



Annual Plan 2008/2009

For Publication

THE POOLE APPROACH

“Friendly professional, patient-centred care with dignity and respect for all”

THIS MEANS THAT:

Our patients receive excellent care and treatment in a safe and clean environment and we:

- listen to our staff, patients and the public;
- give information that is relevant and accessible;
- safeguard patient privacy, confidentiality and choice;
- welcome and involve families, carers and friends to participate in care;
- treat each other with respect and consideration;
- value and benefit from diversity in beliefs, cultures and abilities;
- continually improve the quality of our services by learning from what we do;
- take responsibility and are accountable for our own actions;
- expect staff and patients to take their share of responsibility for their own health;
- work with and support all organisations who are committed to promoting the health of local people.

FOREWORD

The Trust was delighted to achieve Foundation Trust Authorisation on 1st November 2007. The Trust is keen to embrace the freedoms of authorisation to provide the best possible services for patients. The Trust recognises that with these freedoms come responsibilities and the Board is determined to deliver the highest and safest standards of care to patients led and managed by robust governance arrangements aimed to ensure that the Trust meet its terms of authorisation.

Poole Hospital NHS Foundation Trust provides a wide range of local, general and specialist acute services to the residents of the Dorset population and surrounding areas.

The Trust's Annual Plan for 2008/09 identifies and addresses the key issues that face the hospital during the coming year. It sets out how services will be improved and developed for the benefit of patients, whilst ensuring that both national and local standards are delivered.

Poole Hospital enjoys an excellent reputation with the local community for friendly professional care delivered with dignity and respect and scores highly in all patient satisfaction surveys.

The vision for Poole Hospital is to provide and develop, within available resources, a range of services at a level of quality that will improve the patient experience and ensure that we remain the hospital of choice for both patients and staff.

The Board and its entire staff are immensely proud of Poole Hospital and what has been achieved to date. Every opportunity will be taken to work closely with our members, commissioners, local authorities and other partners to deliver and develop health services that are appropriate and responsive to the needs of those people whom we serve.

A refresh of the Hospital's Clinical Services Strategy will be undertaken between May and September 2008 which will identify the key priorities and areas of growth which will inform and reshape the Clinical Services Strategy for the following three years.

Profile

Poole Hospital NHS Foundation Trust's case mix is unusual in that the major proportion of its inpatient activity (excluding daycases), 89% is unplanned. The Trust provides a wide range of local, general and specialist acute services to the residents of the Borough of Poole and the two district councils of Purbeck and East Dorset (giving an approximate main catchment population of 268,000). The general and specialist acute services including Maternity, Trauma, Child Health, ENT and Emergency and Inpatient Gynaecology Services are provided to the residents of Bournemouth Borough Council and Christchurch District Council increasing the catchment population to around 477,000. In addition specialist acute services including Radiotherapy, Neurology and Oral Maxillofacial Services are provided to the residents of the other three Dorset district councils further increasing the catchment population to 701,000 (Office for National Statistics, Dorset Data Book 2007 – MYE 2005). These populations account for approximately 98% of the patient flow to the hospital, with the remaining 2% of patients coming from the neighbouring commissioning areas of Hampshire and Wiltshire as well as visitors to the area accessing emergency care.

The Trust's distinctive services are those providing care to the east of Dorset and the wider Dorset populations as these are not provided by other trusts within the area. These are:

- The Trauma Centre for the east of Dorset;
- The Paediatric Centre for the east of Dorset;

- The Cancer Centre for the east of Dorset
- The medically led Obstetrics Centre and Neonatal Intensive Care for the east of Dorset;
- The Emergency Inpatient Gynaecology Centre for the east of Dorset;
- The ENT Services Centre for the east of Dorset;
- The Neurology Centre for Dorset;
- The Oral Maxillofacial Centre for Dorset.

For the specialist services the hospital provides there are relationships with both the other two major district general hospitals in Dorset; Royal Bournemouth and Christchurch Hospital NHS Foundation Trusts and Dorset General Hospital NHS Foundation Trust. The Trust also has close and long standing links with Wimborne, Swanage, Wareham, St. Leonard's and Alderney community hospitals, which rely upon the Trust's Clinicians and other specialist staff to enable them to provide their services.

The Trust has productive and close relationships with a number of neighbouring trusts. With the closest of these, the Royal Bournemouth Hospital, it jointly handles all medical and surgical emergency admissions for the eastern part of the County. However, major trauma, paediatric and orthopaedic emergency admissions are solely handled by Poole Hospital. The Trust also co-operates with the Royal Bournemouth Hospital to maximise the training of junior medical staff.

The Trusts link with Southampton, the nearest major teaching hospital, is very important, particularly for specialist tertiary services such as cardio-thoracic surgery, neonatal surgery and neuro-surgery that relate to a number of hospital's secondary services. The Trust is a major training centre for doctors, nurses and a number of professionals allied to medicine.

The county of Dorset's population is predicted to rise over the coming years (forecast rising by 3.6% over the next five years, as stated within the Office for National Statistics, Dorset Data Book 2007 – MYE 2005). The population aged over 65 is 23.8% and is significantly higher than the national average of 16.1%. The population aged over 74-84 is 8.9% compared with a 5.8% national average and the population aged over 85 is 3.1% compared with a 1.9% national average.

There are two primary care trusts (PCTs) commissioning approximately 96% of work undertaken by Poole Hospital, with the Bournemouth and Poole Teaching Primary Care Trust contracting for approximately 72% and the Dorset Primary Care Trust contracting for approximately 24% of the Trust's patient flow.

The Trust has a forecast turnover of £175 million, has 784 beds (including 75 day beds) and employs approximately 4,300 staff (3,057 WTE). The Trust treats some 47,000 inpatients, 20,000 day cases, 66,000 new outpatients and 58,000 people attending A&E each year.

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1. PAST YEAR PERFORMANCE

1.0 INTRODUCTION

The Trust's Annual Plan for 2008/09 identifies and addresses the main issues that face the hospital during the coming year and is a key submission required by the Trust's terms of authorisation as a Foundation Trust. It is used to assess the scale of risk in relation to the Trust's finance, governance and mandatory services.

The Annual Plan also sets out how services will be improved and developed for the benefit of patients, whilst ensuring that both national and local access, quality and safety standards are delivered.

1.1 CHIEF EXECUTIVE'S SUMMARY OF THE YEAR (2007/08)

During this year the Trust continued with its plan to continually improve the range and quality of services for local people and was authorised as a Foundation Trust on 1st November 2007. We will use our freedoms as a Foundation Trust to give us the flexibility to better meet patient expectations through the capital and other service developments outlined in our Clinical Services Strategy.

The following achievements could not have been made possible without the continued hard work of the Trust's staff. It is to the credit of everyone that they have responded to the challenges of 2007/08 and the successful attainment of Foundation Trust status in such a professional and dedicated manner.

During 2007/08 the Trust has made significant progress in a number of key performance areas including:

- achieving year end surplus of £900k using this, together with our much improved cash position, as the first contribution to the much needed capital development programme;
- ensuring that the 18 week referral to treatment targets were achieved by 31 March 2008 with 92% of admitted patients being treated against a target of 90% and 95.5% of non admitted patients being treated against a target of 95%;
- achieving national waiting time targets of under six weeks for Radiology and significantly exceeding in many areas with a three week routine wait for many examinations. Significant progress has been made in Ultrasound which historically has been particularly challenging;
- maintaining very low rates of Clostridium Difficile. The Trust was the 23rd best performing Trust in the country as assessed by the Healthcare Commission;
- achieving the Call to Needle target consistently after a period of significant variability;
- ensuring that our Emergency department achieved the target to treat and admit or discharge over 98% of patients within 4 hours and our staff looking after patients with cancer ensured that all national targets were met;
- approving a development control plan which includes the building of a new maternity hospital and updating our emergency and day case departments;

- establishing an excellent Council of Member Representatives who have started to fulfil their responsibilities by actively engaging on a number of fronts;
- maintaining a 'good' rating in terms of overall quality of clinical care and achieving a 'good' rating of use of resources in the 2006/07 Healthcare Commission's Annual Health Check (last published);
- achieving all the core standards set down by the Healthcare Commission and the existing national targets, and receiving a rating of 'good' for achieving the new national targets around smoking, patient experience, and outcomes for long-term conditions and a rating for Poole Hospital Maternity Services as a "Better performing Trust";
- working with the Public and Patient Involvement Forum to improve the quality of services in areas including Emergency Admissions Unit (mixed sex arrangements) and Phlebotomy (waiting times);
- achieving a 'green' rating for the quality of cleaning, food services and environment in the Patient Environmental Action Team (PEAT) reports;
- delivering the planned cash releasing savings programme;
- achieving CPA reaccreditation for our pathology services;
- achieving a successful implementation of the Hospital @ Night programme within the Medical Clinical Care Group;
- achieving Level 2 CNST General and Maternity Services Accreditation;
- being rated in the top 100 places in the country for nurses to work;
- being rated by CHKS as one of the top 40 hospitals for 2008, based on evaluation of key performance indicators such as clinical effectiveness, health outcomes, efficiency, patient experience and quality of healthcare;
- recording a sickness absence rate of 3.86%, ahead of the annual target of 4.6%;
- recording 93% of patients rating Poole Hospital as "good to excellent" in the 2007 national survey and of those patients 46% rated the Trust as "excellent". Patients also rated Poole above the national average in two thirds of questions in the survey.

