two has focused on collection and submission of accurate data.
National Vascular Registry (NVR)	The results of the NVR for the Trust are that our mortality and morbidity is in line or better than national averages. The Trust does less operating than the minimum required to be an arterial centre, the mitigation for this is that we are part of a modern clinical network involving a centralised emergency service with overarching clinical and governance support from the network for activity on the DCH site. The Trust is working with it partners to ensure a safe transition to a fully centralised service
Oesophago-gastric cancer (NAOGC)	The local action plan suggested in this report has been reviewed by the Obstetrics-Gynae MDT. This national report does not give Trust level mortality rates for the Trust, as all resections are carried out at the Specialist Centre (Bournemouth).

Actions arising from National Clinical Audits

Name of audit	Actions required
Renal replacement therapy (Renal Registry)	This Trust continues to upload data to this registry. A report is expected later this year. A comprehensive renal audit programme is run by the renal team
Rheumatoid and Early Inflammatory Arthritis	Rheumatology services are being reviewed. Until this issue is resolved we will be unable to participate in this NCAPOP audit
Sentinel Stroke National Audit Programme (SSNAP)	Reports of performance at this Trust against the 10 domains of care are published quarterly. These reports are reviewed by the Stroke Steering Group. This group is responsible for action planning and follow up of actions.
UK Cystic Fibrosis Registry	This report summarises data from a national database (there is no measurement of local performance against agreed standards). There is some region level data and our regional centre (Southampton) circulates local level data. We only have a few patients but the Trust compares favourably with other regions

The reports of 111 local clinical audits were reviewed by the Trust in 2015/16 and we intend to take the following actions to improve the quality of healthcare we provide. This is a sample of the actions taken from these audits.

Actions arising from Local Clinical Audits

Name of audit	Findings	Outcome
3654 – Administration of missed dose	This monthly rolling audit shows that 19.3% of all prescribed doses are not administered and that 10.6% of missed doses were of critical medicines.	There is an ongoing improvement project monitored by the Medicines Safety and Governance Committee
3587 – An audit of the number of prescriptions where pharmacy had to intervene to correct drug or dosage	This snapshot audit showed 5.3% of prescriptions contained errors. Most errors were made by FY1 and FY2's. Only 3.7% of these errors may have caused low harm and none would have caused moderate or severe harm.	This report has been reviewed by the Medicines Safety and Governance Committee. Learning from these incidents has been shared with the pharmacy team and FY1 prescribers. Clinicians are encouraged to report medication incidents using the Trusts on-line reporting system. This area will be re-audited annually

Actions arising from Local Clinical Audits

Name of audit	Findings	Outcome
3656 – Urinary catheter documentation audit	This area has been audited 5 times since 2013, the latest audit being carried out in Nov 2015. There has been significant improvement around our documentation of insertion and review of urinary catheters over this time. The only area where we do not now meet 100% compliance is using the appropriate monitoring form to monitor the pathway	We are investigating whether the catheter pathway form can be incorporated into VitalPACS
3351 – Assessing the Effectiveness of Radiology Alerts	This audit was carried out prior to the implementation of Communicator our radiology report tracking system. It found that >90% of images were reported on within a week of the image being taken and >85% of findings were noted in the medical notes. 30% of reports led to an additional appointment as a result of positive findings. However, it highlighted that there was not a robust auditable trail for radiology results	Communicator has now gone live and provides a much more robust system of follow up of radiology results. This will be re-audited again in May 2016
3566 – Is pain recognised and adequately treated on elderly care wards?	This audit highlights that ward staff may not be adequately trained in recognising non-verbal pain signs in elderly patients and that adequate analgesia may not be given to enable them to participate in therapy.	The results have been shared with the Elderly Care consultants. Education sessions have been put in place for ward staff
3256 - Annual inpatient Malnutrition Universal Screening Tool (MUST) audit	This snapshot audit carried out in June/July 2015 showed overall improvements in MUST screening on admission and accuracy of MUST scores this year. However this varies across wards. Only 52% of patients had their weight actually measured and their MUST score reviewed	MUST tool to be integrated into VitalPAC

Actions arising from Local Clinical Audits

Name of audit	Findings	Outcome
3384 – Audit of Guidelines for the Last Offices for Adults	This audit was carried out in response to a number of issues concerning transfer of the deceased patient to the mortuary which were raised through Datix. The audit showed that we did not meet the expected standards as outlined in the Trust Guidelines for Last Offices for Adults in all areas.	Update policy and provide staff awareness sessions to improve practice. Re-audit spring 2016.
2389 – Re-audit of 3rd and 4th degree perineal tears	This re-audit shows improvement in management and documentation of difficult perineal tears.	Risk reporting of these tears remains poor (20%) and further work is being done to improve this, including staff awareness
Re-audit of emergency caesarean sections	This re-audit provides reassurance that emergency caesarean sections are on the whole justified and have been managed appropriately.	Monitoring of caesarean section rates continues to be carried out and actions taken to keep the rate of emergency caesarean sections down
3244 – Deliberate Self Harm in Children & Young People in West Dorset	This audit reassures us that NICE guidelines are being followed for assessment and monitoring of children and young people who have self-harmed. An area for improvement is the recording of a comprehensive social history in all cases and staff have been reminded of the importance of this	The results have been shared with CAMHS so that there is more comprehensive and holistic picture of the management of self-harm in West Dorset. This will aid commissioning and planning of service delivery. The results have also been shared with the Local Safeguarding Children Boards. We have also reviewed management of self-harm nationally to explore whether there is an alternative to inpatient care for some of these children

Actions arising from Local Clinical Audits

Name of audit	Findings	Outcome
3272 – Triage in the Emergency Department and 3693 – A re-audit of Triage in the Emergency Department	The initial audit showed that we are failing to meet the target of triage of patients within 15 minutes of arrival. This varies according to the time of day and also the nurse carrying out triage. Pain scores are not always being recorded and a complete set of observations are not always being carried out. The re-audit showed improvements in some areas, but others had worsened	As a result of this audit there is a clearer definition of the tasks that should be carried out at triage. Triage staff are being educated. A re-audit is planned.
3123 – Weight measurement in ED prior to Stroke thrombolysis	This audit found that only 64% of patients attending ED requiring thrombolysis for stroke were actually weighed and therefore only 51% received the correct dose	This has been placed on the Trusts risk register. Scales which will allow patients to be weighed on a trolley have been identified and a procurement process is being followed.
2942 – A re-audit of Acute Management of Potential Neutropenic Sepsis on presentation at DCH	This 4th cycle of this audit (where previous cycles have seen an improvement of patients receiving antibiotics within one hour of arrival in ED from 17 to 83%) provides reassurance that the improvements are being maintained	This area will continue to be monitored and is in line with the priorities identified within the Sepsis Committee.
3464 – Acute kidney injury	This audit showed that only 74% of patients had acute kidney injury identified and only 31% of had urine output measured	Teaching sessions have been organised to increase awareness of acute kidney injury and guidelines for correct management
3357 – Patient Satisfaction with the Endoscopy Service 2015	This survey of patient satisfaction with the endoscopy service forms part of the evidence the unit needs for JAG accreditation. This survey echoed the consistently good results from the last 4 years. There has been a 5% increase in patient reporting pain and discomfort and this may be due to less use of sedation	Actions are in place to improve communications with patients and their carers during their visit

Actions arising from Local Clinical Audits

Name of audit	Findings	Outcome
3286 – Audit of the pregnancy status in female emergency surgical admissions and 3650 – A re-audit of the pregnancy status in female emergency surgical admissions	The initial audit showed only 38% of women of child bearing age had their pregnancy status recorded when admitted under our General Surgeons. In the re-audit, following the introduction of an aide memoir on the surgical admissions proforma, 64% of women now had pregnancy status recorded.	Formal inclusion of a pregnancy status aid memoire into the surgical admissions proforma is now planned.
3415 – Clinician introduction in Orthopaedic outpatients	This simple audit followed on the back of Dr Kate Granger's 'Hello my name is …' campaign. In an initial audit only 96% of patients remembered the doctor introducing themselves. After raising the importance of doing so 100% of patients were aware of the name of the doctor they saw. The consultants were slightly better than the registrars at also telling patients their job title	Clinicians introducing themselves to patients humanises medical care. This audit should be repeated in areas of poor patient satisfaction
3303 – Timeliness of response from colorectal cancer telephone helpline	This audit confirms that the 97% of calls are returned within our standard of 2 working days	This audit will be repeated annually to ensure continued timeliness of response
3429 – Evaluating the efficacy of postoperative pain and postoperative nausea and vomiting (PONV) in day surgery patients	This audit found high pain scores in 11.3% of patients in day case recovery and 25% of patients on the ward. No regular assessment and documentation was being carried out on the ward. Certain surgeries were associated with higher pain scores. PONV was 14.7%	Work is being done to standardise pain evaluation and improve the quality of pain management. A new protocol has been developed for recovery and perioperative analgesia. A re-audit is planned
3250 - Baseline assessment tool for NICE guideline on Intravenous fluid therapy in adults in hospital (CG174)	This audit found that patients rarely have an Intravenous (IV) fluid management plan written in their notes. The patients do not receive the recommended volume or electrolyte supplementation, according to the NICE Clinical Guideline 174	An IV Fluids (Adults) Working party has been set up to consider education, new guidelines and improving electronic prescribing. Change culture on ward rounds to review IV fluid plan at every ward round.

Actions arising from Local Clinical Audits		
Name of audit	**Findings**	**Outcome**
3669 – Do Not Attempt Resuscitation (DNAR) compliance audit and 3786 – A re-audit of DNAR compliance	The initial audit highlighted concerns with clear documentation of the DNAR status, ratification of the decision by a consultant within 48 hours and discussion of the decision with family. The re-audit showed improvement in most areas, but ratification by a consultant within 48 hours continues to be an issue	The results of this audit have been reviewed by the Resuscitation committee. This issue has been highlighted to all Consultants, Registrars and ward staff. The importance of good documentation is emphasised at annual training. Re-audit is planned within a short timeframe
3580 – Independent audit of hand hygiene standards	This independent audit shows a discrepancy in self-reported audit results and independent measuring. Only 78% of beds have available hand gel. Only 76% of observations of hand hygiene were compliant with the Trusts Hang Hygiene policy	The results of this audit have been reviewed by the Trust's Infection Prevention Committee and escalated to the Trust's Clinical Governance Committee. Action plans are in place and a re-audit is planned

Participation in Clinical Research

Over 5000 patients were screened for research projects in 2015/16 and 1055 were actually recruited to a total of 98 different research projects. A further 75 projects are closed to patient recruitment but with patients still being followed up and monitored. 25 new projects were opened during the year and 16 new projects are currently being set up. All of the projects have been approved by a Research Ethics Committee. Over 200 Trust staff are actively involved in supporting research.

We continue to deliver excellent recruitment figures for trials.

- The Trust was the highest recruiting site in the UK for the Abbvie-217 study. This is a global study investigating a new drug for treating colorectal cancer. The Trust achieved this success against competition from many of the UK's large teaching hospitals.

- We delivered excellent levels of recruitment for the HARP 111 study: a trial for patients with chronic kidney disease. Of 20 sites open in the UK we screened more patients than any other site and the only site that was ahead of us in recruitment was the research sponsor; a major UK medical school.

- 519 patients were recruited to the POEM study. This was an evaluation of pain management in patients who present with a long bone fracture or dislocation.

Strong progress has been made in developing and improving our quality systems and we are seeing an increase in the number of trials we are being offered from Medical Schools, Medical Device companies and pharmaceutical companies wishing to include us in their research plans.

There is still scope to develop research at the Trust and the Research Team have been working hard with clinical departments to help their increase their research activity.

Commissioning for Quality and Innovation (CQUIN) performance

A proportion of the income that the Trust receives each year is conditional on achieving quality improvement and innovation goals agreed between the Trust and the NHS bodies that commission services from us. This system is called the Commissioning for Quality and Innovation (CQUIN) payment framework.

In 2015/16, 2.12% of our clinical income depended on achieving these goals. This equated to £3.077 million of income, and we secured all £3.077 million of this (2014/15: £3.1 million, 2.15% of our clinical income).

