Royal United Hospital Bath NHS
NHS Trust

RUH

Annual Report 2008/09

Royal United Hospital Bath NHS Trust Annual Report & Summary Financial Statements 2008/09

United in Excellence

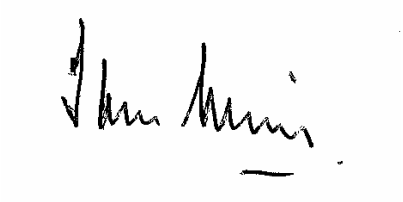
Royal United Hospital Bath NHS Trust Annual Report & Summary Financial Statements 2008/09

Chairman's Statement

Part of my role, and that of the Non-Executive Directors, is representing the community served by the hospital and holding the clinical and managerial staff to account in terms of patient care and financial propriety. Formally, we do this through three Board level assurance committees each of which has Non-Executive Directors as Chairman and Vice-Chairman working alongside named Executive Directors. Our aim is to improve patient safety and the experience of our patients.

RUH's detailed performance follows but the hospital has done well as evidenced in part by the 2007/08 Healthcare Commission's assessment of Good/Fair compared with Weak/Weak for 2006/2007 and I am confident that the coming year's assessment will be at least as good. RUH has disproportionate Emergency Department attendances and has difficulty in meeting and sustaining the four hours target for Emergency Department patients to be admitted or treated and discharged. It is tempting fate to say it but I believe the tide has changed in RUH and, instead of always looking backwards at years of financial difficulty we can look forward to real development.

On the Board, Alison Spears became Board (Company) Secretary and Howard Jones was appointed Director of Estates and Facilities.



James Carine, Chairman

We will be applying for NHS Foundation Trust status which will give us greater autonomy and make us more directly answerable to the half a million patients we serve through an extensive membership base and a Council of Governors. We also have ambitious but realistic plans to redevelop the hospital site and provide modern facilities for our patients including accommodation with more privacy and better infection control.

The RUH enjoys enormous support from the community we serve and our civic leaders are always ready to help: in particular I wish to thank publicly Mr Don Foster, MP, in whose constituency we sit, Councillor David Bellotti, Chair of BANES, and Councillor Tim Ball, The Right Worshipful The Mayor of Bath.

I believe this community support is perhaps unique to RUH and is evidenced by the untiring work of the League of Friends, Forever Friends, Bath Cancer Unit Support Group, Hospital Radio Service, Art Strategy Group, the newly formed RUH Choir… the list goes on. Arguably the hospital would survive without this help but our patients would suffer from less funding and personal help provided so willingly by our volunteers.

RUH treats over one third of a million attendances and episodes each year and my aim, and that of the Non-Executive Directors, is to do everything in our power to see that we treat our patients with as much care and compassion as is possible.

Chief Executive's Statement

During 2008/09 our main focus was on four key priorities: patient safety and experience, staff experience, business delivery and organisational development and improvement. I'm extremely proud of how every member of staff has worked hard to achieve our objectives over the past twelve months.

Doing what we said we would do

We have successfully delivered on all our Healthcare Associated Infection (HCAI) targets, significantly reducing cases of MRSA bacteraemias and C. Difficile infections, and we want this year-on-year decrease to continue.

Patient safety remains our number one priority and we've adopted the aim of the Patient Safety First campaign, 'no avoidable death and no avoidable harm' in all we do. A new Assistant Director of Infection Prevention and Control will support the hospital in delivering eight key interventions that will make a real difference to patients.

- Strong leadership and patient safety visits rolled out at executive level
- Reducing HCAIs
- Implementing a safer surgery 'checklist'
- Reducing high risk medication errors
- Reducing preventable falls
- Detecting deteriorating patients through standard early warning scores
- Ensuring all 'at risk' patients are assessed for venous thrombo emboli (VTE)
- Reducing hospital acquired pressure ulcers.

In January the Trust received an unannounced visit from the Healthcare Commission to look at our compliance with the Hygiene Code. The hospital met 13 of the areas inspected, with breaches identified in 2. These centred on concerns about the Trust's back-up facilities for the decontamination of some specialist equipment and making a detailed list of cleaning schedules and practices publicly available. We remedied the areas of concern immediately following the visit and at no point was there any risk to patients. We always welcome opportunities to review the way we work and to make improvements – and it's important that we respond immediately when issues are raised.