The Trust has developed the following clinical services:

- Spinal Services, improving quality of care and reducing length of stay;
- Cancer Service developments: Thoracoscopy Service and Brachytherapy Service thereby providing a local service and improving waiting times;
- familial breast cancer screening programme in collaboration with our two main commissioning primary care trusts;
- Liquid Based Cytology Services which responded to the Trust's commissioners request to provide a centralised service for east Dorset and achieved re accreditation;

- non invasive diagnostic alternatives for patients with chest pain, improving patient experience and reducing length of stay;
- Adolescent Unit for 13 to 16 year olds, and new arrangements for the transition of young people to adult services;
- total hip replacement and total hip revision services for patients admitted as emergencies.

1.2 OTHER MAJOR ISSUES

It was disappointing that, despite its overall good performance in reducing infection, the Trust breached the MRSA blood infection target. In response to this the Trust initiated a community wide summit, taking advice from the Department of Health cleaner hospitals team and implementing a comprehensive action plan including the move to screen all elderly patients who come in as an emergency. The Board remains committed to ensuring that it provides the safest possible service for patients. The reduction of MRSA and other Health Care Acquired Infections (HCAI) will remain the subject of significant focus ensuring a green compliance rating for 2008/09.

The Trust is also disappointed that it did not achieve the national delayed discharge target despite considerable focus and action. The Trust's actions, in particular with the Borough of Poole led to a significant improvement in the delays experienced by patients waiting for social care and in Quarter 3 we were on target, however delays for patients waiting for a bed in a community hospital did not improve throughout the year and became worse in Quarter 4. The Trust is pleased therefore that the primary care trust has recently agreed to invest in excess of £1 million in a 'no delays programme'.

The Trust is aware that Monitor (the Independent Regulator of NHS Foundation Trusts) has concerns regarding the Trust's governance arrangements. The Board of Directors will ensure the governance arrangements are robust, clearly understood and complied with. The Board of Directors will put in processes to receive assurance of this.

A Finance and Investment Committee was established as a formal sub committee of the Board.

The Council of Member Representatives approved the appointment of an additional non-executive Board member and supported the appointment of an additional executive director. The non-executive director will bring capital development skills and experience to the Board as we embark on the commencement of the capital programme. The executive director will strengthen the performance management capabilities of the Board. These positions will be taken up in 2008/09.

1.3 SUMMARY OF FINANCIAL PERFORMANCE

The Trust enjoyed a successful year exceeding its surplus forecast by in excess of 100%. On inception as a Foundation Trust we forecasted a year end surplus of £400,000 but achieved a surplus of almost £900,000 (£7,000 in 2006/07). This performance was achieved through strict financial control with the Trust again delivering successfully its Cost Improvement Programme of £3.7 million, (£3.2 million in 2006/07) and timely billing of its income. Other than the transition to Foundation Trust there were no exceptional circumstances that impacted upon our "bottom line" in the financial year. This successful performance is reflected in our forecast improved position over future years.

The Trust also delivered a full capital programme with £4.4 million being invested in longer term assets for the Trust.

The Trust needs to deliver strong cash flows over the next few years in order to deliver an ambitious capital programme, at the year end our cash balances stood at £9.8 million, well ahead of plan which augurs well for the delivery of our new maternity facility, the first stage of our major capital plan. The improvement in our cash position was down to over prudent assumptions made regarding the transition from being an NHS Trust to a Foundation Trust, our improved surplus position and a reduction in our debtors at the year end.

The financial plan was prepared for the whole of 2007/08 as an NHS Trust and was then revised for the whole year to take account of our authorisation as a NHS Foundation Trust. The original plan was to break even with the revised plan assuming a surplus of £400,000, our final results showed a surplus of £900,000.

The financial plan prepared as a Foundation Trust was the first of a five year strategy which aims to deliver substantial capital development including the replacement and expansion of the Trust Maternity facilities.

High-level comparison between historic plan and actual performance

<i>£ million</i>	2007/08 plan	2007/08 actual
Income		
Clinical income	147.68	149.41
Non-clinical income	15.86	17.04
Total income	163.54	166.45
Expenses		
Pay costs	111.42	110.79
Non-pay costs	41.45	44.88
EBITDA	10.67	10.78
Exceptional items	0	0
Net surplus/(deficit)	0.38	0.88

2. FUTURE BUSINESS PLANS

2.1 STRATEGIC OVERVIEW

In order to meet the requirements of the modern and transforming NHS the Trust has undertaken significant work to progress and deliver strong clinical and financial performances. The following sections outlines the next steps forward for Poole Hospital NHS Foundation Trust in planning and delivering the Trust's priorities and service developments.

As part of the Trust's Foundation Trust application process the hospital developed a five year Strategic Business Plan. The culture, philosophy and values, vision and strategic goals to deliver this plan are set out below.

Poole Hospital's philosophy of care is 'friendly professional, patient centred care with dignity and respect for all'

Vision

'We will provide excellent patient centred emergency and planned care to the people we serve'

In delivering its vision the Trust will draw on successes in:

- meeting patient expectations;
- managing financial and human resources;
- delivering key access targets;
- meeting Healthcare Commission standards.

Our success to date is evidenced by: national patient survey reports, national clinical audit reports, Health Commission reports, staff survey reports and high levels of performance particularly in relation to delivering patient access targets and our overall efficiency as reflected in our low relative cost index.

The Strategic Goals

In support of the vision and delivery of the Business Plan, five strategic goals have been identified:

- to ensure robust management of resources and the sustainable development of clinical services;
- to continuously improve the patients' experience;
- to continue to employ a highly motivated flexible workforce delivering excellent services;
- to have governance arrangements to deliver a strong public engagement and robust corporate and clinical governance systems;
- to maintain and develop successful partnership working.

In delivering these goals the Trust will continue to work closely with the local community, commissioners, GPs, elected representatives, members and others to ensure that the services are developed that are appropriate to the health needs of the local population.

The Trust is organised into Corporate Directorates and Clinical Care Groups. Each Directorate and Clinical Care Group has detailed objectives to deliver during 2008/09. These objectives are detailed in a separate document which is available on request, "Strategic Goals 2007/12 and Key Objectives 2008/09".

The Trust is implementing a suite of functional strategies for:

- Human Resources;
- Clinical Delivery;
- Risk Management;
- Academic/Education;
- Estates;
- Communication;
- Information Technology;
- Information;
- Finance.

Future Service Development Plans

Over the coming years a number of key capital and revenue investments are planned to support the Strategic Goals of the Trust's services by:

- improving Maternity / Obstetrics / Neonatal intensive care facilities:
 - * replacing the current building to provide a modern facility that supports safe care, provides for an increase in capacity and encourages women to choose our services;
- improving Accident and Emergency (A&E) facilities:
 - * refurbishing and extending the current facility to improve patient care, enhance patient flow and provide a safe environment which respects privacy and dignity;
- developing our Day Surgery / Ambulatory Care facilities:
 - * increasing capacity to maximize short stay diagnostic and treatment services to improve the patient experience and avoid unnecessary admissions;
- improving infrastructure:
 - * aiming to improve the patients' experience and reducing their length of stay by extending the working day to move towards 24/7 working and redesigning service delivery.

For 2008/09 the key investments for the Trust are in:

- meeting the waiting time target of 15 weeks;
- infection control;
- trauma services;
- cancer drugs;
- neurology services;
- augmented care outreach team;

The details of service developments for 2008/09 are detailed in section 2.2.

Financial and Investment Implications of the Plan

In order to deliver the above plan the Trust needs to invest approximately £40 million in three major capital projects, broken down as improving Maternity facilities £25 million, improving A&E facilities £8 million and developing day care facilities £6 million. Enhancing our maternity and day case facilities will enable the Trust not only to provide improved facilities for our patients but also deliver much needed capacity which will allow us to meet the continuing upturn in demand in these areas.

Planned uses of surpluses and cash balances

The Trust needs to make surpluses to generate sufficient cash, along with servicing debt from borrowings, to deliver the initial 5 year capital development plan. As at 1 April 2008 the Trust had approximate cash holdings of £10 million, and assuming borrowings of £12 million, depreciation benefits of £8 million, and possible disposals of £6 million, the Trust must generate cash from surpluses of around £16 million over the 5 year period in order to retain a robust financial position.

Competitive Analysis

The demographics of the local health economy are detailed in the foreword of this plan.

The overall market share for elective (inpatient and day case), non elective and first outpatient work received from the two local primary care trusts in 2006/07 is provided in the table below. The table shows 33.2% of the total elective inpatient activity from Bournemouth and Poole Teaching Primary Care Trust comes to the Trust and 66.8% going elsewhere.