Registration with the Care Quality Commission

The Trust's current CCQ status is registered in full without conditions. The Trust received an inspection in March 2016 and the final report has not yet been received. In line with the detailed requirements for the Quality Report 2015/16, the Trust has submitted its current self-assessment against the 5 domains for each core service.

	Safe	Effective	Caring	Responsive	Well-led
Urgent and emergency services	Requires Improvement	Requires Improvement	Good	Requires Improvement	Requires Improvement
Medical care (including older people's care)	Requires Improvement	Requires Improvement	Good	Requires Improvement	Requires Improvement
Surgery	Good	Requires Improvement	Good	Requires Improvement	Good
Critical care	Requires Improvement	Good	Good	Good	Good

Maternity and gynaecology	**Requires Improvement**	**Requires Improvement**	**Good**	**Good**	**Good**
Services for children and young people	**Requires Improvement**	**Requires Improvement**	**Good**	**Requires Improvement**	**Requires Improvement**
End of life care	**Requires Improvement**	**Requires Improvement**	**Good**	**Requires Improvement**	**Good**
Outpatients and diagnostic imaging	**Requires Improvement**	**Good**	**Good**	**Requires Improvement**	**Requires Improvement**

Data Quality

Accurate data is vital to the decision making processes of any organisation. It forms the basis for meaningful planning and it is crucial that the data we capture about patients is accurate. NHS managers and clinicians are dependent upon good quality information to ensure effective delivery of patient care.

The Secondary Uses Service (SUS) provides a single source of comprehensive data to enable a range of reporting and analysis of healthcare in the UK. SUS is run by the NHS Information Centre. The Trust submitted records during 2015/16 to the Secondary Uses Service for inclusion in the Hospital Episode Statistics which are included in the latest published data.

National research has identified that improving the quality of the NHS number data has a direct impact on improving clinical safety. The percentage of records in the published data which included the patient's valid NHS number was:

	Trust 2012/13	Trust 2013/14	Trust 2014/15	Trust 2015/16*	National average*
Admitted patient care	99.9%	99.9%	99.9%	99.9%	99.2%
Outpatient care	99.9%	100.0%	99.9%	100.0%	99.4%
Accident and emergency care	99.1%	99.3%	99.3%	99.2%	95.6%

**April 2015 - February 2016*

The Trust will be taking the following action to improve data quality: Challenge current practice and innovate data collection through the adoption of automated processes and mobile technology.

A General Medical Practice Code is essential to enable the transfer of clinical information about the patient from a Trust to the patient's GP. The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

	Trust 2012/13	Trust 2013/14	Trust 2014/15	Trust 2015/16*	National average*
Admitted patient care	100%	100%	100%	99.9%	99.9%
Out-patient care	100%	100%	100%	99.9%	99.8%
Accident and emergency care	100%	100%	100%	99.5%	99.0%

**April 2015 - February 2016*

Information Governance Toolkit

Information Governance are the controls and procedures in place to regulate, safeguard and oversee the use of patient, staff and corporate information in line with relevant legislation and common law duties. The Information Governance Toolkit is an annual self-assessment, supplied by the Department of Health, which supports and assesses the effectiveness of those controls and procedures within the Trust, ensuring the correct management of confidential data.

The Trust's Information Governance Toolkit score for 2015/2016 is 92% (2014/2015; 89%). The target score, as set by the Department of Health is 80% and the Trust has therefore exceeded the DoH target and been graded green.

Clinical Coding Error Rate

Clinical Coding is "the translation of medical terminology as written by the clinician to describe a patient's complaint, problem, diagnosis, treatment, into a coded format" which is nationally and internationally recognised.

The Trust was not subject to a Payment by Results clinical coding audit during 2015/16.

Part 2.3 – Reporting Against Core Indicators

Mortality Rate

The Trust considers that this data is as described. The Trust has taken the following action to improve this data and so the quality of its services by undertaking regular mortality reviews with the clinical teams. The Summary Hospital-level Mortality Indicator (SHMI) reports on mortality at Trust level across the NHS in England. This indicator is produced and published quarterly as an official statistic by the Health and Social Care Information Centre (HSCIC). SHMI is the ratio between the actual number of patients who die following hospitalisation at the Trust and the number that would be expected to die on the basis of average England figures, given the characteristics of the patients treated there.

It covers all deaths reported of patients who were admitted to non-specialist acute trusts in England and either die while in hospital or within 30 days of discharge. The expected number of deaths is calculated from statistical models derived to estimate the risk of mortality based on the characteristics of the patients (including the condition the patient is in hospital for, other underlying conditions the patient suffers from, age, gender and method of admission to hospital).

Data is published for a rolling one-year period, six months in arrears. At the time of writing this report, the latest data available is October 2014 to September 2015 (reported against Q4). A lower score indicates better performance. In addition to individual scores, trusts are categorised into one of three bandings: 1 (SHMI higher than expected); 2 (SHMI as expected); 3 (SHMI lower than expected).

Summary Hospital-level Mortality Indicator	Banding	2015/16 Q1	Q2	Q3	Q4
Dorset County Hospital	1	1.08	1.10	1.12	1.13

For the period October 2014 to September 2015

- 66.55% of deaths occurred in hospital
- 33.45% of deaths occurred outside of hospital
- 0.58% of elective admissions resulted in a death *
- 4.33% of non-elective admissions *

* Death occurred either in-hospital or within 30 days of being discharged; cause of death may not necessarily be related to the original admission.

% of patient deaths with palliative care coded at either diagnosis or speciality level	2012/13	2013/14	2014/15	2015/16
Dorset County Hospital	8.6%	11.5%	15.6%	14.7%

The Trust commissioned an external review of mortality reporting and received the report in February 2016. The external reviewers identified a number of recommendations which includes improvements to the accuracy and depth of coding and in particular with reference to the use of palliative care codes, and further case note review of patients admitted at the weekend who then subsequently die. There appears to be a variation in both SHMI and HSMR which requires further investigation.

A number of actions have already been taken to address the recommendations including a) increased focus on the accuracy of coding, establishment of mortality surveillance committee, and case note review of all adult deaths which occurred during 2015/16 following admission to hospital on a Sunday.

Patient age	2012/13	2013/14	2014/15	2015/16
Under 16 – Dorset County Hospital	11.2%	9.0%	10.3%	10.0%
Under 16 – National Average	9.1%	9.0%	8.9%	8.9%
16 years or older – Dorset County Hospital	3.2%	3.2%	3.6%	3.5%
16 years or older – National Average	6.3%	6.3%	6.3%	6.5%

Readmission Rates

The Trust considers that this data is as described. The Trust intends to take the following action to improve this percentage and so the quality of its services by working closely with our commissioners to ascertain the reasons for readmission. The table above shows the percentage of emergency re-admissions to the Trust within 28 days of a patient being discharged and is taken from CHKS (the Trust's current benchmarking tool).

Patient Reported Outcome Measures

The Trust considers that this data is as described. DCHFT has taken the following action to improve this score and so the quality of its services by actively encouraging all patients to return their questionnaire. Patient reported outcome measures (PROMs) measure quality from the patient perspective, and seek to calculate the health gain experienced by patients following a clinical procedure. Patients are asked to complete a short questionnaire which measures their health status or health related quality of life both before and after their surgery or treatment. The difference between the two sets of responses is used to determine the outcome of the procedure as perceived by the patient and provides an indication of the quality of care delivered. Information is currently captured for the following four clinical procedures:

- Groin hernia repair;
- Hip replacement;
- Knee replacement;
- Varicose Veins.

A higher number demonstrates that patients have experienced a greater improvement in their health. The Trust continues to actively encourage all patients to send in their PROMs questionnaires so that it can take actions to continue to improve the outcome scores.

	Adjusted average health gain			
	2011/12	2012/13	2013/14	2014/15
Groin hernia repair				
Dorset County Hospital	**0.106**	**0.076**	**0.076**	**0.066**
National average	0.087	0.085	0.085	0.084
Hip replacement				
Dorset County Hospital	**0.470**	**0.461**	**0.445**	**0.466**
National average	0.416	0.438	0.436	0.437
Knee replacement				
Dorset County Hospital	**0.306**	**0.304**	**0.297**	**0.305**

	Adjusted average health gain			
	2011/12	2012/13	2013/14	2014/15
National average	0.302	0.318	0.323	0.315
Varicose Vein				
Dorset County Hospital	**n/a**	**n/a**	**n/a**	**0.099**
National average	**n/a**	**n/a**	**n/a**	0.095

Data Source: HSCIC

Patient Experience

The Trust considers that this data is as described. The table below shows the Trust's overall patient experience score produced by NHS England using results taken from the national inpatient survey programme. The overall score can range from zero to 100, a higher score indicating better performance. If all patients were to report all aspects of their care as "very good", this would equate to an overall score of approximately 80. A score of around 60 indicates "good" patient experience.

Information for the year 2015/16 are not published until 8/6/16

Responsiveness to the personal needs of patients	2011/12	2012/13	2013/14	2014/15
Dorset County Hospital	77.9	76.0	**77.9**	**79.4**
National Average (acute trusts)	75.6	76.5	**76.9**	**76.6**
Lowest	67.4	68.0	**67.1**	**67.4**
Highest	87.8	88.2	**87.0**	**87.4**

In the previous year the Trust has taken the following actions to improve this score/and so the quality of its services:

"Learning From Complaints" Finalist - NICE Shared Learning Award 2015

"Friends & Family Test" Highly Commended - NHS England FFT Awards Best Initiative 2016

"Experience Based Design" Macmillan Experience Based Design in Cancer Services 2013-2015

Staff Recommendation

The Trust considers that this data is as described.

The Trust gauges staff responses in each quarter as to whether they would recommend the Trust to family or friends as a place to work. In quarters 1, 2 and 4 this information is gathered via the staff friends and family test (Staff FFT); in quarter 3 this test forms part of the national staff survey.

Staff survey feedback - staff who would recommend the Trust as a place to work to family or friends	2013	2013	2015
Dorset County Hospital	56%	61%	**63%**
National Average (median)	59%	58%	**59%**

Staff FFT feedback - staff who would recommend the Trust as a place to work to family or friends	Quarter 1	Quarter 2	Quarter 4
Dorset County Hospital	59%	61%	61%
National Average (mean)	63%	62%	
Highest	90%	90%	
Lowest	22%	21%	

*April 2015 - December 2015

The Trust has taken a number of actions to improve staff satisfaction and in turn the quality of its services. Actions taken in 2015 in response to staff feedback included a review of the way training needs are identified, further investment in training and development for staff and the development of a working group focusing on staff wellbeing. Further work continues to continue to improve based on staff feedback, in line with the Trust's Staff Engagement Action Plan.

Venous Thrombo-embolism (VTE)

The Trust considers that this data is as described.

Rate of admitted patients assessed for VTE	2012/13	2013/14	2014/15	2015/16
Dorset County Hospital	**91.9%**	**97.5%**	**95.7%**	**96.7%**
NHS Target	92.0%	95.0%	95.0%	95.0%
National Average	94.2%	95.6%	96.1%	95.7%*
Lowest	87.9%	71.3%	83.8%	80.6%*
Highest	100.0%	100.0%	100.0%	100.0%*

Venous thrombo-embolism (VTE), or blood clots, is a major cause of death in the UK. Some blood clots can be prevented by early assessment.

Infection Control

The Trust considers that this data is as described.

C-difficile rates per 100,000 bed-days	2012/13	2013/14	2014/15	2015/16
Bed-days	101,156	102,674	98,654	105,719
C-difficile cases	22	27	8	10
Objective Cases	27	18	22	14
C-difficile rate	21.7	26.3	8.11	9.46
National Average (rate)	17.4	14.7	15.1	n/a
Lowest (rate)	0	0	0	n/a
Highest (rate)	31.2	37.1	62.2	n/a

Data Source: Public Health England

Patient Safety Incidents

The Trust considers that this data is as described.