We have reached out to our patients over the last twelve months, gathering their feedback and listening to their opinions on all aspects of our services. For example, we are the first trust in the South West to use the Patient Experience Tracker; a hand-held device which allows patients to record their opinions about their care. It's a concrete step towards taking patient views and concerns into account and making quick changes as a result. We are also communicating with hard to reach groups; work underway includes an information pack for young carers who may accompany a relative to hospital and developing a tool to communicate with deaf patients.

We held two large stakeholder events in 2008/09 to develop and build the strategic direction of the Trust for the next five years. 'Building Excellence: RUH 2009-2013' was put together with input from staff, patients, carers, GPs and local health and social care partners, as well as feedback from questionnaires, and has provided us with the issues that matter the most to our stakeholders.

We've enjoyed success in the NHS staff survey, showing that we were in the best 20% of acute trusts in key areas. These include the majority of staff surveyed feeling they are valued by colleagues, involved in making improvements at work and satisfied within their roles and with what their job involves overall. More staff than before are satisfied with their job, want to stay at the Trust and believe that the organisation is committed to a better work-life balance.

Staff are still experiencing work-related pressure as a result of the substantial increases in patient numbers; however we're committed to matching staffing levels to the increasing workload. We've had a really successful recruitment process and since last year have reduced the vacancy rate from fewer than 10% to just over 4%. In total 263 new nurses have started.

We also have an extremely strong leadership programme. Spotting and developing talented people in the organisation is critical to achieving excellence and ensuring sustainable current and future leadership. A New Year's Honours awards ceremony in January celebrated the fantastic work of staff in all areas of the Trust and was a great opportunity for me to thank staff for the hard work they do.

The Trust has struggled over the last four years to consistently achieve the 4-hour waiting time target for emergency patients. After a comprehensive programme of service redesign and work with PCTs to reduce delayed discharges, the Trust achieved the 98% target in quarter one and quarter two of 2008/09.

Emergency admissions remained at a high level for most of the winter with March bringing our busiest day on record, with 257 emergency department attendances. An 'average' day used to involve around 180 attendances; now we're looking at an average of 200 each day. Overall, the Trust fell short of the annual target, ending the year on 97.6% and a plan has been agreed with the PCTs to ensure delivery of 98% for 2009/10.

95% of non-admitted patients and 90% of admitted patients were seen within 18 weeks by the end of June 2008; this was 6 months ahead of the national target date of December 2008. The plan is to reduce those waits to 13 weeks by the end of June 2009.

In the 2007/08 Annual Health Check, the Trust scored Good for Quality of Services and Fair for Use of Resources. This represented a considerable achievement by the hospital's staff, following a rating of Weak/Weak for 2006/07. It is anticipated that the Trust will score Good for both Quality of Services and Use of Resources for 2008/09.

Our financial performance is a huge achievement for the Trust and a tremendous success shared by all our staff. The Trust has delivered a surplus of £5.6m by achieving internal savings and meeting efficiency plans and with the support of Primary Care Trusts who commission services from us. This surplus has been used to maintain the loan repayments on our historic debt.

In the next year we hope to implement Millennium, a new patient administration system which will give staff access to the most up-to-date, reliable patient information and is our first step towards a paperless system. Last but not least we will start the application process for NHS Foundation Trust Status in May 2009 with a view to achieving this by April 2010.

James Scott, Chief Executive

Royal United Hospital Bath NHS Trust

The Royal United Hospital Bath NHS Trust provides acute treatment and care for a catchment population of around 500,000 people in Bath and the surrounding towns and villages in North East Somerset, Western Wiltshire and the Mendip area of Somerset.

The Trust occupies a 52-acre site about 1½ miles from Bath city centre and became a National Health Service Trust in 1992.

The Trust provides around 660 beds and a comprehensive range of acute services including medical and surgical services, emergency and intensive care, elderly care and paediatric services and diagnostic and clinical support services.

In addition, it provides a substantial volume of oncology (cancer) related services, including chemotherapy and radiotherapy, and some specialist orthopaedic surgery.