	Bournemouth and Poole Teaching PCT		Dorset PCT	
	Patient numbers	Percentage	Patient numbers	Percentage
Elective	11,542	33.2	4,368	9.9
Non elective	32,469	67.8	10,625	23
First Outpatients	43,421	44.5	16,670	14.6

As part of the Foundation Trust status, and in response to Payment by Results, the Trust is monitoring and identifying any changes that take place within the local health care market using the 'Dr Foster' Hospital Marketing Manager tool. Initial analysis shows that the health community referral patterns currently remain relatively stable.

Further competitor analysis can be found in Section Five: Service Development Plan within the Trust's Integrated Business Plan, February 2007.

Contracting and influencing strategies

The Trust has a strong collaborative relationship with its main commissioners. The Trust's major commissioner accounts for 86% of Trust income.

The primary care trusts have created local commissioning bodies covering 16 locations these Practice Based Commissioning (PBC) Groups are primarily led by GPs.

Practice Based Commissioning Groups have produced locality plans based on local needs. The Trust is engaging with both the primary care trusts and PBC Groups to develop local strategies and plans to meet the needs of the local health economy. This includes the Trust's Medical Director meeting with GPs in practices and with these PBC Groups.

Marketing Proposals

The Trust has clarified a strategic overview and framework for marketing and business development. The Trust will now develop a marketing strategy to set out how we will continue to promote our services to become the hospital of choice for local people.

Part of the marketing strategy will be to ensure that we provide clear, good quality, up-to-date information about our services, access and patient environment to primary care, patients and members of the public. We will work hard to ensure that the good reputation of the Trust is promoted at every opportunity.

Our future marketing plans will be drawn up in line with the Code of Conduct for promotion of NHS services and national advertising standards.

Investment plans and requirements

Investment plans and requirements are detailed within the above section (Financial and Investment Implications of the Plan).

Research and development proposals

The Trust will continue to support both commercial and non commercial research activities in line with its research strategy. The Trust has a history of attracting external funds to sponsor research proposals and robust research governance arrangements for research undertaken in the Trust.

The Trust will invest over £100,000 in supporting research and anticipates external funding of research projects of around £0.5 million.

In the coming year the Trust will also strengthen and develop its links and involvement with the Postgraduate Medical Research Centre at Bournemouth University seeking to increase the number of research focused joint appointments.

Innovation and development of commercial opportunities

The Trust has 21 innovation projects on its register at the beginning of the year. It will seek to support these innovations where there is demonstrable value to be added to both patient care and to the business of the Trust. The Trust will look to work with commercial partners to develop and market innovations.

Relationships with Healthcare Stakeholders

Our Board of Directors has met with the Board of Bournemouth and Poole Teaching PCT and with that of the Royal Bournemouth and Christchurch Hospital NHS Foundation Trust. There is regular contact between these organisations both at a corporate level and operationally.

We also enjoy good relationships with NHS South West, other local NHS organisations and our local MPs.

The Trust relates to three Overview and Scrutiny Committees and has good relationships with each. They formed an important part of the process of consultation on our application to become a Foundation Trust.

We enjoyed an excellent working relationship with the independent Patient and Public Involvement Forum and look forward to replicating this level of co-operation and understanding with the successor organisation; Links.

We also have a strong network of patient interest groups particularly in the fields of cancer, cardiac and respiratory care, child health and diabetes.

Engagement with Members and Council of Member Representatives

The Trust has a membership strategy that sets out how we will engage with members and member representatives.

We have a membership office, conveniently situated in the main reception area of the Hospital, through which all contacts with members are channelled. Members receive a regular newsletter; FT Talkback, which aims to provide them with information about relevant developments and events.

The membership strategy has recently been revised by the Membership and Communications Reference Group of the Council of Member Representatives.

The Reference Group has recommended that Member Representatives should become actively involved in membership recruitment in their constituencies and by going out to speak to local groups and organisations. There will be a greater focus on recruiting members from the younger age groups. We will work with schools, colleges, youth groups and with industry and commerce to try to attract more members from among the working 'well' adult population.

We also intend to organise a programme of membership events and open days.

Members may contact Council of Member Representatives through the membership office, which is situated in the main reception area of the hospital, by telephone 01202 448178, in writing, by e.mail or via our website www.poole.nhs.uk.

There are four steering groups of the Council which enable member representatives to help shape future plans and priorities; membership recruitment and communications; charitable giving; and staff engagement.

Member Representatives will play a key part in helping to refresh the strategic development of the hospital and are routinely included in any consultation exercise. A Member Representative also sits on the Patient Information Steering Group.

2.2 SERVICE DEVELOPMENT PLANS

Overview

The Trust has made no material changes to its mandatory services contracted in Schedule 2 of its NHS Foundation Trust authorisation.

Key Objectives 2008/09

The Trust's strategy for 2008/09 is designed to achieve the NHS objectives and to deliver the NHS Plan Targets/Ratings.

The key objectives for 2008/09 are to:

- deliver and maintain financial viability;
- deliver good quality care in a safe environment;
- deliver agreed waiting time and other key targets;
- ensure affordability of future major capital commitments.

Revenue Developments

2008/09 will see the Trust continue to develop services to support improvements in the patient experience, access requirements and patient delays these include investments for the full year effect of previous years development and the current year effects of new developments.

The following developments have been funded through our "block" payments from 2008/09:

Neurology	£100,00
Tongue Tie	£30,000
Breast Screening (Dorset Wide)	£90,000
Brachytherapy	£60,000
Outreach Services	£200,000

Other developments include:

- Pacing Service;
- Coronary angiography services;
- Bowel Screening programme;
- Liquid Based Cytology service
- Neurophysiology service;
- Trauma services;
- Sacral nerve stimulation service provision.

In addition the Trust has received in excess of £1.2 million for additional NICE approved cancer drugs and in excess of £1.3 million for meeting a 15 week treatment target.

Major Capital Development 2008/09

The Trust has agreed in principle to develop a business case for the new Maternity and Neonatal unit. This will be presented to the Board of Directors in Autumn 2008. The Board of Directors agreed in February 2008 that a Principal Supply Chain Partner be appointed to develop options and costs for the Maternity development. Interviews for the Pro Cure 21 principle supply chain partner have taken place. It is proposed to appoint the preferred provider for them to develop the full business case commencing in May 2008.

General Capital Developments

The Board has approved funding of £4,450,000 for the general capital development programme for 2008/09 which includes:

- the implementation of an Electronic Blood Tracing and patient wrist band system to comply with Standards for Better Health requirements and improve the safety of patients;
- finalising the development of extra capacity for Oral Maxillo Facial services;
- introduction of new Arthroscopy equipment to provide arthroscopic techniques improving the patient experience and reducing the length of stay;
- major ongoing investment in order to improve our information technology infrastructure.

Changes within the Local Health Economy

No significant changes are expected which will impact upon the Trust within the coming year. The Trust will continue to work collaboratively with partner organisations such as the Primary Care Trust, Social Services and Voluntary Sector to deliver national and local policy framework and targets, commissioners and Trust strategies and objectives.

Dorset Primary Care Trust will review its provider arm in a years time. However Bournemouth and Poole Teaching Primary Care Trust have already confirmed that they wish to divest from provider services and therefore during this forthcoming year we will work closely with them, the Royal Bournemouth and Christchurch NHS Foundation Trust and Dorset Healthcare NHS Foundation Trust so that we are well placed to tender for these services that will enhance our business.

Competitive Threats

Service reviews will be undertaken by health and social care stakeholders during 2008/09. The Trust does not anticipate any significant commissioned activity changes during the coming year.

Planning within the local and national service needs

The Trust will work with commissioners in delivering the requirements of the NHS Operating Framework. The Plan reflects the needs of the commissioning contract, the needs of the local health community and the population the Trust serves.

Contract Negotiations

The Standard NHS Contract for Acute Services was agreed with Bournemouth and Poole Teaching Primary Care Trust, acting as lead for our two major, and two other commissioners. Negotiations concluded in March 2008 when our contract was signed. The contract confirms the financial and activity arrangements for the bulk of the Trust's activity. The Bournemouth and Poole Teaching Primary Care Trust contract covers approximately 72% of the Trust's income with an additional 24% relating to Dorset Primary Care Trust. Other areas cover arrangements with health organisations outside the NHS South West SHA area e.g. Hampshire PCT, specific arrangements with local trusts for the provision of services, and non-NHS income arrangements.

The arrangements agreed with the lead commissioners, provide for an expected contractual income of £142 million in 2008/09. Of this income, 70% will be payable under the Payment by Results tariff. Actual commissioned activity will be reimbursed up to agreed limits. During the contract negotiations the PCT indicated that it would be introducing actions to reduce activity throughout the Trust and we impact that the implications for this financial year could affect our income by in excess of £1 million mainly in elderly services, the Trust will review its cost base when evidence in change materialises.