Patient safety incidents reported	2011/12	2012/13	2013/14	2014/15	2015/16
Number of patient safety incidents reported	3,294	3,262	3,612	4,035	4,636
Incident report rate per 1,000 bed days	32.8	32.2	35.2	40.9	47.0
Reported incidents resulting in severe harm or death	12	38	28	36	35
Percentage of incidents resulting in severe harm or death	0.36%	1.16%	0.78%	0.89%	0.75%
Number of admissions	93,841	95,502	94,060	98,579	102,973
Incident report rate per 100 admissions	3.5	3.4	3.8	4.1	4.5
National median per 100 admissions for small acute organisations (six month period to 31 March)	7.2	7.9			

DCHFT has taken the following actions to improve the quality of its services, by the following actions. The Trust reviews every incident resulting in severe harm or death and the key learning points are shared throughout the organisation – including with the Trust Board. The Trust will continue to encourage staff to report incidents and it is therefore not appropriate to set a target for a reduction in the number of incidents. The Trust does aim to dramatically reduce the number of incidents where the same learning points are identified in similar circumstances.

Part 3 – Other Information

National and Local Targets

The Trust's performance against National Standards and key local quality targets are set out in the following tables:

Performance against National Standards	Target/Plan 2015/16	Actual 2015/16	Actual 2014/15	Actual 2013/14	Actual 2012/13
Infection Control - C-Diff hospital acquired (post 72 hours)	<14	10	8	27	22
% of patients under 18wks (Incomplete pathway)	92%	92.1%	93.1%	94.9%	95.5%
ED - Maximum waiting time of 4 hours from arrival to admission/transfer/ discharge	95%	94.1%	94.9%	94.7%	96.5%
Cancer (ALL) - 14 day from urgent gp referral to first seen	93%	93.6%	94.2%	98.9%	99.1%
Cancer (Breast Symptoms) -14 day from gp referral to first seen	93%	89.7%	85.4%	98.7%	99.5%
Cancer (ALL) - 31 day diagnosis to first treatment	96%	99.2%	99.7%	99.2%	99.7%
Cancer (ALL) - 31 day DTT for subsequent treatment - Surgery	94%	99.4%	97.7%	97.8%	99.5%
Cancer (ALL) - 31 day DTT for subsequent treatment - Anti-cancer drug regimen	98%	100.0%	100.0%	99.8%	100.0%
Cancer (ALL) - 62 day referral to treatment following an urgent referral from GP	85%	81.1%	85.5%	88.4%	93.4%
Cancer (ALL) - 62 day referral to treatment following a referral from screening service	90%	94.9%	98.2%	96.0%	96.8%

Performance against key local quality targets	Target/Plan 2015/16	Actual 2015/16	Actual 2014/15	Actual 2013/14	Actual 2012/13
Patient Safety					
Infection Control - Methicillin Resistant Staphylococcus Aureus (MRSA) bacteraemia hospital acquired post 48hrs	0	0	0	1	1
Who Checklist Compliance	100%	99.7%	99.2%	98.8%	96.1%
VTE Risk Assessment	95%	96.7%	95.7%	97.5%	91.9%
Number of falls resulting in moderate or severe harm	14	14	15	14	19
Medication errors - Omitted doses	80	44	60	162	118
Clinical Effectiveness					
Infection Control - Ward cleaning audit results	90%	95.6%	94.5%	94.8%	93.6%
Infection Control - Hand Hygiene audits compliance levels (all areas)	95%	97.7%	98.0%	98.1%	97.0%
% Stroke patients with 90% of their stay on the stroke unit	80%	80.5%	93.2%	82.2%	83.6%
Fracture Neck Of Femur - % of # NoF patients operated on <36 hours of admission	90%	94.9%	92.3%	93.9%	82.4%
Patient Experience					
Mixed sex accommodation breaches	0	2	0	0	4
Friends and Family - Inpatient - Response Rate	30%	28.4%	36.0%	25.7%	n/a
Friends and Family - Inpatient - Test Score	-	n/a	n/a	81	n/a
Friends and Family - Inpatient - Recommend	-	97.8%	95.8%	n/a	n/a
Friends and Family - Emergency Department - Response Rate	20%	21.4%	22.3%	14.1%	n/a
Friends and Family - Emergency Department - Test Score	-	n/a	n/a	74.1	n/a
Friends and Family - Emergency Department - Recommend	-	84.7%	86.3%	n/a	n/a

Target achieved

Target not met

The above quality measures provide a range of measures of patient safety, clinical effectiveness and patient experience. The measures have been chosen in line with the priorities identified in this Quality Report, as well as covering areas that our patients and stakeholders have told us are important to them, such as cleaning standards and Infection Prevention and Control measures. Our commissioners review a number of these measures and our CQUIN contract supports further specified improvement measures. These are reviewed each year as part of the contract discussions. They include both national schemes and locally agreed schemes. The schemes are intended to improve the health services offered to patients and improve the efficiency of running the hospital. The national schemes include, but are not limited to, a reduction in the proportion of avoidable emergency admissions to hospital and improving the recording of diagnoses and a reduction in mental health re-attendances in the Emergency Department. Local schemes include learning disability risk assessments, admissions avoidance, discharge and transfers of care and cancer records and pathways of care.

A number of these indicators are included in monthly patient safety and quality reports to the Trust Board. The data has been sourced from the Trust's information systems.

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 to prepare Quality Accounts for each financial year.

Monitor has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2015/16 and supporting guidance;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
    - Board minutes for the period April 2015 to May 2016;
    - papers relating to quality reported to the Board over the period April 2015 to May 2016;
    - feedback from commissioners, dated 9 May 2016;
    - feedback from governors, dated May 2016;
    - feedback from Local Healthwatch organisations, dated 4 May 2016;
    - feedback from Overview and Scrutiny Committee, dated 11 May 2016;
    - the Trust's complaints report published under regulation 18 of the Local Authority, Social Services and NHS Complaints (England) Regulations 2009, dated May 2016;
    - the latest national patient survey, dated February 2016;
    - the latest national staff survey dated March 2016;
    - Care Quality Commission Intelligent Monitoring Report, dated May 2015 and
    - the Head of Internal Audit's annual opinion over the Trust's control environment dated May 2016
- 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, and is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with Monitor'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

Mark Addison
Chairman
23 May 2016

Patricia Miller
Chief Executive
23 May 2016

Independent Auditor's Limited Assurance Report to the Council of Governors of Dorset County Hospital NHS Foundation Trust on the Quality Report

We have been engaged by the Council of Governors of Dorset County Hospital NHS Foundation Trust to perform an independent assurance engagement in respect of Dorset County Hospital NHS Foundation Trust's quality report for the year ended 31 March 2016 (the 'Quality Report') and certain performance indicators contained therein.

Scope and subject matter
The indicators for the year ended 31 March 2016 subject to limited assurance consist of the national priority indicators as mandated by Monitor:

- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period
- 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 preparation of the quality report in accordance with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' issued by Monitor.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS Foundation Trust Annual Reporting Manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in Monitor's Annual Reporting Manual 2015/16 and detailed guidance for external assurance on quality reports 2015/16; 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 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 and papers for the period April 2015 to May 2016;
- Papers relating to Quality reported to the Board over the period April 2015 to May 2016;
- Feedback from Dorset Clinical Commissioning Group (lead commissioner) dated 9 May 2016;
- Feedback from governors dated May 2016;
- Feedback from Local Healthwatch organisations, dated 4 May 2016;
- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated May 2016;

- The latest national patient survey published in February 2016;
- The latest national staff survey published in March 2016;
- The Head of Internal Audit's annual opinion over the Trust's control environment dated May 2016
- Care Quality Commission Intelligent Monitoring Report, dated May 2015; and
- Annual governance statement.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with these 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.

This report, including the conclusion, has been prepared solely for the Council of Governors of Dorset County Hospital NHS Foundation Trust as a body, to assist the Council of Governors in Dorset County Hospital NHS Foundation Trust's quality agenda, performance and activities.

We permit the disclosure of this report within the Annual Report for the year ended 31 March 2016, to enable the Council of Governors to demonstrate that 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 Dorset County Hospital NHS Foundation Trust for our work or this report except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the 'NHS foundation Trust Annual Reporting Manual' to the categories reported in the quality report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the 'NHS foundation Trust Annual Reporting Manual'.

The nature, form and content required of Quality Accounts are determined by the Department of Health. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS organisations.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Dorset County Hospital NHS Foundation Trust.

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 2016:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation Trust Annual Reporting Manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in Monitor's Annual Reporting Manual 2015/16 and detailed guidance for external assurance on quality reports 2015/16]; 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.

Greg Rubins
For and on behalf of BDO LLP, appointed auditor
Southampton, UK
24 May 2016

Statement from Dorset Clinical Commissioning Group

NHS
Dorset
Clinical Commissioning Group

9 May 2016

Vespasian House
Barrack Road
Dorchester
Dorset
DT1 1TG

Tel: 01305 368900
Fax: 01305 368947
www.dorsetccg.nhs.uk

Julie Pearce

Chief Operating Officer/ Acting Director of Nursing and Quality

Dorset County Hospital NHS Foundation Trust

Williams Avenue
Dorchester
Dorset DT1 2JY

Dear Julie

Re: Quality Account 2015/16

Thank you for asking NHS Dorset Clinical Commissioning Group (CCG) to review and comment on your Quality Accounts for 2015/16. Please find below the CCG's statement for inclusion in the final document:

In 2015/16 Dorset County Hospital NHS Foundation Trust pursued achievement of key quality priorities identified in last year's Quality Account. Particular improvements have been seen in relation to hospital acquired infections, pressure ulcers and risk assessments in relation to falls. The CCG can confirm that it has no reason to believe this Quality Account is not an accurate representation of the performance of the organisation during 2015/16. The information contained within this Quality Account is consistent with information supplied to commissioners throughout the year and the CCG recognises the areas of strength described in the Quality Account and the areas which require further progress whilst awaiting the outcome of the recent Care Quality Commission (CQC) inspection.

The CCG were asked to comment on the quality priorities for 2016/17 and is supportive of the areas identified particularly in relation to improving the mortality review processes within the Trust, given the current Summary-level Hospital Mortality Indicator reported rates. The CCG also welcomes the continued focus on inpatient 'harms' including pressure ulcers, falls and the management of sepsis. The CCG recognises that progress in achieving the quality priorities in 2016/17 faces a challenging backdrop and remain committed to work with Dorset County Hospital NHS Foundation Trust over the coming year to ensure all quality standards are monitored as set out in the reporting requirements of the NHS Contract and local quality schedules.

Please do not hesitate to contact me if you require any further information.

Yours sincerely

Mrs Sally Shead

Director of Nursing & Quality

Statement from Dorset Health Scrutiny Committee

Dorset Health Scrutiny Committee
County Hall, Colliton Park
Dorchester
Dorset DT1 1XJ

Telephone: 01305 224388
Minicom: 01305 267933
We welcome calls via text Relay

Email: a.p.harris@dorsetcc.gov.uk

DX: DX 8716 Dorchester
Website: www.dorsetforyou.com

Official

Neal Cleaver
Deputy Director of Nursing
Dorset County Hospital
NHS Foundation Trust
Williams Avenue
Dorchester
Dorset
DT1 2JY

Date: 11 May 2016
Ask for: Ann Harris
My ref: QA / DHC
Your ref:

Dear Neal

Quality Account 2015/16

On behalf of the Dorset Health Scrutiny Committee, please find attached the commentary that we would like to submit following the opportunity to meet with the Dorset County Hospital NHS Foundation Trust over the past year and to review the progress of your Quality Account.

Dorset Health Scrutiny Committee commentary for Dorset County Hospital NHS Foundation Trust, May 2016:

The Task and Finish Group, commenting on behalf of the Dorset Health Scrutiny Committee, commended the progress made in the Quality Account for 2015/16 and in particular, made the following comments:

With regard to patient safety, members congratulated the Trust on the significant work that has been undertaken in the past year to reduce the incidence of hospital acquired pressure ulcers but were concerned to hear that patients are often admitted with pre-existing ulcers. Work by the Clinical Commissioning Group (CCG) to analyse occurrence and actions taken was welcomed and members plan to seek further clarification regarding work in the community, particularly with GP practices.

Members commended the Trust on the creditable progress that has been made on reducing the harm to patients that fall in the hospital via a range of preventative measures and were pleased to hear of the developments relating to the early recognition of sepsis. The appointment of a dedicated sepsis nurse and targeted educational programmes seemed to be proving successful.