The hospital has 17 theatres; eight main theatres - one of which is a 24-hour emergency theatre – four day surgeries, one eye theatre, one oral surgery theatre and three gynaecology/urology theatres. The RUH catchment area is covered by three primary care trusts, all of which are within NHS South West. Approximately 40% of patients come from Bath & North East Somerset (B&NES), another 40% from Wiltshire, with 20% from Somerset and the surrounding areas.

The Trust employs c. 4,500 staff, some of whom provide outpatient, diagnostic and day case surgery services at community hospitals in Chippenham, Devizes, Frome, Shepton Mallet, Melksham, Paulton, Trowbridge and Warminster.

Trust Objectives, Improvements and Achievements

The RUH is responding to a more competitive and challenging environment: refocusing services to meet patient needs, stepping up action on issues that concern patients such as safety, and establishing new business models.

In October 2008 the Healthcare Commission published the results of their 2007/08 annual health check of the NHS in which they rated each of England's 391 NHS trusts for their performance during the twelve months from 1 April 2007 to 31 March 2008.

The RUH was delighted to be assessed as providing Good standards of care to patients and achieving a Fair standard in our use of resources. This was the best outcome that the hospital had ever achieved and represented a considerable step forward for the hospital's staff, following a rating of Weak/Weak for 2006/07. The Trust was one of only three in the country to improve from Weak to Good for quality of services in one year.

Over the last year the Trust objectives focused on patient safety, patient experience, improving the experience of staff, business delivery and organisational development and improvement.

Improving Patient Safety

What we said we were going to do

- Reduce the number of MRSA bacteraemias to 26 during the year
- Reduce the number of cases of Clostridium Difficile (C. Diff) to no more than 20 per month for all ages.

Over the last two years, actions focused on reducing numbers of Healthcare Associated Infections have yielded significant improvements. Incidences of MRSA bacteraemias were successfully reduced to 26 over the year. In 2007/08 the figure was 35 and in 2006/07 cases totalled 42. Incidences of C. Diff across all age groups (post 48 hours) were reduced to 248 against a target of less than 269. Since July 08 the hospital has consistently had less than 20 cases of C.diff per month for all ages, with the exception of the month of March 09.

The RUH now screens all patients for MRSA before admission for planned procedures. No patient admitted for planned surgery since April 2008 has acquired an MRSA bacteraemia infection.

The renovation and building work to improve our Medical Assessment Unit was completed in the summer, with infection control firmly at the forefront of the design. With more isolation rooms and bays to enable cohort nursing, the external infrastructure now matches the strict internal processes for managing the spread of infection.

The Trust will maintain and improve upon these high standards of infection control in 2009/10 through initiatives such as an Intravenous (IV) Task force looking at reducing to zero the infections related to Central Venous Catheter (CVC) lines, and maintaining and improving hand hygiene together with a process of regular audit.

What we said we were going to do

- Reduce the RUH standardised mortality rate (SMR) to be within the best 10% of hospitals in England
- Reduce the number of patients suffering a deep-vein thrombosis acquired as a result of hospital treatment.

The rolling twelve month position at the end of January 09 saw a hospital SMR of 96.7, better than the average across England of 100. 100% of patients are now risk assessed for Venous Thrombo Emboli (VTE), with the appropriate administration of prophylaxis treatment.

Recent figures released from the National Patient Safety Agency illustrated that the RUH has a high reporting ethos for patient safety incidents, demonstrating a strong learning culture within the Trust and a commitment of all staff to patient safety.

The Trust is part of the Leading Improvement in Patient Safety (LIPS II) initiative which puts attention to safety at the centre of all its activities and processes. LIPS is building a positive learning approach to risk identification and management across the Trust and steering the culture towards one intolerant of failures in safety.

2009/10 will see the RUH take a step further in the Patient Safety First campaign with patient safety briefings on ward areas at staff handovers and executive patient safety visits, or WalkRounds™, to wards and departments across the Trust. There will also be a Trust-wide introduction of a theatre safety checklist, for safer surgery.

Improving Patient Experience

What we said we were going to do

- Reduce waiting times from referral to treatment to no more than 10 weeks where clinically appropriate
- Maintain achievement of the 4-hour emergency target, and all other national waiting time targets.

The RUH is committed to ensuring no patients will wait longer than 18 weeks for treatment from GP referral. As part of this, NHS 'milestones' have been set throughout the year, to deliver 90% of admitted patients and 95% of non-admitted patients being treated within 18 weeks by March 2009. Over the year the Trust significantly reduced waiting times and met these national targets.