The key local targets agreed in the contract are:

The contract covers 76 standards and targets to be achieved. The details of local targets agreed with commissioners for MRSA bacteraemia, C. Difficile infections and 15 week access are:

Target		Q1	Q2	Q3	Q4
Hospital Acquired MRSA	Contracted	6	6	4	4
	Stretch	4	4	4	3
C. Difficile*	Per 1,000 Admissions	2.39	2.39	2.39	2.39
	At contracted activity levels	40	38	38	38
15 Week Access by 31/03/09	Admitted	-	-	-	90%
	Non-Admitted	-	-	-	95%

* actual target will vary dependant upon the number of admissions per quarter

Proposed Developments and Revenue Impact

Proposed developments and revenue impact are detailed elsewhere within Section 2.2 (see page 16).

Key areas of activity growth

Key areas of activity growth are detailed elsewhere within Section 2.2 (see page 16).

Resources and Capabilities to deliver

The Board is confident that it has the resource and capability to support the delivery of this years plan.

The Trusts current management structure has been in place for the last two years during which directors and senior managers have delivered some significant achievements. The structure includes associate medical directors and lead clinicians who are actively engaged in supporting service change. For example the lead clinician in radiology has led the reduction in various diagnostic waiting times from 20 to 3 weeks contributing to the overall achievement of 18 week delivery.

The Trust has a stable high quality workforce with low turnover rates, excellent employee relations and is normally able to recruit high calibre employees including doctors. However we are improving our workforce planning systems to ensure we can meet future demands and also using Foundation Trust freedoms to tailor employment packages to improve recruitment and retention for some groups such as nursing auxiliaries. We will change working hours and practices to improve access to services and will test electronic rostering to improve flexibility.

The Trust has a performance and redesign team who have led the early delivery of the 18 weeks referral to treatment programme and who will continue to work with clinical teams to simplify patient pathway processes and encourage role redesign to meet service need.

The Trust has an excellent reputation within the local community and has constructive relationships with other healthcare partners with whom we will continue to work closely on delivering next years service improvements e.g. delayed discharges and reductions in bed occupancy.

The Trusts capability is further enhanced by its finance team that works in support of the trusts management structure by ensuring that the Board and line managers have timely, accurate finance information on which to base decisions. This will be further enhanced by the implementation of service line reporting in December 2008.

Revenue Impact

Comparison between historic achievement and current plan

Clinical Income £m

	Plan 2007/08	Actual 2007/08	2008/09	Current plan 2009/10	2010/11
Elective	19.40	19.28	20.70	22.23	22.76
Non-elective	67.01	69.52	70.16	72.36	74.60
Outpatients	20.90	21.05	21.47	22.45	22.99
Other activity	36.62	36.35	42.41	45.05	47.13
A&E	5.04	4.49	4.67	4.88	5.00

Clinical Activity '000 of cases

	Plan 2007/08	Actual 2007/08	2008/09	Current plan 2009/10	2010/11
Elective	16,557	17,131	17,400	17,877	18,022
Non-elective	37,767	39,912	389,79	38,860	38,860
Outpatients	160,896	165,714	152,937	157,282	157,282
Other activity	-	1,328,498	1,368,298	1,385,099	1,385,099
A&E	56,400	566,00	56,400	56,400	56,400

Non-clinical Income £m

	Plan 2007/08	Actual 2007/08	2008/09	Current plan 2009/10	2010/11
	1.74	2.02	2.05	2.10	2.15

Compliance with Schedule 4 - the cap on income from private patients

The Trust will be compliant with Schedule 4, the cap on income of private patients of (£640,000). Prior to 2008/09, private patient billing invoicing arrangements were undertaken by a private company. Following review this will cease to exist by 1 April 2008 where the Trust will undertake this process.

2.3 OPERATING RESOURCES REQUIRED TO DELIVER SERVICE DEVELOPMENT

The Trust's financial plans for the next three years have been developed. The Trust plans to meet its financial duties, retain a Monitor risk rating of no less than 4 for each year, deliver a challenging Cost Improvement (CRES) plan and generate sufficient resources to fund its investment strategy.

The Trust does not expect significant changes in planned operating expenses however the following are worth noting:

- inflation assumption for 2008/09:

Income		
- clinical	-	2.3%;
- education and training		2.0%
- other		2.5%
Cost		
- pay		2.6%
- drug:		
general		5.0%
other		8.86%
- Other costs		2.0%

- the Trust will deliver a Cost Improvement Programme during the year of 3%. This equates to £4 million;
- the Trust has agreed with the lead commissioner a £1.3 million income stream to deliver a 15 week access target by March 2008;
- the resource plans are consistent with the projected service levels and funding.

Comparison between historic achievement and current plan

Operating expenses

£m	Plan 2007/08	Actual 2007/08	2008/09	Current plan 2009/10	2010/11
Pay costs	111.42	110.80	117.72	122.6	125.3
Drug costs	14.36	13.75	15.7	17.8	19.4
Other operating costs	27.08	31.11	28.0	28.9	29.7

Cost improvement plans

£m	Plan 2007/08	Actual 2007/08	2008/09	Current plan 2009/10	2010/11
Initiative 1	3.72	3.72	3.33	0	0
Initiative 2	0	0	0.67	0	0
Initiative n	0	0	0	0	0
Other	0	0	0	2.7	2.8
Total CIPs	3.72	3.72	4.00	2.7	2.8

2.4 INVESTMENT AND DISPOSAL STRATEGY

Significant Investment Plans

In addition to medical and other equipment, maintenance and some smaller building schemes the Trust is planning the following major developments:

- Maternity Hospital - anticipated start of construction September 2009 and is expected to be operational by April 2011. Replacement of the existing aging unit, with expanded facilities on the main hospital site.
- improvements to the A&E Department - anticipated start Autumn 2011 expected completion in 2013. Expansion and improved facilities
- improvements to Day Theatres – anticipated start 2013 expected completion in 2015. Refurbishment of existing theatres, and extra day theatre provision.

None of these projects have yet been committed by the Board of Directors although the Board has agreed the release of funds to help deliver the final business case for the maternity development.

The three proposed capital investments will assist the Trust to deliver its services. On completion of the new maternity unit the existing St Mary's site will become vacant. The decision regarding the site will be made at the appropriate time in light of the market position and local health economy needs.

In addition we have two major schemes funded by Charitable donations:

- refurbishment of Tyneham Ward anticipated start 2008 with completion expected early 2009;
- refurbishment of Longfleet Ward anticipated start Spring 2009 with completion expected Autumn 2009.

PFI initiative projects

The Trust has not considered any PFI projects and does not expect to for the above investments.

Asset Status

The assets of the Trust are generally in good condition and are well maintained.

The major capital investment plans being developed by the Trust include the re-provision of Maternity Services which is an existing mandatory service. This re-provision will free up facilities which are currently provided away from the main hospital site. This may allow the Trust to dispose of these surplus facilities. Any potential disposal would be unlikely to take place before 2011, and the Trust is aware of the processes to undertake such a disposal.

Comparison between historic achievement and current plan

Investment and disposal strategy

£m	Plan 2007/08	Actual 2007/08	2008/09	Current plan 2009/10	2010/11
Investment in fixed assets (non-maintenance)	6.26	4.48	6.70	15.0	16.0
Investment in fixed assets (maintenance)	0	0	0	0	0
Investment in other assets	0	0	0	0	0
Asset disposals					
Protected	0	0	0	0	0
Mixed use	0	0	0	0	0
Unprotected	0	0	0	0	0
Protected asset declassifications					
Protected to unprotected	0	0	0	0	0

2.5 FINANCING AND WORKING CAPITAL STRATEGY

The aim of the financing and working capital facility is one of prudence and strengthening the Trusts net current assets.

The Trust has a working capital facility of £13 million but does not expect to have to call on this facility. The Trust three year cash projection assumes positive cash flows throughout the period.

The Trust is planning to borrow £12 million to assist with the financing of the new Maternity Hospital and has had in principle agreement from the Foundation Trust Financing Facility. Such a loan would be less than half the value of the asset and is based on the amount the Trust could currently borrow if its Financial Risk Rating were only 2 (the Trust does though expect to be risk rated 4 throughout the life of the plan).

2.6 SUMMARY OF KEY ASSUMPTIONS

The Trust income plans are based around the contract agreed with the local primary care trusts for 2008/09 and their indication of plans for the following two years.

The underpinning assumptions are based on the primary care trust reducing activity in 2008/09 and avoiding growth in activity in future years through demand management arrangements starting in 2008/09. In addition the Trust having already reached the national 18 Week Referral to Treatment target 9 months early in March 2008 have agreed with our local primary care trusts to move towards a 15 week target to be achieved by March 2009.

In addition the Trust was successful in substantially increasing its block activity funding in 2008/09 and is now confident that this "other" income more accurately reflects the cost of providing those services.

Due to the flattening out of activity the Trust does not expect significant shifts in its staff numbers over the life of the plan although staff costs are expected to rise significantly during 2008/09 and 2009/10 as staff progress to the top of Agenda for Change scales, with total staff costs then flattening in 2010/11.