With regard to clinical effectiveness, the increase in the number of patients discharged late at night was noted and members sought reassurance that this had been justifiable for those individuals concerned. It was encouraging to find that the rates of readmission suggest that this was the case,

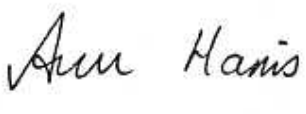
but members emphasised the need for practical home support for older people, particularly food and heat when they wish to be discharged, and the need for appropriate family/carer support to be in place. The increase in the number of electronic discharge summaries sent to GPs and care homes was also welcomed, with recognition that more needed to be done to improve the quality of the information contained within the summaries.

The embedding of reporting of 'near miss' incidents had improved over the last year and members acknowledged that this would enable staff to learn by experience.

With regard to patient experience, members were pleased that the Trust continues to perform well in obtaining Friends and Family feedback and that 90-95% of individuals would recommend the hospital. The Trust's approach to the application of the Duty of Candour and complaints demonstrated to members a commitment to learn from mistakes and to deal with issues in a person-centred manner.

Members of the task and finish group agreed that, overall, measurable progress had been made across all different aspects of the priority targets, and were pleased with the work that had been undertaken. The proposed quality priorities for 2016/17 indicated a continuation of key initiatives and recognition of emerging issues.

Yours sincerely



Ann Harris (on behalf of Dorset Health Scrutiny Committee)

Health Partnerships Officer

Statement from Healthwatch Dorset

Healthwatch Dorset comment for Dorset County Hospital Foundation Trust Quality Account 2015/16

In our comments for the Quality Account 2014/15 we stated that we welcomed the 2015/16 priority "reducing the number of patients discharged at night". We are pleased to note that this continues to be a priority for the forthcoming year as the graph provided in the Quality Account would seem to suggest an upward trend for "late" discharges for people over 75 (although we appreciate not all will be deemed to be "high risk"). We do still receive comments from patients who have concerns about transfers of care (discharge), especially of more vulnerable patients who may not have the right support packages in place to help them return home safely.

We are also pleased to note that work continues on "Timely and Compassionate Response to Complaints" and hope the results from our own survey (due to be published in May 2016), asking people who had made a formal complaint for their feedback, will help the Trust to take forward this priority and implement improvements to the complaints process where necessary. We look forward to commenting on this again next year.

We hope that the Trust will continue to monitor how basic care is delivered, especially in elderly care wards and units. Although not many, we do receive some comments from relatives and carers who have concerns that patients (often those with communication difficulties) are unable to, for example, access fluids easily or are left for long periods requiring help with toileting.

We look forward to continuing to work with the Trust to ensure that people's feedback on the Trust's services, both good and bad, is welcomed, listened to, learned from and drives forward improvements.

Tel: 0300 111 0102

www.healthwatchdorset.co.uk

Statement from the Lead Governor of Dorset County Hospital NHS Foundation Trust

Duncan Farquhar-Thomson, Lead Governor commentary on the Dorset County Hospital Quality Report 2015-2016

I have been asked as Lead Governor to provide a commentary on the 2015-2016 Quality Report.

As governors we are keen to see evidence of the delivery of high quality and safe care at Dorset County Hospital NHS Foundation Trust.

The quality indicating should examine quality over a wide range of activities in the Trust.

We note that some quality indicators remain in the report from last year and this is welcomed as comparative data and is useful to demonstrate improvements in quality of care.

Zero Tolerance to Pressure Ulcers

This is a very valuable quality indicator as it can be viewed to some extent as a surrogate measure of nursing quality.

The report differentiates between pressure ulcers acquired in hospital and those pressure ulcers developed prior to admission.

Comparative data has been presented against 2014/15 data.

In 2014/15 there were 118 grade 2 and 3 pressure ulcers reported. In 2015/16 this has reduced to 75. The represents a 36.4% reduction which is an encouraging improvement. 75 however is still a significant number and it would be useful to see an analysis of how these could be prevented and I hope this will be included in the 2016/2017 report.

Reducing Harm to Patients who Fall in Hospital

The report outlines the scale of the problem relating patient falls.

Although it is not possible to prevent all falls, the Trust hope to reduce harm from falls by risk assessing patients and taking actions to prevent subsequent injury – (bed rails etc.). Data presented in the report showed a small increase in the percentage of risk assessments performed over the year from 90% to 96%.

Comparative data has also been presented from 2014/15 and 2015/16. The numbers are similar for the two years and are quite small – severe harm 10 in 2014/15 and 9 in 2015/16. Moderate harm 5 in 2014/15 and 5 in 2015/16.

Although there is no evidence in improvement the numbers are small. It would be useful to monitor this quality indicator in subsequent years to see if there is a trend towards a reduction in harmful falls.

Early Recognitiion of Sepsis

This is an important quality indicator as sepsis is a leading cause of death. Early recognition and treatment of sepsis can reduce deaths and serious complications. The Trust has implemented a screening trial to aid the early recognition of sepsis. The report indicates the percentage of patients with sepsis who received antibiotics – presumably within a time frame.

Unfortunately screening rates and antibiotics administration remain low. The sepsis committee are reviewing this data and hopefully subsequent actions will show an improvement in the 2016/17 report.

Reducing the Numbers of Patients Discharged at Night

There were 242 late discharges in 2015/16 between 10pm and 6am. Of these 7 were re-admitted within 72 hrs.

The report does not indicate why these late discharges are occurring as it would seem in general to be undesirable.

The report does not indicate if any of those late discharges were planned for example after a day stay surgical procedure or at the request of the patient.

The low re-admission rate does suggest most of these late discharges have undergone a safe discharge.

It would be useful to see more data over the cause of late discharges and how these could be reduced in the future.

Increase the Numbers of Electronic Discharge Summaries Sent Within 24 hours

A discharge summary provides the primary care team with essential information for the continuity of care for patients discharged from hospital.

Unfortunately the report does not give the number of discharge summaries completed within 24 hours.

Of the EDS's audited clinical details were largely completed.

Learning from Near Miss Events

The Trust has set out improving the reporting and investigation of near miss events to try and reduce the incidences of harm to patients.

There has been an increase of 11% near misses reported over the last 12 months.

The number of root cause analysis has also increased.

It will be useful to see if this initiative reduces the incidence of harm to patients in the future.

Friends and Family Test

The aim of this test is to get feedback from patients within 48 hours of their visit to hospital.

The report showed a response rate of between 20% and 30% which although relatively low is in line with the targets set.

The Trust has been highly commended in the National Friends and Family test awards for Best Initiative. I assume our data compares favourably with national data although no comparative data is presented.

The report indicates that all comments have been analysed so common themes can be discovered. Details of this are not presented in the report, but it would be useful if this information could be fed back to departments and presented in future reports.

Duty of Candour

Duty of candour is now a statutory responsibility. It is the requirement that staff inform patients when harm or potential harm has occurred to them whilst in hospital.

The report indicates that awareness of this duty has increased amongst staff.

Where significant harm has occurred to patients there is a target that the incident is validated within 5 calendar days. The data presented indicates that this is the case. National comparative data is presented that indicates that our incidence of significant harm to patients is below the national average which is good news.

A robust action plan is in place and detailed in the report to further improve our performance against this quality standard.

Timely and Compassionate Response to Complaints

The report does not set out a clear target in terms of response rate and time frames for this target.

A number of actions and processes have been instigated to improve the Trust response to complaints which are very welcome.

It would be useful to see some data as assurance that these measures are resulting in the desired improvements.

Dr Duncan Farquhar-Thomson
Lead Governor
Dorset County Hospital NHS Foundation Trust

Foreword to the Accounts

These accounts for the year ended 31st March 2016 have been prepared by Dorset County Hospital NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to 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 for 2015/16.

Dorset County Hospital NHS Foundation Trust's Annual Report and Accounts are presented to Parliament pursuant to Schedule 7, paragraph 25(4) of the National Health Service Act 2006.

Patricia Miller
Chief Executive
23 May 2016

Independent auditor's report to the Council of Governors and Board of Directors of Dorset County Hospital NHS Foundation Trust

We have audited the financial statements of Dorset County Hospital NHS Foundation Trust for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and NHS Foundation Trust Annual Reporting Manual 2015/16 issued by the Independent Regulator of NHS Foundation Trusts ('Monitor').

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of Dorset County Hospital NHS Foundation Trust's affairs as at 31 March 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with NHS Foundation Trust Annual Reporting Manual 2015/16; and
- have been prepared in accordance with the National Health Service Act 2006.

Emphasis of matter – going concern

We draw attention to note 1 to the financial statements which sets out the basis on which the accounts have been prepared. Specifically, it sets out the Directors' assessment of the financial position of the Trust in the context of the National Health Service framework in which it operates and their conclusion that it is appropriate to prepare the accounts of the Trust on a going concern basis, although the Directors have concluded that there are material uncertainties related to the financial sustainability (profitability and liquidity) of the Trust which may cast significant doubt about the ability of the Trust to continue as a going concern. Our opinion is not qualified in respect of this matter.

Respective responsibilities of the Accounting Officer and auditors

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accounting Officer, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

This report is made solely to the Council of Governors of Dorset County Hospital NHS Foundation Trust, as a body, in accordance with the Code of Audit Practice issued by the National Audit Office ("the Code of Audit Practice"). Our audit work has been undertaken so that we might state to the Council of Governors of Dorset County Hospital NHS Foundation Trust those matters we are required to state to it 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 NHS Foundation Trust as a body for our audit work, for this report or for the opinions we have formed.

Scope of our audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Dorset County Hospital NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer;

and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Our assessment of risks of material misstatement

In arriving at our opinion on the financial statements the risks of material misstatement that had the greatest effect on our audit and the principal procedures we applied to address them are set out below.

Risk	How the scope of our audit responded to the risk
A significant proportion of the Trust's income is received through service level agreements, which are based on planned levels of patient activity, with organisations responsible for the commissioning of healthcare services. There is a risk of fraud, due to pressure on management to achieve financial targets, in recognising this revenue through inappropriate use of accounting policies, failure to apply the Trust's stated accounting policies or inappropriate use of estimates in calculating this revenue.	In responding to this risk, our audit procedures included: • Consideration of the accounting policies applied by the Trust in the recognition of income • Reviewing the design and implementation of controls in relation to the NHS revenue and patient activity system • Reviewing NHS income reported to determine if it was in line with our understanding of the Trust and prior year financial statements • Agreeing a sample of NHS receipts, invoices and credit notes raised around the year end to determine if they had been accounted for in the correct period • Investigation of differences identified as a result of the NHS agreement of balances and transactions exercise which aims to ensure agreement of balances and transactions between NHS and other government bodies • Reviewing all income items tested to determine if they were accounted for in line with the revenue recognition policy adopted by the Trust

The Trust has faced increasing financial challenges during the year and is currently regarded as being at a material level of financial risk in respect of the continuity of services. There is also an increased risk that the financial pressures arising from this situation will lead to management bias in accounting estimates and material misstatement in the financial statements.

In responding to this risk, our audit procedures included:

- Heightened scepticism was applied throughout all of our testing, particularly around accounting estimates and significant judgements applied
- Scrutinising the going concern assessment completed by management and those charged with governance
- Challenging forecasts and assumptions used in the Trust's future financial plans and cash flow models.
- Considering relevant findings of Internal Audit arising from their work relating to the financial position of the Trust and its financial management arrangements, and the overall Head of Internal Audit opinion.
- Material estimates within the financial statements were reviewed and agreed to supporting calculations. Key assumptions included within the estimates were reviewed to confirm they are in line with industry expectations and historic results.

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 in both planning the scope of our audit and in evaluation the results of our work.

The materiality for the financial statements as a whole was set at £3,063,000. This has been determined reference to the benchmark of gross expenditure (of which it represents 2%) which we consider to be one of the principal considerations for the Council of Governors in assessing the financial performance of the Trust.