By the end of March 2009 91.3% of admitted patients and 96.7% of non-admitted patients received treatment at the hospital within 18 weeks of being referred by their GP.

Delayed transfers of care have decreased to the low level of 1.4% with the year to date average continuing to fall to 2.9%. This is a result of ongoing proactive partnership working with the health community which is supporting significant improved in the patient experience.

A snapshot at March 2009:

- 66.8% of patients were admitted for planned surgery and procedures within 13 weeks of referral from GP
- 91.3% of patients were admitted for planned surgery and procedures within 18 weeks of referral from GP
- 93% of patients were treated as outpatients within 13 weeks of referral from GP
- Over 99% of patients with suspected cancer received their first outpatient appointment within two weeks
- Over 99% of patients who were found to have cancer received their first treatment within 62 days of first being referred with suspected cancer
- 100% of patients who requested an appointment at the GUM clinic were offered one within 48 hours
- 97.6% of emergency admissions met the 4 hour target
- RUH Outpatient Access Times were less than 10 weeks in a number of specialties including Orthopaedics, Cardiology and Respiratory.

In 2008/09 the Trust met most of the key national requirements failing in only one area, the emergency 4 hour waiting time target. Emergency admissions remained at a high level for most of the winter and the Trust ended the year on 97.6%, below the target of 98%.

This increase in emergency admissions has an impact on the hospital's ability to deliver the next milestone of delivery of 13 weeks - 85% of admitted and 90% of non-admitted patients, referral to treatment within 13 weeks. Due to significant pressure on inpatient beds over the winter period and a subsequent increase in numbers of cancellations we have seen a deterioration in 13 weeks performance for admitted patients but, conversely, the Trust has continued to achieve the non-admitted with 92.6% of patients seen within 13 weeks against a target of 90%.

Plans are underway to deliver additional capacity through maximising theatres and day surgery and an increase in the number of beds in cardiology and neurology ward will help us to plan care more effectively.

What we said we were going to do

- Respond to all complaints within 25 days
- Answer 90% of calls to the appointments centre within 3 minutes.

97% of all complaints in 2008/09 were responded to within 25 days. Analysis of complaints made to RUH by patients and contacts made with the Patient Advice and Liaison Service (PALS) shows that further improvement is needed in telephone answering, hospital signs and the quality and presentation of patient food.

The appointments centre recruited 6 staff in early 2009 and is currently answering 89.7% of calls within 3 minutes.

RUH patient surveys have identified good team working between doctors and nurses, good hand hygiene and respect for privacy and dignity needs as areas of strength for the Trust.

Opportunities for improvement lie in increasing single room provision for isolation and privacy purposes and ensuring patients are cared for in a single sex area.

Improving the staff experience

What we said we were going to do

- Reduce vacancies to a very low level, by recruiting to full establishment
- Develop management and leadership skills and ensure training and development is available to all staff.

This year we successfully reduced the level of vacancies to just 4.3% and focused on filling vacancies as quickly as possible. An extremely successful 'Proud to be a Nurse' recruitment campaign saw an increase in applicants and helped build a strong identity for nurses at the RUH.

The Trust has successfully reduced its sickness absence rate to 4.1% by year end, often achieving between 3.4% and 3.8% throughout the year.

A leadership strategy entitled 'empowered leaders leading sustainable change' was launched in 2008/09 and a number of associated workshops to develop leadership tools were held. The Leadership Strategy describes the Trust's ambition to develop the capacity and capability of our leadership workforce and continue to manage our talent effectively.

What we said we were going to do

- Improve communication with staff through an improved team briefing system.

The Trust has developed a wide range of mechanisms to ensure that employees receive information and are consulted with on a wide range of organisational changes. These include but are not restricted to, team briefing arrangements, monthly Open Staff meetings with the Chief Executive, monthly staff involvement group meetings, Insight, the Trust's redeveloped staff magazine, weekly news emails, weekly training updates, regular and adhoc messages from Chief Executive, weekly executive briefings at induction and core skills updates and monthly formal consultation meetings with elected trade union/ professional association representatives.