Cost Improvement Plans (CIP's) are fully developed for 2008/09 and many were already being delivered as the financial year commenced. Lower levels of CIP's are currently forecast in 2009/10 and 2010/11 reflecting our continuing downward trend of an already low Reference Cost Index.

3. RISK ANALYSIS

3.1 GOVERNANCE RISK

The Trust predicted 2008/09 performance in the seven governance elements as defined within Monitor's Compliance Framework.

3.1.1 Governance Commentary

i) Legality of Constitution

The Trust's Constitution is legal and compliant.

ii) Representative Membership

Anyone aged 12 and over who lives in Dorset and is not employed by Poole Hospital can become a public member. Our staff and hospital volunteers automatically become members unless they choose to opt out.

At 31 March 2008 we had 5,063 public members, against a year end target of 3,700. Our staff and volunteer members totalled 4,747.

Our membership broadly reflects the populations we serve in terms of gender and diversity. However, as may be expected given the demographics of our local area, we have proportionally slightly more members in the older age groups.

Our membership strategy clarifies our plans for ensuring that we have a membership that reflects the demographic makeup of the area covered by Poole Hospital and the diversity that exists within that community. It sets out ways in which we will work closely with local established community groups to ensure that this is achieved.

The membership strategy has recently been revised by a steering group of the Council of Member Representatives.

The Steering Group has recommended that Member Representatives should become actively involved in membership recruitment in their constituencies and by going out to speak to local groups and organisations. There will be a greater focus on recruiting members from the younger age groups. We will work with schools, colleges, youth groups and with industry and commerce to try to attract more members from among the working 'well' adult population.

iii) Appropriate Board Roles and Structures

The Trust's Board roles, committees and management structures have been revised since Foundation Trust authorisation on 1st November 2007.

Changes in 2008/09 to the Board and management structure:

- the Medical Director's fixed-term contract expired in early 2008. The new Medical Director appointment commenced on the 1st April 2008;
- for the appointment of new Executive and Non Executive Director posts, please see section 1.2;
- the Director of Facilities Management retired at the end of April 2008. The management structure has been reviewed in light of this and the forthcoming programme of capital development over the next ten years. The Trust has appointed an Associate Director with responsibility for the estate, the delivery of the Capital Control Plan and the management of individual capital developments reporting to the Finance Director. The other key functions within the portfolio of the Director of Facilities Management have been re-assigned to other Executive Directors;
- the Board has created a Finance and Investment Committee chaired by a Non Executive Director which is:
 - * responsible for receiving detailed monthly financial reports to monitor and make recommendations to ensure the use of financial resources is robust;
 - * to agree a policy for the investment of cash to review the policy from time to time and to receive reports on the impact of such investments;
 - * to review detailed business cases and make recommendations for approval or not to the Board of Directors;
 - * to maintain an overview of the progress towards the delivery of agreed capital investments;
 - * to review financial planning and budgeting processes and to assist with the assessing of the outcomes arising from those processes;
- the Hospital Executive Committee has disbanded its Capital Sub Committee as its functions have been incorporated into the Finance and Investment Committee;
- the Hospital Executive Committee will consider creating a new executive sub committee for workforce issues.

Roles and structures will be kept under review, revised as necessary and remain appropriate. The Board maintains its register of interests, and can specifically confirm that there are no material conflicts of interest in the Board.

The Board is satisfied that all Directors are appropriately qualified to discharge their functions effectively, including setting strategy, monitoring and managing performance, and ensuring management capacity and capability. The selection process, training and development programmes in place ensure that the Non Executive Directors have appropriate experience and skills. The management team have the capability and experience necessary to deliver the Annual Plan.

iv) Service Performance (targets) and National Core Standards

The following are identified as potential service performance/ target risks:

Cancer Wait Times

While key cancer waiting time targets have been achieved during the last twelve months a number of risks require close management in order to maintain this level of achievement. These include:

- **Potential Risk - Fast Track cancer patient delays**

Fast Track patients being referred to the Trust late in their pathway giving little time to implement treatment or as has been the case on a few occasions this year, patients referred by other trusts long after the deadline has passed.

- * **Management action**

Close liaison takes place with referring trusts to highlight problems as soon as they are identified and ensure that the Cancer Referral Protocol is robustly implemented. However referrals after the treatment deadline are being actively challenged with a view to refusing shared breaches when Poole has no ability to retrieve the position.

- **Potential Risk – Capacity Constraints**

Capacity constraints in tertiary centres again requiring us to share breaches remain a cause for concern and particularly in relation to Southampton University Hospitals NHS Trust.

- * **Management action**

Each breach is analysed in detail and where the tertiary centre is the principal cause of the breach this is followed up with the Chief Executive if necessary.

- **Potential Risk – ENT Capacity Constraints**

There are similar capacity constraints within ENT at Poole, with only one surgeon specialising in head and neck (ENT) cancers.

- * **Management action**

Work is in hand to review the distribution of work across ENT and a business case will be developed to provide some support for the specialty, although it is recognised that an additional consultant may be required later in the year.

- **Potential Risk – Complex Pathway Delay**

A number of patients will continue to have complex pathways, involving numerous investigations, prior to a treatment plan being agreed. These patients are at risk of breaching the 62 day target.

- * **Management action**

The Cancer Committee are aware of the implications of complex pathway management. The Cancer Teams continue to focus on ensuring the Fast Track starts of patients is maintained throughout their pathway. Plans are also in place to review prospective monitoring processes to ensure they are as robust as possible.

Access Times – 18 Weeks/15 Weeks

The 18 Week Referral to Treatment programme requires whole system change. The national timescale for achievement is the end of December 2008. Poole Hospital NHS Foundation Trust has achieved the target by 31 March 2008 and is aiming for a 15 week target by 31 March 2009. However there are risks to sustainability.

- **Potential Risk - Increased occupancy related to delayed discharge and or repeated outbreaks of infection particularly Norovirus puts sustainability at risk**

This may impact on the Trust's ability to maintain elective activity.

- * **Management action**

The Primary Care Trust has commissioned additional community hospital bed capacity and is actively working on a programme to minimise delayed discharge (No Delays Programme). However it will take some months to secure additional long term capacity and system change. It should also be noted that the "No Delays" programme is not currently within the Dorset Primary Care Trust plan although patients account for 30% of our activity. This primary care trust is actively being encouraged to adopt a similar scheme and is participating with our lead commissioner in the planning of the "No Delays" scheme.

- **Potential Risk - Unpredictable and Significant Fluctuations in Demand**

This may also jeopardise achievement of the target. For example this has been evident in Gynaecology and Dermatology where short term flexing of capacity is not always achievable.

- * **Management action**

Work has been undertaken to review the fluctuations in demand over the past year and plan sustainable levels of capacity in future. Funding has been made available to put in place permanent capacity to secure longer term sustainability.

- **Potential Risk - Difficulty Recruiting and Retaining Experienced Staff**

In addition competition for experienced staff is exacerbated by all Trusts seeking to achieve the 18 Week target and needing to increase theatre capacity and flexibility.

- * **Management action**

Although this remains a risk across all Specialties and for some senior clinical posts, it is particularly acute in theatres where there has historically been an international shortage of staff. Ongoing recruitment programmes are in place and the Trust is exploring the feasibility of long term overseas recruitment.

- **Potential Risk - Data Completeness and Reliance on Manual Systems**

The 18 Week programme and the current 15 week target relies largely (although not entirely) on manual data capture around clock stops and starts. The rules are complex and likely to change. There is a risk that previously hidden issues will emerge when the IT system goes 'live', and in particular inter-provider transfers.

- * **Management action**

It is expected that an IT system will be in place in September 2008. The programme will focus on identifying potential hidden risk in advance and the manual data collection system will continue in parallel until the IT solution is secure and reliable.

Delayed Discharge

- **Potential Risk – Increased risk of delayed discharge due to community hospital and social services delays**

Comprehensive analysis has been undertaken of delayed discharges and the Trust has operated with a delay rate of 4-5% during 2007/08. 70% of delays are attributable to community hospital waits for rehabilitation and 30% to Social Services. Orthopaedic rehabilitation is specific focus for concern and the lead commissioners are actively engaging in identifying solutions.

There are increasing risks associated with Continuing Health Care which is being managed in conjunction with the Primary Care Trust. However it is clear that the introduction of the new legislation in October 2007 has had an adverse effect on overall length of stay.

- * **Management action**

Primary care trusts are working with the hospital to smooth the process. A Continuing Health Care Co-ordinator has been appointed to work within the trust to assist staff in complying with the various requirements and to expedite the process. A rapid redesign programme is also in place to address a range of other issues such as complexity in referral pathways to multiple intermediate care schemes.

Social Services partners have been asked to work to specific targets and have been put on notice that the Trust will withdraw from pooled financial arrangements if milestones are not achieved. The Trust is actively engaging with primary care trusts to improve delays in community hospitals and are encouraging the PCT to purchase additional capacity.