We agreed with the Audit Committee to report to it all material corrected misstatements and all uncorrected misstatements we identified through our audit with a value in excess of £61,000, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Opinion on other matters on which we are required to report

In our opinion:

- The part of the remuneration report identified as subject to audit in the Annual Report has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual

Matter on which we report by exception – use of resources

The Code of Audit Practice requires us to report to you if we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Dorset County Hospital NHS Foundation Trust has a general duty under paragraph 63 of Chapter 5 of the National Service Act 2006 to exercise the functions of the Trust effectively, efficiently and economically. Paragraph 1 of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice require that we satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

For the year ended 31 March 2016 the Trust has reported a deficit of £5.5m, the underlying deficit being £6.4m after taking into account items such as donated assets. This is approximately 4% of the Trust's operating income. The current planned deficit for 2016/17 is £9.1m and this would cause the Trust to require a working capital loan of £6.5m in September 2016. As a result the Board of Directors have concluded that there are material uncertainties related to the financial sustainability (profitability and liquidity) of the Trust which may cast significant doubt about the ability of the Trust to continue as a going concern.

The Trust has limited scope for further action in the short term. It has been offered Sustainability and Transformation Plan funding

but this is contingent on the Trust achieving a deficit in 2016/17, which the Board have concluded is not realistic. Negotiations are ongoing for the Trust to receive the funding as part of a Dorset wide agreement. The Trust is refreshing its strategic framework to achieve financial sustainability in the longer term but this is not yet in place and is partly dependent on the outcome of the ongoing Dorset Clinical Services Review. Given the uncertainties around the Trust's short term and long term financial sustainability we have been unable to satisfy ourselves that Dorset County Hospital NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2016 with regards to sustainable resource deployment.

Other matters on which we report by exception

We have nothing to report in respect of the following:

We report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements, or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the NHS Foundation Trust acquired in the course of performing our audit; or
- is otherwise misleading.

Under the National Audit Office's Code of Audit Practice we report to you if we have exercised special auditor powers in connection with the issue of a public interest report or we have made a referral to the regulator under Schedule 10 of the National Health Service Act 2006.

Under the Code of Audit Practice we are required to report to you if we have been unable to satisfy ourselves that:

- proper practices have been observed in the compilation of the financial statements; or
- the annual governance statement meets the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual and is not misleading or inconsistent with other information that is forthcoming from the audit; or
- the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- the Quality Report has been prepared in accordance with the detailed guidance issued by Monitor.

Qualified certificate

We certify that we have completed the audit of the financial statements of Dorset County Hospital NHS Foundation Trust in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice 2015 issued by the National Audit Office except that, as noted above, we have been unable to satisfy ourselves that Dorset County Hospital NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources with regards to sustainable resource deployment.

Greg Rubins

for and on behalf of BDO LLP, Registered auditor

Southampton, UK

24 May 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income for the year ended 31st March 2016

	Note	2015/16 £000	2014/15 £000
Operating income	3	160,008	158,349
Operating expenses	6	(163,053)	(156,608)
Operating surplus		**(3,045)**	**1,741**
Finance costs:			
Finance income	11	77	87
Finance expenses - financial liabilities	12	(103)	(123)
Finance costs - unwinding of discount on provisions		(7)	(7)
PDC dividends payable		(2,424)	(2,408)
Net finance costs		**(2,457)**	**(2,451)**
(Deficit) / surplus for the year		**(5,502)**	**(710)**
Other comprehensive income			
Impairment of property, plant and equipment		(502)	(2,200)
Revaluation gains on property, plant & equipment		479	2,408
Total comprehensive income for the year		**(5,525)**	**(502)**

The notes on pages 153 to 182 form part of these accounts.

Statement of Financial Position as at 31st March 2016

	Note	31 March 2016 £000	31 March 2015 £000
Non-current assets			
Intangible assets	14	3,545	3,225
Property, plant and equipment	15	90,756	93,331
Trade and other receivables	18.1	241	260
Total non-current assets		**94,542**	**96,816**
Current assets			
Inventories	17	3,143	3,067
Trade and other receivables	18.1	5,646	6,143
Cash and cash equivalents	19	4,018	8,076
Total current assets		**12,807**	**17,286**
Current liabilities			
Trade and other payables	20	(10,304)	(11,213)
Borrowings	21	(181)	(265)
Provisions	22	(95)	(138)
Other liabilities	23	(916)	(1,025)
Total current liabilities		**(11,496)**	**(12,641)**
Total assets less current liabilities		**95,853**	**101,461**
Non-current liabilities			
Borrowings	21	(4,781)	(4,960)
Provisions	22	(437)	(491)
Total assets employed		**90,635**	**96,010**
Financed by taxpayers' equity:			
Public dividend capital		85,107	84,957
Revaluation reserve		29,251	29,298
Income and expenditure reserve		(23,723)	(18,245)
Total taxpayers' equity:		**90,635**	**96,010**

The financial statements on pages 149 to 182 were approved by the Board on 23 May 2016 and signed on its behalf by:

Patricia Miller
Chief Executive
23 May 2016

Statement of Changes in Taxpayers' Equity

	Total	Public Dividend Capital (PDC)	Revaluation Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000
Taxpayers' equity at 1 April 2015	**96,010**	**84,957**	**29,298**	**(18,245)**
Surplus/(deficit) for the year	**(5,502)**	-	-	(5,502)
Impairment losses on property, plant and equipment	**(502)**	-	(502)	-
Net gain on revaluation of property, plant and equipment	**479**	-	479	-
Public Dividend Capital received	**750**	750	-	-
Public Dividend Capital repaid	**(600)**	(600)	-	-
Transfer to the income and expenditure account in respect of assets disposed of	-	-	(5)	5
Transfers between reserves	-	-	(19)	19
Taxpayers' equity at 31 March 2016	**90,635**	**85,107**	**29,251**	**(23,723)**
Taxpayers' equity at 1 April 2014	**95,340**	83,785	29,121	(17,566)
Surplus /(deficit) for the year	**(710)**	-	-	(710)
Impairment losses on property, plant and equipment	**(2,200)**	-	(2,200)	-
Net gain on revaluation of property, plant and equipment	**2,408**	-	2,408	-
Public Dividend Capital Received	**1,172**	1,172	-	-
Transfer to the income and expenditure account in respect of assets disposed of	**-**	-	(1)	1
Transfers between reserves	**-**	-	(30)	30
Taxpayers' equity at 31 March 2015	**96,010**	**84,957**	**29,298**	**(18,245)**

The Revaluation Reserve consists of £29,251k (£29,298k at 31 March 2015) relating to property, plant and equipment.

Statement of Cash flows for the year ended 31st March 2016

	2015/16 £000	2014/15 £000
Cash flows from operating activities		
Operating surplus	(3,045)	1,741
Depreciation and amortisation	6,408	5,841
Impairments	1	242
Reversal of impairments	(15)	(25)
(Gain)/Loss on disposal	86	35
Non-cash donations/grants credited to income	(1,033)	(303)
(Increase)/decrease in trade and other receivables	521	(609)
(Increase)/decrease in inventories	(76)	(470)
Increase/(decrease) in trade and other payables	(89)	612
Increase/(decrease) in other liabilities	(109)	(293)
Increase/(decrease) in provisions	(104)	(166)
Net cash generated from / (used in) operations	**2,545**	**6,605**
Cash flows from investing activities		
Interest received	77	88
Purchase of intangible assets	(1,174)	(803)
Purchase of property, plant and equipment	(3,521)	(5,619)
Sales of property, plant and equipment	83	8
Receipt of cash donations to purchase capital assets	577	-
Net cash generated from / (used in) investing activities	**(3,958)**	**(6,326)**
Cash flows from financing activities		
Public dividend capital received	750	1,172
Public dividend capital repaid	(600)	-
Capital element of finance lease obligations	(263)	(423)
Interest Paid	(97)	(97)
Interest element of finance lease obligations	(6)	(26)
PDC dividends paid	(2,429)	(2,473)
Net cash generated from / (used in) financing activities	**(2,645)**	**(1,847)**
Increase/(decrease) in cash and cash equivalents	**(4,058)**	**(1,568)**
Cash and cash equivalents at 1 April	8,076	9,644
Cash and cash equivalents at 31 March	**4,018**	**8,076**

Notes to the Financial Statements

1 Accounting policies and other information

Monitor (now NHS Improvement) is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. Monitor (now NHS Improvement) has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the NHS Foundation Trust Annual Reporting Manual which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16 issued by Monitor (now NHS Improvement). The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual 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.

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1 Critical accounting judgements and key sources of estimation uncertainty

In the preparation of the financial statements, the Trust is required to make estimates and assumptions that affect the application of accounting policies and the carrying amounts of assets and liabilities. These estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from prior estimates and the estimates and underlying assumptions are continually reviewed.

The key sources of estimation uncertainty which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

Valuation of land and buildings
Land and buildings are included in the Trust's statement of financial position at current value in existing use. The assessment of current value represents a key source of uncertainty. The Trust uses an external professional valuer to determine current value in existing use, using modern equivalent asset value methodology.

Depreciation of property, plant and equipment and amortisation of computer software
The Trust exercises judgement to determine the useful lives and residual values of property, plant and equipment and computer software. Depreciation and amortisation is provided so as to write down the value of these assets to their residual value over their estimated useful lives.

1.2 Consolidation

The Trust has established that, as it is the corporate trustee of Dorset County Hospital NHS Foundation Trust Charitable Fund, it effectively has the power to exercise control of this charity so as to obtain economic benefits. However the assets, liabilities and transactions are immaterial in the context of the Trust and therefore it has not been consolidated. Details of balances and transactions between the Trust and the charity are included in the related parties' notes.

1.3 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.

Where income is received for a specific activity, which is to be delivered in the following financial year, this income is deferred.

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.

1.4 Expenditure on employee benefits

1.4.1 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.

1.4.2 Pension costs

Payments to defined contribution pension schemes (including defined benefit schemes that are accounted for as if they were a defined contribution scheme) are recognised as an expense as they fall due.

NHS Pension Scheme: Past and present employees are covered by the provisions of the NHS Pension Scheme. Details of the benefits payable under these provisions can be found on the NHS Pension website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill health. The full amount of the liability for the additional costs is charged to operating expenses at the time the Trust commits itself to the retirement regardless of the method of payment.

1.4.3 Termination Benefits

Staff termination benefits are provided for in full when there is a detailed formal termination plan and there is no realistic possibility of withdrawal by either party. The number and value of the termination benefits is disclosed in note 8.2.

1.5 Expenditure on other goods and services

Expenditure on goods and services is recognised 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 when it results in the creation of a non-current asset such as property, plant and equipment.

1.6 Property, plant and equipment

1.6.1 Recognition

Property, plant and equipment is capitalised if:

- 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 will be supplied to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- individually it cost at least £5,000; or
- collectively has a cost of at least £5,000 and individually a cost of more than £250;
- the assets are functionally interdependent, with broadly simultaneous purchase dates, which are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items 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.

1.6.2 Measurement

Valuation: All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. All assets are measured subsequently at valuation.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- land and non-specialised buildings – market value for existing use/ employment use

- specialised buildings – depreciated replacement cost

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are re-valued and depreciation commences when they are brought into use.

The District Valuer Services arm of the Valuation Office Agency carries out valuations as professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

Until 31st March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. Indexation ceased from 1st April 2008. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An item of property, plant and equipment, which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

The valuation as reported in the Statement of Financial Position at 31st March 2016 was assessed by the District Valuer, based on a desktop valuation survey completed in March 2016.

Revaluation gains and losses: Revaluation gains are recognised in the revaluation reserve, except where; and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned; and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of other comprehensive income.

Impairments: In accordance with the NHS Foundation Trust Annual Reporting Manual 2015/16, impairments that arise from a clear consumption 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) impairment charged to operating expenses; (ii) the balance in the revaluation reserve attributable to that asset before impairment.

An impairment arising from a loss of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are 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.

1.6.3 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 the 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 above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the period in which it is incurred

1.7 Intangible assets

1.7.1 Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or arise from contractual or other legal rights. They are recognised only when 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.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Expenditure on development is capitalised only where all of the following have been 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 is identified;
- 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.

1.7.2 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 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 incoming 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 value at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

1.8 Depreciation and amortisation

Freehold land is considered to have an infinite life and is not depreciated. Properties under construction are not depreciated until brought into use.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives or, where shorter, the lease term.