Additionally, where specific local changes to the delivery of services take place and will impact on employees, the Trust takes forward formal consultation in line with the managing organisational change policy.

From time to time the Trust specifically involves and consults particular staff groups in order to inform its working arrangement, for example the involvement of key clinical staff and trade union representatives

in the development of the Trust's updated strategic direction and involvement in the strategic workforce forum.

The recently published results of the 2008 national staff survey are extremely positive and show many improvements since last year.

The trust was in the highest (best) 20% of acute trusts in terms of staff feeling valued by their work colleagues, quality of job design, percentage of staff working extra hours, support from immediate managers, percentage of staff able to contribute towards improvements at work, overall staff satisfaction.

Staff are still experiencing work-related pressure as a result of the substantial increases over the year of the number of patients electing to attend the RUH for treatment and in the number of patients referred by their GP. Reducing vacancies and filling posts quickly are all part of the plan to improve these areas in 2009/10.

Organisational development and improvement

What we said we were going to do

- See through the existing RUH 2010 projects around the emergency pathway, the elective pathway, outpatients and diagnostics
- Roll-out the Productive Ward programme to all wards in the hospital.

The process-improvement plan, RUH 2010, commenced in 2007 and work continued apace throughout 2008/09 to prepare the Trust for its application to become an NHS Foundation Trust in 2010. Projects included work on improving the emergency pathway, looking at all aspects of admission, discharge and removing unnecessary waiting while in hospital and the elective pathway, with a focus on improving theatre efficiency, and introducing a new 'one-stop' pathway for patients needing planned care so that they are able to be seen, diagnosed and pre-assessed all within one visit.

In outpatients, a significant amount of work took place in the new Appointments Centre to reduce the number of appointments wasted through patients not attending, reducing cancellations and improving efficiency. Clinic coordinators have developed close working relationships with consultants and are now able to direct patients to specific clinics, speeding up the booking process.

The RUH was one of the first trusts in the South West to introduce a new programme called 'releasing time to care - the productive ward'. This aims to increase the amount of time that nurses spend on direct patient care and looks at individual ward settings and how care is delivered. The programme focuses on six core areas: discharging patients, medicine rounds, toileting of patients, meal times, handover and vital signs observation. After piloting the scheme, the Trust rolled out the programme to all wards across the hospital.

Business Delivery

What we said we were going to do

- Deliver the trust's contractual obligations for primary care trusts
- Ensure the trust works within its available financial resources

The Trust has successfully reduced waiting times, infections and achieved most national targets. Local Delivery Plans (LDP) are negotiated annually with our commissioners, the local Primary Care Trusts in B&NES, Wiltshire and Somerset. In 2008/09 the Trust met most of the key national requirements failing in only one area, the emergency 4 hour waiting time target. After a comprehensive programme of service redesign and work with PCTs to reduce delayed discharges, the Trust achieved the 98% target in quarter one and quarter two of 2008/09. However emergency admissions remained at a high level for most of the winter and the Trust fell short of the annual target, ending the year on 97.6% and a plan has been agreed with the PCTs to ensure delivery of 98% for 2009/10.

Our financial performance was once again a tremendous success and a great achievement for every member of staff. The Trust had delivered a surplus of £5.6m at year end by achieving internal savings and meeting efficiency plans, as well as meeting its responsibility to maintain loan repayments on historic debt. In 2008-09, the Trust was also working through its organisational change programme, RUH 2010, which was tasked with delivering £6.4m savings through improved efficiency. The Trust was able to meet some of its requirement to make savings in the last financial year through non-recurrent measures, such as additional income earned through activity to meet total wait targets.

What we said we were going to do

- Build the Trust's reputation, through the development of the Trust brand and by building better relationships with GPs
- Improve the Trust environment and make sure it is clean, tidy and gives confidence.

The RUH has a reputation for high quality, professional care. This reputation has been developed in 08/09 through the use of positive and proactive media coverage, a new staff and public, magazine and the agreement of a set of new branding guidelines. A well developed brand is crucial to reputation management, patient experience, staff involvement and influencing and articulating what the RUH stands for to our stakeholders. The GP newsletter RUH Matters has developed into a new email format in response to feedback from GPs.

The RUH is committed to a more socially and environmentally sustainable future and is a member of the B&NES Big Energy Challenge project which funded an investment of £35k in energy conservation projects and increased awareness of our corporate sustainability responsibilities.