Infection Control

- **Potential Risk - Infection Control**

The risk of either an outbreak of infection or non achievement of an infection target which puts patients safety at risk and/or causes damage to the reputation of the Trust. In particular the locally agreed target for MRSA bacteraemia for 2008/09 is no more than 20 cases per annum with a stretch target of 15.

- * **Management Response**

The Trust has a robust and comprehensive infection control plan in place and an agreed antibiotic prescribing policy.

The Trust is investing in increasing the standard of hospital cleaning and has increased the number of infection control nurses.

As part of the infection control plan the Trust has implemented a robust MRSA action plan which aims to ensure achievement of the MRSA contract target in 2008/09. This plan is monitored on a monthly basis and the audits demonstrating compliance with the plan will be presented to the Board of Directors at each of its meetings.

- **Potential Risk – Community acquired MRSA bacteraemias**

Patients are admitted to the hospital with MRSA colonisation/bacteraemia.

- * **Management action**

The Trust is implementing screening programmes and has a robust and comprehensive infection control plan.

In addition the Trust meets with the primary care trusts on a monthly basis to identify high risk areas of MRSA colonisation/ bacteraemia in the community, to review all MRSA bacteraemias and to consider actions both inside and outside the hospital. To detect MRSA prior to hospital admission the primary care trusts are considering the issue of screening for MRSA in the community.

- **Potential Risk – Increased Occupancy Levels**

There is evidence that increased occupancy levels above 90% contribute to increasing risk of healthcare acquired infections such as MRSA and C.Difficile outbreaks. The Trust occupancy levels frequently exceed 90%.

- * **Management action**

The relatively good provision of single rooms and the plans to create more with ward upgrades and the comprehensive infection control plan should enable the Trust to contain the incidence of infection within the Trust. There are several work streams in progress to reduce bed occupancy.

Emergency Department – 4 Hour Target

The Trust has a good record in achieving the four hour referral to treatment and admission or discharge target in the Emergency Department. However, the risks have been identified as follows;

- **Potential Risk – Medical staffing**

Medical staffing rotas not optimally matched (either with respect to numbers or experience) with predicted demand. Studies over recent months have indicated that this is a factor where multiple breaches occur.

- * **Management action**

Plans are in hand to appoint a fourth consultant in May 2008 and proposals have been submitted for a fifth consultant by 2009 to enable the Trust to extend the availability of senior supervision across the working week.

Enhancement of nursing roles such as the local Minor Injury Nurse Training Scheme (MINTS) and Nurse Practitioner development is in progress to ensure patients are managed effectively and medical staff are focussed on the most clinically appropriate caseload.

- **Potential Risk – Fluctuations in patient attendance**

Significant fluctuations in patterns of patient attendance cannot always be foreseen and will on occasion contribute to breaches of the target.

- * **Management action**

Adjustment in skill mix outlined above and further support from Radiology with hot reporting and radiographer initiated discharge will assist in coping with such variability. At times when peaks in demand are expected such as bank holidays additional medical cover is provided to support the department

- **Potential Risk - Fluctuations in patient case mix**

Significant fluctuations in case mix for example multiple major illness or injury presenting close together or simultaneously requires some diversion of staff from lower priority areas such as minor injuries and the disruption which can last for some time may cause multiple breaches.

- * **Management action**

The escalation plan for Accident and Emergency is being reviewed to adopt a more robust approach to such fluctuations during 2008/09.

Trauma Surgery

- **Potential Risk -Trauma Surgery Waits**

The risk of increased morbidity and mortality following delayed access to Trauma Surgery.

- * **Management Response**

The Trust has invested in increased Trauma theatre sessions and other capacity. There is a pathway plan in place for the rapid treatment of trauma. The plan aims to get patients to theatre within 48 hours of admission and move towards a less than 24 hour wait for surgery.

Call to Needle Target

The Call to Needle target is being met however there are risks to consistently achieving.

- **Potential Risk – Risk of breaching Call to Needle target**

The Trust is required to work closely with the ambulance service to achieve the Call to Needle target. Past achievement of this target was variable and meetings have been held across the Strategic Health Authority to attempt to identify a more robust approach. The Cardiac Network is addressing the variability of criteria for thrombolysis across trusts as this is a significant impediment to the ambulance service. From the Trust perspective it is imperative that we are able to thrombolysed quickly when a patient arrives and to that end the following actions are in place;

- * **Management action**

Tenectaplastase has been adopted as the drug of choice because it is quicker to administer than Streptokinase by up to 7 minutes.

All patients complaining of chest pain at reception, irrespective of other presenting features, will be fast tracked to ensure that hidden Myocardial Infarction is identified quickly.

The policies on pre-alert response are being reviewed to ensure a consistent approach. The ambulance service are required to comply with our requirements for detailed patient history to ensure exclusions are appropriately identified.

The Trust is satisfied that plans are in place to ensure ongoing compliance with all existing national core standards and targets (after application of thresholds) and is committed to complying with all new targets due to come into force within the following 12 months. The Trust expects to be able to declare full compliance with all core standards to the Healthcare Commission for 2008/09 as it has done for 2007/08.

v) Clinical Quality

The Trust has in place and will maintain effective arrangements for the purpose of monitoring and continually improving the quality of health care provided to its patients. The clinical performance is managed alongside other performance as described in section vi) below. The Trust has a comprehensive programme of clinical audits and patient surveys.

vi) Effective Risk and Performance Management

Risk

The Trust has a well developed risk management and safety structure with a designated executive director lead. The executive lead chairs a Risk Management and Safety Committee that reports into the Hospital Executive Committee and is scrutinised by the Audit and Governance Committee. The Trust has a risk management team with leads for clinical risk, health and safety and emergency planning. Across the Trust there are risk management leads in each clinical care group and directorate.

There is a robust assessment of risks impacting on the organisation. These assessments populate a live risk register which is reviewed regularly. The key corporate risks are distilled from the risk register and reported to the Board of Directors on a regular basis. All new risks in the organisation are reviewed by a high level risk review group and once validated are reported to both the Audit and Governance Committee and the Risk Management and Safety Committee.

Risks impacting on the achievement of corporate objectives are highlighted in the Trust's Assurance Framework and any gaps in assurance identified.

Performance

Performance management is integral to the routine work of the Trust and includes formal and high level reporting, as well as focussed daily review. It is seen as integral with service improvement and redesign, as reflected in the composition of the Performance and Redesign Team who support the Clinical Care Groups.

Performance Library

Details of each performance indicator will be stored in a directory on the Trust's shared drive and the following detail, will be stored:

- the definition and the source of the indicator;
- the frequency reporting is required;
- details of the calculation required to report the indicator.

Weekly Performance

Each week on a Wednesday, the Performance and Redesign Team will review each Care Groups current performance on access times against a range of defined criteria which will be communicated with the Care Group.

Variance from expected or required performance will be raised the same day by email with the relevant Associate Director of Operations and Business Manager. A response will be required by the end of the same week. Any significant issues that are unable to be satisfactorily resolved will be raised with the relevant Director at the beginning of the following week, or earlier if appropriate.

Bi-Weekly Performance Meetings

This meeting will be chaired by the Head of Performance and will include representatives from Clinical Care Groups and Information. This meeting will have an operational focus. Its purpose will be to check performance against the delivery of certain key targets which tend to be managed on a daily basis. These will include activity, waiting lists, A&E 4 hour waits, 18 weeks, theatre utilisation, MRSA, cancelled operations and coding.

Monthly Performance Management Meeting

Monthly operational performance management meetings will be chaired by the Director of Operations and will include the Associate Director of Operations Associate Medical Director and the Care Group Business and Performance Manager, Matrons and other Specialty Managers will be invited as appropriate at the discretion of the Associate Director of Operations.

Monthly performance reports will be provided to the Hospital Executive Committee and the Board of Directors.

Red, Amber, Green (RAG) ratings will denote levels of achievement.

Green	On target: Achieving profile or position set out in the annual plan
Amber	Area of concern: A robust recovery plan in place to recover performance
Red	Not achieved: Action required, Turnaround style monitoring and intervention Director to lead recovery plan Attendance at Risk Committee for the high risk areas / areas of poor performance

Quarterly Performance Review

Quarterly performance review meetings will be held with each Clinical Care Group and Directorate. These meetings will be chaired by the Chief Executive and attended by Executive Directors, Associate Directors and other senior managers, clinical and nursing staff.

It will be the formal mechanism to monitor the Trust's performance in relation to the Monitor Compliance Framework, Healthcare Commission Annual Health Check, Corporate Objectives and Commissioner Contract.

Minutes will be taken and a summary report will be provided to the Board of Directors.

Board of Directors

For the Board of Directors monthly meeting the Integrated Performance Report will be prepared.

The report will include performance, finance and quality and human resources information with a graphic presentation in balanced scorecard format. It will reflect the key themes agreed as part of the strategic refresh.

The performance report will highlight key messages on performance against each of the frameworks, show performance indicators at risk and provide exception reports detailing corrective action being taken. The performance report will show trends and give the Board of Directors anticipated future positions against trajectories to inform decision making.