At each reporting period end, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

The following table details the useful economic lives currently used for the main classes of assets:

Asset class	Useful economic life (years)
Buildings excluding dwellings	9 – 55
Dwellings	25 – 78
Plant & machinery	3 – 15
Information technology	4 – 10
Furniture & fittings	5 – 15
Intangible assets	5 – 10

Property, plant and equipment which have been re-classified as 'held for sale' cease to be depreciated upon the re-classification.

1.9 Donated 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 future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.10 De-recognition

Assets intended for disposal are reclassified as 'Held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not re-valued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

1.11 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'On-Statement of Financial Position' by the Trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment at their fair value, together with an equivalent financial lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

1.12 Leases

1.12.1 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 implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the commencement of the lease. Thereafter the

asset is accounted for as an item of property, plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to finance costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

1.12.2 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.

1.12.3 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.

1.13 Inventories

Inventories are valued at the lower of cost and net realisable value using the 'first-in first-out' formula except Cardiology and Prosthesis stocks which are valued at average cost. These are considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.14 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management.

1.15 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 that amount. The amount recognised in the Statement of Financial Position is the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 0.7% in real terms, except for post-employment benefits provisions which use the HM Treasury's pension discount rate of 1.3% in real terms.

1.16 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Foundation Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the Foundation Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 22.2 but is not recognised in the NHS Foundation Trust's accounts.

1.17 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 Foundation Trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of any claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses as and when the liability arises.

1.18 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, these are disclosed where an inflow of economic benefits is probable. The Trust currently has no contingent assets to disclose.

Contingent liabilities are not recognised, but are disclosed in note 25 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.

1.19 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, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans 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 requirement 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.

1.20 Financial instruments and financial liabilities

Financial assets are recognised when the Foundation Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are de-recognised when the contractual rights have expired or the asset has been transferred.

1.20.1 Financial assets

Financial assets are classified into the following categories: Financial assets at fair value through income and expenditure; Held to maturity investments; 'Available for sale financial assets'; and 'Loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Foundation Trust did not during the period covered by these accounts hold any financial assets within the categories of: 'Financial assets at fair value through income and expenditure'; 'Held to maturity investments'; and 'Available for sale financial assets'.

The Trust's loans and receivables comprise: 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.

1.20.2 Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Foundation Trust becomes party to contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has expired or been paid.

Financial liabilities are initially recognised at fair value.

1.20.3 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method except for loans from the Department of Health which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.21 Value Added Tax

Most of the activities of the 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.

1.22 Corporation Tax

The Foundation Trust is not liable to Corporation Tax for the following reasons:

Private patient activities are covered by section 14(1) of the Health and Social Care (Community Health and Standards) Act 2003 and not treated as a commercial activity and are therefore tax exempt; and

Other trading activities (including car parking and staff canteens) are ancillary to the core activities and are not deemed to be entrepreneurial in nature.

1.23 Foreign currencies

The Foundation Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.24 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Foundation Trust has no beneficial interest in them. However they are disclosed in Note 29 to the accounts in accordance with the requirements of the HM Treasury's Financial Reporting Manual.

1.25 IFRS adoption impact

The following accounting standards, amendments and interpretations have been issued by the IASB and the IFRIC but are only applicable if endorsed by the EU. The effective date of these new or amended standards is 2016/17:

IFRS 11	(amendment); acquisition of an interest in a joint operation.
IAS16/38	(amendment); depreciation and amortisation
IAS 16/41	(amendment); bearer plants
IAS 27	(amendment); equity method in separate financial statements
IFRS 10	(amendment); sale or contribution of assets
IAS 28	(amendment); sale or contribution of assets
IFRS 10	(amendment); investment entities applying the consolidation exception
IAS 28	(amendment); investment entities applying the consolidation exception
IAS 1	(amendment); disclosure initiative
IFRS 15	Revenue from contracts with customers
IFRS 9	Financial Instruments

Annual improvements to IFRS: 2012-15 cycle

The Trust has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are not relevant to the Trust or that they would not have a significant impact on the Trust's financial statements, apart from some additional disclosures.

The Trust has not early adopted any new accounting standards, amendments or interpretations, which is in line with guidance contained in the NHS Foundation Trust Annual Reporting Manual 2015/16.

1.26 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 general 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 NHS Trusts not been bearing their own risks. The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.27 Going concern

International Accounting Standard 1 requires the board to assess, as part of the accounts preparation process, the Trust's ability to continue as a going concern. In the context of non-trading entities in the public sector the anticipated continuation of the provision of a

service in the future is normally sufficient evidence of going concern. The financial statements should be prepared on a going concern basis unless there are plans for, or no realistic alternative other than, the dissolution of the Trust without the transfer of its services to another entity within the public sector.

In preparing the financial statements the Board of Directors have considered the Trust's overall financial position against the requirements of IAS1.

The Trust recorded an operating deficit in 2014/15 of £0.7 million and is reporting a deficit of £5.5 million for the year ended 31 March 2016. The Trust anticipates incurring a further deficit of £9.1 million in delivering services in 2016/17 and will need to apply for Financial Support through a working capital loan anticipated to be to the value of £6.5 million. It anticipates this deficit position will continue during 2017/18 and that it may take some time before it can achieve financial balance on a sustainable basis. The Board of Directors have concluded that there are material uncertainties related to the financial sustainability (profitability and liquidity) of the Trust which may cast significant doubt about the ability of the Trust to continue as a going concern.

Nevertheless, the Directors have concluded that assessing the Trust on the going concern basis remains appropriate. The Trust has agreed contracts with its local commissioners for 2016/17 and services are being commissioned in the same manner for 2016/17 as in previous years and there are no discontinued operations. Similarly no decision has been made to transfer services or significantly amend the structure of the organisation at this time. The Board of Directors also has a reasonable expectation that the Trust will have access to adequate resources in the form of financial support from the Department of Health (NHS Act 2006,s42a) to continue to deliver the full range of mandatory services for the foreseeable future.

The Directors consider that this provides sufficient evidence that the Trust will continue as a going concern for the foreseeable future. On this basis, the Trust has adopted the going concern basis for preparing the accounts and has not included the adjustments that would result if it was unable to continue as a going concern. The assessment accords with the statutory guidance contained in the NHS Foundation Trust Annual Reporting Manual.

2. Segment analysis

The Trust has considered the requirements in IFRS 8 for segmental analysis. Having reviewed the operating segments reported internally to the Board, the Trust is satisfied that it is appropriate to aggregate these as, in accordance with IFRS 8: Operating Segments, that they are similar in each of the following respects:

- The nature of the products and services;
- The nature of the production processes;
- The type of customer for their products and services;
- The methods used to distribute their products or provide their services; and
- The nature of the regulatory environment.

The Trust therefore has just one segment, "healthcare". Analysis of income by different activity types and sources is provided in note 3.

3. Operating income

	Note	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Income from patient activities	4	146,886	146,762
Other operating income	5	13,122	11,587
Total		**160,008**	158,349

4. Income from patient care activities

4.1 Analysis by activity

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Elective income	34,751	35,697
Non-elective income	33,518	33,533
Outpatient income	21,690	20,688
A&E income	5,179	4,584
Other NHS clinical income	49,763	50,835
Additional income for delivery of healthcare	600	-
Private patient income	969	909
Other clinical income	416	516
Total	**146,886**	146,762
Income from Commissioner Requested Services	142,319	142,783
Income from non-Commissioner Requested Services	4,567	3,979
Total	**146,886**	146,762

The above comparative figures in respect of Elective, Non-elective, Outpatient and Other NHS clinical income have been reallocated in line with changes to the NHS tariff.

Commissioner-requested services are services which local commissioners believe should continue to be provided locally if any individual provider is at risk of failing financially. Any organisation providing a commissioner-requested service has to continue offering the service unless it can obtain agreement from NHS Improvement and the commissioners to stop. It cannot dispose of relevant assets used to provide the service without NHS Improvement consent and it must pay into a risk pool that will fund services in the event of financial failure.

4.2 Analysis by source	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
NHS - Foundation Trusts	167	113
NHS - Trusts	5	5
NHS - CCGs and NHS England	143,041	143,414
Local Authorities	1,571	1,667
NHS - Other	117	138
Non NHS - Private patients	969	909
Non NHS - Overseas patients	49	37
NHS Injury Scheme	340	433
Non NHS - Other	27	46
Department of Health	600	-
Total	**146,886**	146,762

NHS Injury Scheme income relating to 2015/16 financial year is subject to a provision for doubtful debts of 22% (2014/15: 18.9%) to reflect expected rates of collection.

Overseas patient income for the year amounted to £49k (2014/15 £37k). Cash received amounted to £33k (2014/15 £24k) in respect of current and previous years' income. The amounts written off in respect of current and prior years amounted to £1k (2014/15 £nil).

5. Other operating income	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Research and development	813	827
Education and training	4,699	4,708
Received from NHS Charities: Physical assets	456	303
Received from other bodies: Cash donations	577	-
Non-patient care services to other bodies	4,466	3,526
Profit on disposal of land and buildings	-	-
Profit on disposal of other property, plant and equipment	62	5
Profit on disposal of assets held for sale	-	-
Reversal of impairment of property plant and equipment	15	25
Car parking	533	506
Estates recharges	30	119
Staff recharges	327	318
IT recharges	24	26
Pharmacy sales	90	257
Staff accommodation rentals	205	250
Clinical excellence awards	161	91
Catering	631	586
Other income	33	40
Total	**13,122**	11,587

6. Operating expenses

	Note	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Employee expenses	8.1	103,065	99,415
Employee expenses - Non-executive directors		123	129
Services from NHS Foundation Trusts		2,619	2,531
Services from NHS Trusts		165	147
Services from CCGs and NHS England		453	238
Services from other NHS bodies		59	49
Purchase of healthcare from non NHS bodies		2,877	2,644
Purchase of Social Care (under s.75 or other integrated care arrangements)		-	270
Supplies and services - clinical (excluding drug costs)		16,341	16,730
Supplies and services - general		1,834	1,725
Establishment		1,132	1,033
Research and Development		33	31
Transport (Business travel only)		409	377
Transport (other)		186	146
Premises - Business rates payable to Local Authorities		968	929
Premises - Other		5,276	5,152
Increase/(decrease) in provision for impairment of receivables		(11)	14
Change in provisions discount rate		(1)	17
Inventories written down (net, including drugs)		35	24
Drug costs (non inventory)		295	587
Drug costs inventories consumed		13,881	13,411
Rentals under operating leases - minimum lease payments	7.1	99	120
Depreciation on property, plant and equipment		5,624	5,287
Amortisation on intangible assets		784	554
Impairment of property, plant and equipment		1	242
External audit - statutory audit services		41	41
External audit - other assurance services		7	10
Clinical negligence - NHSLA Insurance Scheme		5,147	3,321
Loss on disposal of intangible assets		-	18
Loss on disposal of other property, plant and equipment		148	22
Legal fees		63	9
Consultancy costs		348	266
Internal Audit Costs - (not included in employee expenses)		49	55
Training courses and conferences		414	392
Patient travel		9	12
Car parking and security		3	3
Insurance		126	126
Other services		94	173
Losses, ex gratia & special payments		4	10
Other		353	348
Total		**163,053**	156,608

7. Operating leases

7.1 As lessee

Payments recognised as an expense	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Minimum lease payments:		
Buildings	47	46
Plant & machinery	1	5
Other	51	69
Total minimum lease payments	**99**	120

Future minimum lease payments on buildings leases due:	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Not later than one year	47	47
Between one and five years	40	86
Total	**87**	133

Future minimum lease payments on other leases due:	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Not later than one year	9	28
Between one and five years	8	7
Total	**17**	35

7.2 As lessor

The Foundation Trust acts as lessor in respect of the site of Damers County First School at a peppercorn rent.

8. Employee expenses and numbers

8.1 Employee expenses

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Employee expenses - Staff	101,415	97,945
Employee expenses - Executive directors	893	805
Employee expenses - Research and Development staff	688	610
Employee expenses - Internal Audit Staff - Counter Fraud	54	53
Redundancy	8	-
Early retirements	7	2
	103,065	99,415
Salaries and wages	83,689	81,324
Social security costs	6,236	6,135
Employer contributions to NHS Pension scheme	9,925	9,485
Pension cost - other	5	11
Agency and contract staff	3,306	2,602
Termination benefits	77	40
Less: Staff costs capitalised as part of assets	(173)	(182)
Employee benefits expense	**103,065**	99,415

Salaries and wages include the cost of amounts accrued in respect of holiday earned by employees due to their service, but not taken, as required under IAS 19.

The amount of Employer's pension contributions payable in the year ended 31 March 2016 was £9,930k (2014/15: £9,496k). Of this total, an amount of £1,397k (2015: £1,344k) was unpaid at the reporting date.

8.2 Average number of employees (WTE basis)

	Average for year ended 31 March 2016 Total number	Permanent number	Other number	Average for year ended 31 March 2015 Total number (Restated)
Medical and dental	**299**	294	5	303
Administration and estates	**485**	485	-	472
Healthcare assistants and other support staff	**304**	304	-	289
Nursing, midwifery and health visiting staff	**627**	627	-	612
Scientific, therapeutic and technical staff	**245**	245	-	243
Healthcare science staff	**116**	116	-	105
Social care and staff	**4**	1	3	4
Agency and contract staff	**32**	-	32	33
Bank staff	**130**	-	130	131
Other	**153**	153	-	153
Total	**2,395**	**2,225**	**170**	2,345
Of which: Engaged on capital projects	**4**	**4**	**-**	4

The average number of employees is calculated on the basis of the number of worked hours reported. This means that the reporting of staff numbers and staff costs incurred are on a more consistent basis.

8.3 Retirement benefits

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:

Accounting valuation
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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

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 their 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 appropriate employee and employer representatives as deemed appropriate.

9. Retirements due to ill-health

During 2015/16 there were 1 case (2014/15: 2 cases) of early retirements from the Trust agreed on grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £2k (2014/15: £162k). The cost of ill-health retirements is borne by the NHS Business Services Authority – Pensions Division. This information has been supplied by NHS Pensions.

10. Salary and pension entitlement of directors and senior managers

10.1 Directors Remuneration

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Directors remuneration - Salaries and wages	672	482
Employers pension contributions in respect of directors	83	64
Interim director fees	41	201
	796	747

	Number	Number
The total number of directors to whom retirement benefits were accruing under:		
Defined contribution schemes	1	1
Defined benefit schemes	6	6

Detailed disclosures of the remuneration and pension entitlements of each director are set out on pages 26 to 31 of the Remuneration Report.

10.2 Multiple Statement

All NHS Foundation Trusts are required to disclose the relationship between the total remuneration of the highest-paid director of the Trust and the median remuneration of the Trust's workforce. The remuneration of the highest paid director includes salary, performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions or the cash equivalent transfer value of pensions. The median remuneration of the workforce is the total remuneration of the staff member lying in the middle of the linear distribution of the total staff in the Trust, excluding the highest paid director. This is based on an annualised full time equivalent remuneration as at the reporting period date.

The banded remuneration of the highest-paid director in 2015/16 was £155,001 to £160,000 (2014/15: £165,001 to £170,000). This was 6.29 times (2014/15: 6.75 times) the median remuneration of the workforce, which was £25,047 (2014/15: £24,799). The highest paid Director was the Chief Executive.

The median remuneration of the workforce in both 2014/15 and 2013/14 falls within the salary range of a Band 5 position under the Agenda for Change terms and conditions that apply to all non-medical staff. The actual salary of staff within each band is dependent on a number of factors, the most significant being the number of years they have served in that position.

In 2015/16 9 employees received remuneration in excess of the highest paid director (2014/15: 3 employees). Remuneration ranged from £158,000 to £276,000 (2014/15: £171,000 to £239,000). All employees receiving remuneration in excess of the highest paid director were medical consultants.

11. Finance income

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Interest on bank accounts	13	11
Interest on loans and receivables	64	76
Total	**77**	87

12. Finance expenses - interest expense

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Loans from the Department of Health	97	97
Finance Leases	6	26
Total	**103**	123

13. Impairment of non-current assets

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Impairment		
Unforeseen obsolescence	-	128
Changes in market price*	503	2,314
Reversal of impairments*	(15)	(25)
Total impairments	**488**	2,417

* Resulting from the revaluation of land and buildings as at 31 March.

Total impairments have been charged/(credited) to the following lines in the Statement of Comprehensive Income.

	Year ended 31 March 2016 £000	Year ended 31 March 2015 £000
Other operating income	(15)	(25)
Operating Expenses	1	242
Revaluation reserve	502	2,200
	488	2,417

14. Intangible assets

	Software licences 2015/16 £000	Software licences 2014/15 £000
Cost or valuation at 1 April	5,842	4,547
Reclassifications	-	-
Additions - purchased	1,082	1,306
Additions - donated	22	29
Disposals	-	(40)
Cost or valuation at 31 March	**6,946**	5,842
Amortisation at 1 April	2,617	2,085
Provided in the year	784	554
Disposals	-	(22)
Amortisation at 31 March	**3,401**	2,617
Net book value		
Purchased	3,490	3,169
Donated	55	56
Net book value total at 31 March	**3,545**	3,225

Software licences have been assigned asset lives of between 5 and 10 years. The total reported includes £884k (2015: £84k) of software under construction. This includes £719k of the Integrated Digital Care Record (IDCR) for the delivery of an electronic patient record system.

15. Property, plant and equipment

Assets utilised by the Trust under PFI arrangements are treated under IFRS as being subject to a finance lease, and are therefore capitalised as part of property, plant and equipment. Including these items, the net book value of fixed assets held at the balance sheet date that were subject to a finance lease was £482k (2015: £766k).

The Trust's land and buildings were valued by external valuers as at 31 March 2016 on the basis of fair value, as set out in accounting policy note 1.6.2. The valuation was undertaken by the District Valuer Services arm of the Valuation Office Agency, an executive agency of HM Revenue and Customs. HM Treasury has adopted a standard approach to assessing the depreciated replacement cost of specialised buildings. Valuations are based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

15.1 Property, plant and equipment, current year

Current year 2015/16	Total	Land	Buildings exc. dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2015	**116,051**	9,100	65,918	1,915	159	29,927	8,418	614
Additions - purchased	**2,216**	-	842	-	245	870	259	-
Additions - donations of physical assets	**434**	-	26	-	-	396	-	12
Additions - assets purchased from cash donations/grants	**577**	-	-	-	-	577	-	-
Impairments charged to operating expenses	**(9)**	-	(9)	-	-	-	-	-
Impairments charged to revaluation reserve	**(1,334)**	(158)	(1,176)	-	-	-	-	-
Reclassification	**-**	-	159	-	(159)	-	-	-
Revaluation surpluses	**(800)**	-	(800)	-	-	-	-	-
Disposals	**(5,751)**	-	-	-	-	(5,716)	(4)	(31)
Cost or valuation at 31 March 2016	**111,384**	**8,942**	**64,960**	**1,915**	**245**	**26,054**	**8,673**	**595**
Depreciation at 1 April 2015	**22,720**	-	-	-	-	17,267	5,281	172
Provided in the year	**5,624**	-	2,099	35	-	2,479	986	25
Impairments recognised in operating expenses	**(8)**	-	(8)	-	-	-	-	-
Impairments recognised in revaluation reserve	**(832)**	-	(812)	(20)	-	-	-	-
Reversal of impairments recognised in other operating income	**(15)**	-	-	(15)	-	-	-	-
Revaluation surpluses	**(1,279)**	-	(1,279)	-	-	-	-	-
Disposals	**(5,582)**	-	-	-	-	(5,547)	(4)	(31)
Depreciation at 31 March 2016	**20,628**	**-**	**-**	**-**	**-**	**14,199**	**6,263**	**166**
Net book value as at 31 March 2016								
Owned assets	**86,773**	8,942	63,450	1,915	245	9,831	2,300	90
Finance lease	**482**	-	-	-	-	419	63	-
Donated assets	**3,501**	-	1,510	-	-	1,605	47	339
Total at 31 March 2016	**90,756**	**8,942**	**64,960**	**1,915**	**245**	**11,855**	**2,410**	**429**

15.2 Property, plant and equipment, prior year

Prior year 2014/15	Total	Land	Buildings exc. dwellings	Dwellings	Assets under construction	Plant & machinery	Information technology	Furniture & fittings
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2014	**112,713**	9,858	64,586	2,650	424	27,617	6,985	593
Additions - purchased	**5,422**	-	1,125	87	149	2,609	1,426	26
Additions - leased	**-**	-	-	-	-	-	-	-
Additions - donated	**274**	-	148	-	-	99	19	8
Impairments charged to operating expenses	**(114)**	(10)	-	(104)	-	-	-	-
Impairments charged to revaluation reserve	**(2,200)**	(775)	(707)	(718)	-	-	-	-
Reversal of Impairments credited to operating income	**17**	17	-	-	-	-	-	-
Reclassification	-	-	413	-	(414)	1	-	-
Revaluation surpluses	**363**	10	353	-	-	-	-	-
Disposals	**(424)**	-	-	-	-	(399)	(12)	(13)
Cost or valuation at 31 March 2015	**116,051**	**9,100**	**65,918**	**1,915**	**159**	**29,927**	**8,418**	**614**
Depreciation at 1 April 2014	**19,757**	-	-	-	-	15,111	4,485	161
Provided in the year	**5,287**	-	2,004	49	-	2,402	808	24
Impairments recognised in operating expenses	**128**	-	-	-	-	128	-	-
Reversal of Impairments recognised in operating expenses	**(8)**	-	(8)	-	-	-	-	-
Revaluation surpluses	**(2,045)**	-	(1,996)	(49)	-	-	-	-
Disposals	**(399)**	-	-	-	-	(374)	(12)	(13)
Depreciation at 31 March 2015	**22,720**	**-**	**-**	**-**	**-**	**17,267**	**5,281**	**172**
Net book value as at 31 March 2015								
Owned assets	**89,746**	9,100	64,392	1,915	159	11,150	2,921	109
Finance lease	**766**	-	-	-	-	620	146	-
Donated assets	**2,819**	-	1,526	-	-	890	70	333
Total at 31 March 2015	**93,331**	**9,100**	**65,918**	**1,915**	**159**	**12,660**	**3,137**	**442**

16. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements comprise:

	31 March 2016 £000	31 March 2015 £000
Property, plant and equipment	681	951
Intangible assets	2,249	71
Total	**2,930**	1,022

17. Inventories

Current year 2015/16	**Drugs £000**	**Consumables £000**	**Other £000**	**Total £000**
Balance at 1 April	744	2,210	113	**3,067**
Additions	13,894	5,245	625	**19,764**
Inventories recognised as an expense in the period	(13,881)	(5,125)	(647)	**(19,653)**
Write-down of inventories recognised as an expense	(35)	-	-	**(35)**
Balance at 31 March	**722**	**2,330**	**91**	**3,143**

Prior year 2014/15	Drugs £000	Consumables £000	Other £000	Total £000
Balance at 1 April	673	1,783	141	2,597
Additions	13,506	5,646	620	19,772
Inventories recognised as an expense in the period	(13,411)	(5,219)	(648)	(19,278)
Write-down of inventories recognised as an expense	(24)	-	-	(24)
Balance at 31 March	744	2,210	113	3,067

The Trust does not currently operate a complete inventory management control system and is therefore not able to separately evaluate any amount arising, from write-downs or losses, for inventories other than drugs.

18. Trade and other receivables

18.1 Trade and other receivables

	31 March 2016	31 March 2015
Current	**£000**	£000
NHS receivables	2,602	3,205
Other receivables with related parties	156	74
Provision for the impaired receivables	(75)	(86)
Prepayments	1,472	1,914
Accrued income	374	379
Interest receivable	1	1
PDC dividend receivable	19	14
VAT receivables	281	342
Other receivables	816	300
Total	**5,646**	6,143
Non-current		
Prepayments	95	127
Accrued income	146	133
Total	241	260
Grand Total	**5,887**	6,403

The great majority of trade is with Clinical Commissioning Groups, as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by central government to buy NHS patient care services, no credit scoring of them is considered necessary.