Council of Member Representatives

Once the report is authorised by the Board of Directors a summary performance report will be prepared highlighting any key messages from the Board of Directors report.

PCT Contract Monitoring Board

The Contract Management Board meets on a monthly basis and includes senior staff from both the Trust and its Commissioners. The paper submitted to the Board of Directors will be used as the basis for the meeting. However the primary care trusts are currently preparing their own balanced scorecard which will need to be aligned to ours.

vii) Co-operation with NHS bodies and local authorities

The Trust co-operates effectively with other NHS bodies and local authorities.

The Trust enjoys close collaborative relationships with NHS bodies such as Royal Bournemouth and Christchurch Hospitals NHS Foundation Trust, Dorset General Hospital NHS Foundation Trust, Dorset Health Care NHS Foundation Trust, Salisbury District Hospital NHS Foundation Trust, Southampton University Hospitals NHS Trust and NHS South West Strategic Health Authority.

The Trust has positive contracting and planning relationships with the two local primary care trusts which are our main commissioners; Bournemouth and Poole Teaching and Dorset Primary Care Trusts.

The Trust also works closely with Bournemouth Borough Council, the Borough of Poole and Dorset County Council. Effective working relationships have been developed with the Overview and Scrutiny Committees locally and with the Multi-Agency Children Services Groups.

The two primary care trusts, local and district councils and Bournemouth University are represented on the Trust's Council of Member Representatives.

viii) Other areas

- **Risk Assumption-Workforce**

The Trust is located in an area of high employment, high housing costs and a buoyant local economy. There is a risk of not being able to recruit sufficient staff.

- * **Management Response**

The Trust has put in place robust recruitment practices and strengthened its local bank of flexible staff.

- **Risk Assumption-Information Technology**

The Trust is increasingly dependent on IT to support its business. There is a risk of IT failure causing disruption to the business continuity of the Trust.

- * **Management Response**

The Trust has a new IT manager and the Board of Directors have approved an IT action plan supported by the investment of significant additional resources to enable robust back up arrangements for systems and communication links. In addition the Trust has an IT continuity plan.

3.1.2 **Significant Governance Risks**

The Trust maintains a Risk Register, which is subject to scrutiny by the Board of Directors. The risk processes and ascribed responsibilities within the register is currently being reviewed to ensure clear accountabilities for actions arising from the identified risks.

The Trust considers that the most significant risks identified within Section 3.1 are;

- Delayed Discharges (page 28);
- Infection Control (page 29);
- Trauma Surgery Waits (page 30);
- Demand management (page 36);
- Tariff (page 36).

3.2 **MANDATORY SERVICES RISK**

3.2.1 **Mandatory Services Risk Commentary**

The Trust's activity and income projections reflect recurrent referral patterns and are estimates of the volumes required to continue to meet national plan targets. These are consistent with the mandatory services plan submitted by the Trust at the time of authorisation.

3.2.2 **Mandatory Services Significant Risks**

The Trust has assessed that there are no other significant risks to mandatory services.

3.3 **FINANCIAL RISK**

3.3.1 **Commentary on Financial Risk Rating**

The Trust has set itself challenging financial targets over the next three years which deliver a cumulative surplus of £11.7 million. The Trust will look to reinvest much of this surplus in its planned development opportunities and managing any risks. The Trust delivered a surplus in 2007/08 and is on target to achieve its future surpluses. The financial template has generated a risk rating of 4. The key generators behind the provisional rating are:

3.3.2 **Significant Financial Risks**

- **Risk Assumptions-Demand management by Primary Care Trusts**

The PCTs may seek to manage development of community based services through withdrawal of Trust income.

- * **Management Response**

The Trust has had robust contract negotiations with the main PCT identifying and agreeing both continuity of existing services and new developments led by the Trust.

- **Risk Assumptions-Activity**

The activity assumptions could be either too high or too low.

- * **Management Response**

The Trust has been realistic in the activity assumptions made in the business case. The activity assumptions have been validated in the contract and are supported by excellent access target achievement.

- **Risk Assumptions-Tariff**

The Trust may not estimate tariff adjustments correctly.

- * **Management Response**

The Trust has a national reference cost index of 80% and is likely to be a beneficiary of PbR tariff adjustments although the tariff for emergency care may cause a challenge. The Trust is doing work around maximising income from tariff to offset any changes. In addition the Trust better understands its “block” services and expects the improvement in payment for these services to continue.

- **Risk Assumptions-Litigation Costs**

The Trust provides high risk obstetric services and paediatric services and there are risks around future litigation cases impacting on finance and reputation.

- * **Management Response**

The Trust has successfully achieved a level 2 accreditation with the NHS Litigation Authority and will be working towards a level 3 (highest level) in 2008/09. This accreditation provides both assurance and reduced insurance premiums.

3.3.3 Service Line Reporting

The Trust has produced high level Service Line Reports since December but recognises that major benefits will be delivered by the production of a much more sophisticated set of Service Line Management arrangements coupled with Patient Level Costing. The Trust has a project group in place chaired by a senior clinician which will deliver the new arrangements by December this year. The project group is also assisted by other senior clinicians.

The key business risks for the Trust are drawn from the corporate risk register and can be categorised as falling into risks of a financial, operational or strategic context.

3.4 RISK OF ANY OTHER NON-COMPLIANCE WITH TERMS OF AUTHORISATION

The risks around MRSA and Delayed Discharges are covered in section 3.1.1 however during the latter part of 2007 and the early part of 2008 the Trust exchanged correspondence with Monitor (the Independent Regulator of NHS Foundation Trusts) about an ongoing breach of authorisation in relation to these targets.

Monitor has expressed concerns about the Trust's governance arrangements in relation to these breaches and how the Trust has responded to them.

The Trust has reviewed these concerns and has put in place strengthened governance arrangements to reduce the risk of such breaches in 2008/09

The Trust has an action plan in place to support the achievement of Health Care Acquired Infection targets particularly the MRSA target. Although not a compliance target for 2008/09 the Trust has proactively taken forward a programme of change with the local primary care trusts and authorities to manage a reduction in the number of delayed discharges

The Trust is not aware of any other significant risks which threaten the ability to comply with the terms of authorisation.

3.5 PRESENTATION OF RISK

RISK	POTENTIAL IMPACT (INC FINANCIAL)	LIKELIHOOD	MITIGATING ACTION	RESIDUAL RISK
Infection Control	Major	Possible	Infection prevention and control action plan	Moderate
Trauma Surgery Waits	Moderate	Likely	Increased theatre sessions and clear patient pathway	Moderate
Delayed Discharge	Moderate	Likely	Agreement with local partners and clear patient pathway	Moderate
Workforce	Moderate	Possible	Robust recruitment practices and local bank arrangements	Low
Information Technology	Major	Unlikely	New management, action plan and new resources	Low
Demand Management	Moderate	Likely	Robust contract	Moderate
Activity	Moderate	Unlikely	Business case, contract and maintenance of access performance	Very Low
Tariff	Moderate	Unlikely	Modernisation programme	Moderate
Litigation Costs and Reputation	Moderate	Possible	Progress on NHSLA Standards	Low

4. DECLARATIONS AND SELF CERTIFICATION

The Declaration and Self Certification are attached as Appendix One.

5. MEMBERSHIP

5.1 MEMBERSHIP REPORT

Membership Size and Movement

	2007/08	2008/09 (estimated)
Public constituency		
At year start (1 April)	0	5,063
New members	5,069	905
Members leaving	6	12
At year end (31 March)	5,063	5,956
Staff constituency		
At year start (1 April)	0	4,747
New members	5,207	979
Members leaving	460	474
At year end (31 March)	4,747	5,252
Patient constituency		
At year start (1 April)	N/A	N/A
New members	N/A	N/A
Members leaving	N/A	N/A
At year end (31 March)	N/A	N/A

Analysis of Membership at 31 March 2008

Public constituency	Number of members	Eligible membership
Age (years):		
0-16	121	41,473
17-21	137	37,661
22+	4,805	524,022
Ethnicity:		
White	4,925	591,978
Mixed	19	4,189
Asian or Asian British	16	2,457
Black or Black British	4	1,325
Other	99	3,207
Socio-economic groupings*:		
ABC1	1,830	217,989
C2	299	35,593
D	805	95,951
E	2,129	253,623
Gender:		
Male	2,067	289,515
Female	2,996	313,641

Patient constituency	Number of members	Eligible membership
Age (years):		
0-16	N/A	N/A
17-21	N/A	N/A
22+	N/A	N/A

Note:

1. Profiled from the ONS Statistics (Census 2001) for the County of Dorset and the unitary authorities of Poole and Bournemouth.
2. 0 – 16 year eligible membership excludes 0 – 11 year olds (not eligible).
3. 12-15 year olds and over 74 year olds have been allocated to Socio-economic Group E as assumed either as students or above retirement age.
4. The Socio-economic Groupings have been profiled on the membership using the data in note 1 above.