18.2 Receivables past their due date but not impaired

	31 March 2016	31 March 2015
	£000	£000
By one to two months	46	815
By two to three months	202	64
By three to six months	103	104
By more than six months	349	169
Total	**700**	1,152

18.3 Receivables past their due date and impaired

	31 March 2016	31 March 2015
	£000	£000
By up to one month	-	2
By one to two months	2	5
By two to three months	3	4
By three to six months	75	35
By more than six months	380	409
Total	**460**	455

18.4 Provision for impairment of receivables

	31 March 2016 £000	31 March 2015 £000
Balance at 1 April	86	72
Increase/(decrease) in receivables impaired	(11)	14
Balance at 31 March	**75**	86

19. Cash and cash equivalents

	31 March 2016 £000	31 March 2015 £000
Balance at 1 April	8,076	9,644
Net change in year	(4,058)	(1,568)
Balance at 31 March	**4,018**	8,076
Made up of		
Commercial banks and cash in hand	5	5
Cash with Government Banking Service	4,013	8,071
Cash and cash equivalents	**4,018**	8,076

20. Trade and other payables

Current	31 March 2016 £000	31 March 2015 £000
NHS payables	258	156
Amounts due to other parties*	1,701	1,384
Trade payables - capital	1,010	1,830
Other payables	3,520	4,021
Other taxes payable	1,944	1,965
Accruals	1,871	1,857
PDC payable	-	-
Total	**10,304**	11,213

* Amounts due to other parties includes outstanding pension contributions of £1,397k (2015 £1,344k).

21. Borrowings

Current

	31 March 2016 £000	31 March 2015 £000
Obligations under finance leases	181	265
Total	**181**	265

Non-current

	31 March 2016 £000	31 March 2015 £000
Loans from Department of Health	4,600	4,600
Obligations under finance leases	181	360
Total	**4,781**	4,960

The Trust drew down a loan from the Department of Health against the receipt of future asset sales. This loan is repayable by 15th March 2021.

22. Provisions

	Current	
	31 March 2016	31 March 2015
	£000	£000
Pensions relating to other staff	57	57
Other legal claims	38	81
Total	**95**	138

	Non-current	
	31 March 2016	31 March 2015
	£000	£000
Pensions relating to other staff	437	491
Total	**437**	491

22.1 Provisions movement

	Total	**Pensions relating to staff**	**Legal and other claims**
	£000	**£000**	**£000**
At 1 April 2015	**629**	548	81
Change in discount rate	**(1)**	(1)	-
Arising during the year	**24**	7	17
Utilised during the year	**(107)**	(57)	(50)
Reversed unused	**(20)**	(10)	(10)
Unwinding of discount	**7**	7	-
At 31 March 2016	**532**	494	38
Expected timing of cash flows:			
Within one year	**95**	57	38
Between one and five years	**207**	207	-
After 5 years	**230**	230	-
Total	**532**	494	38

Provisions that are not expected to become due for several years are shown at a reduced value to take account of inflation. The unwinding of discounts relates to the increase in the value of provisions as their settlement date gets nearer.

Provisions shown under the heading 'Pensions relating to staff' have been calculated using figures provided by the NHS Pension Agency. They assume certain life expectancies. Provisions shown under the heading 'Legal claims' relate to public and employer liability claims and employment tribunal claims. The liability claims amounts have been calculated using information provided by the NHS Litigation Authority and are based on the best information available at the balance sheet date. Employment tribunal claims represent the Trust's best estimate of the likely outcome of each claim.

22.2 Clinical negligence liabilities

	31 March 2016	31 March 2015
	£000	£000
Amount included in provisions of the NHSLA in respect of clinical negligence liabilities of the Trust	51,338	31,487

23. Other liabilities

	31 March 2016 £000	31 March 2015 £000
Deferred income - goods and services	916	1,025
Total	**916**	1,025

24. Finance lease obligations

	Minimum lease payments		Present value of minimum lease payments	
	31 March 2016 £'000	31 March 2015 £'000	**31 March 2016 £'000**	31 March 2015 £'000
Gross lease liabilities	**364**	633	**354**	613
of which liabilities are due				
not later than one year	183	270	177	260
later than one year and not later than five years	170	329	166	319
later than five years	11	34	11	34
Finance charges allocated to future periods	(2)	(8)	(2)	(8)
Net lease liabilities	**362**	**625**	**352**	**605**
of which liabilities are due				
not later than one year	181	265	175	254
later than one year and not later than five years	170	326	166	317
later than five years	11	34	11	34
	362	**625**	**352**	**605**

All finance lease obligations disclosed above relate to plant and machinery.

25. Contingencies

Contingent liabilities	**31 March 2016 £000**	31 March 2015 £000
Risk pooling*	10	21
Early retirement	20	24
Injury benefits	22	23
Total	**52**	68

* Risk pooling is in respect of employer and public liability incidents for which claims have been made against the Trust. The contingent liabilities have been calculated using information provided by the NHS Litigation Authority. Provisions relating to these cases are included in Note 22.

26. Financial instruments

26.1 Financial assets

	31 March 2016	31 March 2015
Loans and receivables	**£000**	£000
Trade and other receivables	4,020	4,006
Cash at bank and in hand	4,018	8,076
Total at 31 March	**8,038**	12,082

The financial assets consist of the financial element of trade and other receivables (Note 18.1) and cash at bank and in hand (Note 19).

26.2 Financial liabilities

	31 March 2016	31 March 2015
	£000	£000
Borrowing excluding finance lease and PFI contract	4,600	4,600
Obligations under finance lease	362	625
Trade and other payables	6,583	7,464
Provisions under contract	532	629
Total at 31 March	**12,077**	13,318
Maturity of		
In one year or less	6,859	7,867
In more than one year but not more than two years	159	236
In more than two years but not more than five years	218	306
In more than five years	4,841	4,909
	12,077	13,318

The financial liabilities consist of the financial element of trade and other payables (Note 20), plus current and non-current borrowings (Note 21) and provisions (Note 22.1) excluding legal costs.

26.3 Fair value of financial assets

	Book Value £000	Fair Value £000
Non-current trade and other receivables excluding non financial assets	146	146
Total at 31 March 2016	**146**	146

26.4 Fair value of financial liabilities

	Book Value £000	Fair Value £000
Provisions under contract	437	437
Loans	4,600	4,600
Other	181	181
Total at 31 March 2016	**5,218**	5,218

26.5 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the Trust has with Clinical Commissioning Groups and the way those Groups are financed, the 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 listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the Finance Department, within parameters defined formally within the Trust's Standing Financial Instructions and Policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

26.5.1 Currency risk

The Trust is a UK based organisation with no overseas operations. The vast majority of its income, expenses, assets and liabilities are denominated in sterling, and therefore it has low exposure to currency risk.

26.5.2 Interest rate risk

The Trust's exposure to interest rate risk is limited to the rate of interest it earns on short-term cash deposits placed with the National Loans Fund and its cash balances with the Government Banking Service. All of the borrowings of the Trust are at fixed rates of interest.

The Trust earned interest of £77,000 (at an average rate of approximately 0.4%) during 2015/16. An increase in interest rates of 0.5% would increase interest earned by approximately £104,000.

26.5.3 Credit risk

The majority of the Trust's trade and other receivables are due from other NHS bodies that are funded by central government. As a result, the Trust has a low credit risk profile. Exposures as at 31 March are disclosed in the Trade and other receivables note.

The Trust has a credit control policy and actively pursues unpaid debts, utilising the services of a debt collection agency for certain older debts. The Trust does not enter into derivative contracts.

26.5.4 Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust also largely finances its capital expenditure from internally generated funds, or from facilities made available from Government under an agreed borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

The Trust has a deficit £5.5m in the current financial year and has a cash balance of £4.0m. Therefore there is minimal risk to payables.

27. Events after the reporting period

There have been no significant post balance sheet events requiring disclosure.

28. Related party transactions

Dorset County Hospital NHS Foundation Trust is an independent public benefit corporation as authorised by NHS Improvement in their Terms of Authorisation.

None of the other Trust's Directors, senior managers, or parties deemed to be related to them, has undertaken any material transactions with Dorset County Hospital NHS Foundation Trust.

The Department of Health is regarded as the ultimate parent of the Trust. During the year the Foundation Trust has had a significant number of transactions with entities for which the Department of Health is regarded as the ultimate parent.

Central and Local Government and NHS entities, with which the Foundation Trust had transaction totals exceeding £500,000 for the year, are listed in the following table.

	Income in year to 31 March 2016 £000	Expenditure in year to 31 March 2016 £000	Receivables at 31 March 2016 £000	Payables at 31 March 2016 £000
Department of Health	626	5	-	4,604
Dorset County Council	1,656	416	81	304
Dorset Health Care NHS Foundation Trust	1,139	1,519	196	59
Health Education England	4,693	10	-	-
HM Revenue and Customs - Tax & NI	-	6,244	-	1,944
NHS Blood and Transplant	5	739	4	-
NHS Dorset Clinical Commissioning Group	108,627	185	920	585
NHS England - Wessex Local Office	3,410	-	-	27
NHS England - South Central Local Office	880	-	78	-
NHS England - Wessex Commissioning Hub	25,867	-	240	-
NHS Litigation Authority	-	5,258	-	-
NHS Pension Scheme	-	9,925	-	1,397
NHS Somerset Clinical Commissioning Group	2,228	-	-	20
Poole Hospital NHS Foundation Trust	832	997	108	44
University Hospital Southampton NHS Foundation Trust	805	321	190	32
Somerset Partnership NHS Foundation Trust	577	-	241	-
West Dorset District Council	-	968	-	-

The payables included above in respect of HM Revenue and Customs and NHS Pension Scheme include both employee and employer contributions. The expenditure figures for these organisations are only in respect of employer contributions.

The Trust receives revenue payments and contributions to the cost of non-current assets from the Dorset County Hospital NHS Foundation Trust Charitable Fund, of which the Foundation Trust is the corporate trustee.

Transactions with Dorset County Hospital NHS Foundation Trust Charitable Fund:	**31 March 2016 £000**	31 March 2015 £000
Contributions from the Charity to non-current assets	456	303
Administration costs charged to the Charity	22	23

29. Third Party Assets

The Trust holds cash and cash equivalents which relate to monies held on behalf of patients. These amounts have been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2016 £000	31 March 2015 £000
Monies held on behalf of patients	**2**	1

30. Losses and special payments

The total costs included in this note are on a cash basis and may not reconcile to the amounts in the notes to the accounts, which are prepared on an accruals basis.

	Number of cases		**Total value of cases**	
	31 March 2016 Number	31 March 2015 Number	**31 March 2016 £'000**	31 March 2015 £'000
Losses of cash due to:				
overpayment of salaries	**5**	-	**2**	-
Bad debts and claims abandoned in relation to:				
private patients	**-**	1	**-**	-
overseas visitors	**1**	-	**1**	-
other	**12**	16	**1**	5
Damage to buildings and property due to:				
theft, fraud etc	**-**	1	**-**	1
stores losses	**1**	1	**35**	24
Ex-gratia payments in respect of:				
loss of personal effects	**10**	7	**2**	4
other	**1**	2	**-**	1
	30	28	**41**	35

31. Limitation on auditor's liability

The limitation on the Trust's auditor's liability is £0.5million (2014/15: £0.5million).

32. Pooled Budget – Equipment for Living Partnership

The Trust, via Dorset CCG, contributes towards a pooled budget arrangement which started on the 1st April 2015. This is hosted by Bournemouth Borough Council to provide equipment for Living Partnership. This replaced the Integrated Equipment Service hosted by Dorset County Council which ceased on the 31st March 2015.

Payments are included in note 6 – Operating expenses under heading Services from CCGs and NHS England. The Trust contributed £185k in 2015/16. This forms part of the Dorset CCG total included in the table below.

The below disclosure is based on month 12 information provided by Bournemouth Borough Council and it should be noted that these figures are un-audited.

	31 March 2016	31 March 2015
Funding	**£000**	£000
Bournemouth Borough Council	552	-
Borough of Poole	552	-
Dorset County Council	1,439	-
Dorset CCG	5,058	-
Partner Contributions (excluding management costs)	7,601	-
Partner Allocation: Local Authority	(69)	-
Partner Allocation: CCG	(139)	-
Total Funding	**7,393**	-
Expenditure		
Integrated Community Equipment Store		
Actual Spend to Mar 2016	(7,393)	-
Total Expenditure	**(7,393)**	-
Total Surplus/(Deficit) at 31 March	**-**	-