Election Turnout

Date of election	Constituencies	Election turnout %
15 June 2007	Poole	48
15 June 2007	Purbeck, East Dorset and Christchurch	51
15 June 2007	Bournemouth	34
15 June 2007	Staff – non-clinical	36
15 June 2007	Staff – clinical	20

5.2 MEMBERSHIP COMMENTARY

Constituencies:

Poole Hospital NHS Foundation Trust has four public constituencies and one staff constituency.

The four public constituencies are based on geographical areas that reflect our general, emergency and specialist service catchment areas; local government boundaries; and population numbers.

They are:

- Poole;
- Purbeck, East Dorset and Christchurch;
- Bournemouth;
- North Dorset, West Dorset, Weymouth and Portland.

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

Anyone aged 12 and over who lives in Dorset and is not employed by Poole Hospital can become a public member. Our staff and hospital volunteers automatically become members unless they choose to opt out.

At 31 March 2008 we had 5,057 public members, against a year end target of 3,700. Our staff and volunteer members totalled 4,316.

Representative Membership

The Trust's membership broadly reflects the populations we serve in terms of gender and diversity. However, as may be expected given the demographics of our local area, we have proportionally slightly more members in the older age groups.

Membership figures have remained stable over the year with few public members leaving, other than those who are deceased. The staff constituency is also relatively stable, reflecting a comparatively low staff turnover rate for the Trust. To date no staff member has chosen to opt out of membership.

The Trust's membership targets are set out in the table below:

Membership targets	Public members	Staff and volunteers
March 31 2008	3,700	4,300
March 31 2009	5,950	4,300
March 31 2010	8,200	4,300
March 31 2011	10,450	4,300

Board Monitoring Mechanisms

The membership strategy is reviewed by the Membership and Engagement Reference Group of the Council of Member Representatives (CoMR) and is approved by the Board of Directors. The Board of Directors receives six- monthly reports each May and November on membership recruitment plans, growth against targets and on membership engagement.

Future Membership Plans

Our membership strategy clarifies our plans for ensuring that we have a membership that reflects the demographic makeup of the area covered by Poole Hospital and the diversity that exists within that community. The strategy sets out the way in which the Trust will work closely with local established community groups to ensure that this is achieved.

Members of the Foundation Trust are sent regular copies of FT Talkback, our membership newsletter as a means of keeping them in touch with developments.

Last year we had a major membership drive that centred on:

- face to face in outpatient clinics;
- stands at events, the shopping centre, public meetings;
- mail shots;
- word of mouth (including CoMR contacts, staff families and friends);
- FT Talkback (members' newsletter);
- press coverage;
- website;
- local employers;
- patient groups.

Future Engagement with Members

The membership strategy has recently been revised by a steering group of the Council of Member Representatives.

The Steering Group has recommended that Member Representatives should become actively involved in membership recruitment in their constituencies and by going out to speak to local groups and organisations. There will be a greater focus on recruiting members from the younger age groups. We will work with schools, colleges, youth groups and with industry and commerce to try to attract more members from among the working 'well' adult population.

The Membership Recruitment and Engagement Reference Group of the Council of Member Representatives meets three times a year. Part of its role is to plan and review arrangements for involving and engaging members. In 2008/09 we will hold our first general meeting for Members and plan to hold a number of other events to celebrate the 60th anniversary of the NHS, which will be open to Members. This will include an open day on 1 November 2008 to coincide with the first anniversary of our authorisation as an NHS Foundation Trust. Events will be advertised in FT Talkback, on our website and through the local media.

We will also develop a members' section of our website www.poole.nhs.uk with a page specifically aimed at attracting younger members and encouraging them to share their views.

We also intend to organise a programme of membership events and open days.

Members may contact Council of Member Representatives through the membership office, which is situated in the main reception area of the hospital. They may contact the office by telephone 01202 448178, in writing, by e-mail or via our website www.poole.nhs.uk

Election of Council of Member Representatives

An election of Council of Member Representatives was held on 15 June 2007, prior to our authorisation as an NHS Foundation Trust. There have been no elections held since authorisation on 1 November 1 2007.

The election process began in April 2007 immediately after we received Department of Health approval for our application to go forward to Monitor.

We appointed the Association of Electoral Administrators to run the elections on our behalf and act as our Returning Officer.

We wrote to the 150 public members who had declared their interest in standing as a candidate in the elections giving them the dates of Council of Member Representative workshops. The aim of the workshops was to ensure that prospective candidates understood the role of Member Representatives, the election process, exclusions and eligibility criteria for standing. More than 70 people attended these workshops.

By the closing date for nominations of Friday 4 May, 25 public members stood as candidates for election in the Poole constituency (eight seats); 13 in Purbeck, East Dorset and Christchurch (three seats) and four in Bournemouth (Two seats). We had no candidates standing for the one seat in the West and North Dorset constituency. In the staff elections, six clinical staff stood for three seats and two non-clinical staff stood for one seat.

The results of the election were notified to the Trust on Monday 18 June 2007. 13 public seats were filled and there was one vacancy. All four staff seats were filled.

The percentage return of ballot papers was 48 per cent in Poole; 51 per cent in Purbeck, East Dorset and Christchurch; 34 per cent in Bournemouth; 36 per cent for non clinical staff and 20 per cent for clinical staff.

We were reasonably satisfied with the turnout in our first election in all but the clinical staff constituency, which was proportionally lower than the others. We are working with our four staff Member Representatives to increase awareness and understanding of their roles and responsibilities among staff. We anticipate this increased knowledge will lead to improved turnout in subsequent elections.

We plan to hold an election for the vacancy in the West and North Dorset constituency before September 2008. This is where by far the smallest proportion of our patients reside, comprising mainly people who attend the hospital for our county-wide specialist services such as cancer and neurological care. We plan to do some targeted publicity amongst this group on people to encourage candidates and voting.

The Board of Directors confirms that all elections to the Council of Member Representatives are held in accordance with the election rules, as stated in the constitution.

Appendix One

Monitor Templates - Certification

POOLE HOSPITAL NHS FOUNDATION TRUST

Board Statements

2008/09

In the event that an NHS Foundation Trust is unable to fully self certify, it should not tick the relevant tickbox. It must provide a commentary (on the sheet provided) explaining the reasons for the absence of full self certification and the action it proposes to take to address it. Monitor may adjust the relevant risk rating if there are significant issues arising and this may increase the frequency and intensity of monitoring.

Clinical Quality

The Board of Directors is required to confirm the following:

- The Board is satisfied that, to the best of its knowledge and using its own processes (supported by Healthcare Commission metrics and including any further metrics it chooses to adopt), its NHS Foundation Trust has and will keep in place effective arrangements for the purpose of monitoring and continually improving the quality of healthcare provided to its patients.

Service Performance

The Board of Directors is required to confirm the following:

- The Board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets (after the application of thresholds) and national core standards and with all known targets going forwards.
- The Board is satisfied that plans in place are sufficient to ensure ongoing compliance with the *Health Act 2006: Code of Practice for the Prevention and Control of Healthcare Associated Infections* (the Hygiene Code).

Risk Management

The Board of Directors is required to confirm the following:

- Issues and concerns raised by external audit and external assessment groups (including reports for NHS Litigation Authority assessments) have been addressed and resolved. Where any issues or concerns are outstanding, the Board is confident that there are appropriate action plans in place to address the issues in a timely manner;
- All recommendations to the Board from the Audit Committee are implemented in a timely and robust manner and to the satisfaction of the body concerned;
- The necessary planning, performance management and risk management processes are in place to deliver the Annual Plan;

- ☑ A Statement of Internal Control (“SIC”) is in place, and the NHS Foundation Trust is compliant with the risk management and assurance framework requirements that support the SIC pursuant to the most up to date guidance from HM Treasury (see <http://www.hm-treasury.gov.uk>); and
- ☑ All key risks to compliance with their Authorisation have been identified and addressed.

Compliance with the Terms of Authorisation

The Board of Directors is required to confirm the following:

- ☑ The Board will ensure that the NHS Foundation Trust remains compliant with its Authorisation and relevant legislation at all times;
- ☑ The Board has considered all likely future risks to compliance with its Authorisation, the level of severity and likelihood of a breach occurring and the plans for mitigation of these risks; and
- ☑ The Board has considered appropriate evidence to review these risks and has put in place action plans to address them where required to ensure continued compliance with their Authorisation.

Board roles, structure and capacity

The Board of Directors is required to confirm the following:

- ☑ The Board maintains its Register of Interests, and can specifically confirm that there are no material conflicts of interest in the Board;
- ☑ The Board is satisfied that all Directors are appropriately qualified to discharge their functions effectively, including setting strategy, monitoring and managing performance, and ensuring management capacity and capability;
- ☑ The selection process and training programmes in place insure that the Non-Executive Directors have appropriate experience and skills;
- ☑ The management team have the capability and experience necessary to deliver the annual plan; and
- ☑ The management structure in place is adequate to deliver the annual plan objectives for the next three years.

Signature



Signature



In capacity as Chief Executive and Accounting Officer

In capacity as Chairman

Signed on behalf of the Board of Directors, and having regard to the views of the Council of Member Representatives