The Emerging Hospital Strategy was launched in September 08 detailing plans to redevelop key areas of the RUH to provide vastly improved patient services. This includes the proposed Neo-Natal Intensive Care Unit (NICU) which has been designed by award winning architects Fielden Clegg Bradley to meet stringent environmental and energy targets. With a low energy footprint and 'excellent' BREEAM rating (Building Research Establishment Environmental Assessment Method, the standard for best practice in environmental impact), the sustainable design will provide 20 cot spaces in a stunning patient–centred environment.

This year sees an extensive programme of planned work from modernising wards with single-sex sanitary facilities to improve patient dignity and privacy, to developing a much quieter and more efficient waste management system. An £800,000 investment in the new Central Pre-Operative Assessment Unit has already begun to demonstrate benefits to patient care and increased productivity.

Increased re-cycling throughout the year to over 50% of all waste by weight recycled, a programme to install new efficient lighting incorporating automatic switching across the Trust and new waste plans to create a quieter, safer environment have all demonstrated the Trust's commitment to developing a better, safer and more sustainable workplace.

The Year Ahead

Lord Darzi published his 'NHS Next Stage Review, High Quality Care For All' in June 2008, setting out the direction of travel for the NHS. NHS South West has taken the Darzi Review and sharpened it to provide a more specific list of measures for improvement, with ambitions for the region to demonstrate some of the shortest waiting times in the country and Europe and substantial improvements to healthcare and well-being.

Locally the provision of acute health services faces increased competition for planned surgery from existing and new Independent Sector Treatment Centres in Shepton Mallet, Devizes and Emersons Green. Local PCTs have committed to a level of activity being undertaken at these centres to drive down waiting times, including work moved from existing hospitals over the next five years.

However, the huge improvement in waiting times at the RUH, and the steps taken to improve overall clinical safety, means that our hospital is a very strong option for patients to choose for their care. Unlike the RUH, none of these facilities have emergency, high dependency or intensive care facilities on-site as back-up if required.

Across the UK, people are living longer but they are living longer with some degree of ill health or disability. Health needs will be increasingly about supporting large numbers of people with chronic disease or disability across the spectrum of health and social care. The populations of B&NES and Wiltshire are both more elderly than the national average and are both projected to grow over the next three years.

In 2009/10 we will make being cared for by the RUH a positive experience by:

- **Delivering what our patients want from us**
- **Supporting dedicated staff**
- **Ensuring the 'business health' of the RUH**
- **Progressing strategic development**

Delivering what our patients want from us

We will ensure the RUH keeps delivering and improving on the expectations of patients by:

- Improving Patient Safety and Reducing Infections
- Improving effective communication with patients
- Working with patients in managing their care and their expectations from treatment
- Improving the environment for care.

Supporting dedicated staff

We will make working at RUH a happy and rewarding experience by:

- Recruiting and retaining the right number and type of staff
- Supporting leaders to lead
- Improving training, personal development and career advancement opportunities
- Valuing education and research & development in teams and individuals
- Rewarding innovation and improvement.

Ensuring the 'business health' of RUH

We will make the RUH a successful and financially viable organisation for the long term by:

- Delivering services that meet and exceed national standards of performance
- Sustaining and increasing patient referrals, responding to patient and commissioner needs for new and different service types and securing associated income
- Working effectively with health and social care partners
- Improving value for money in all areas of RUH
- Improving performance as assessed by external accreditation bodies (e.g. Care Quality Commission, Audit Commission, NHS Litigation Authority)
- Maintaining and improving cost control and financial management.

Progressing strategic developments

We will continue to build a solid foundation for RUH into the future by:

- Achieving NHS Foundation Trust Authorisation to give increased local control and flexibility in RUH activities
- Working to build effective partnerships with others in the health and social care sectors to improve the provision of care
- Planning and beginning to deliver a phased estate redevelopment programme that substantially improves the environment of care for our patients and our staff
- Delivering service level management as our way of working – giving authority and responsibility to local leaders to deliver and improve their services
- Delivering a new Patient Administration System for the Trust that meets national reporting and patient safety requirements.

'Building Excellence – RUH 2009-2013', the strategic direction for the RUH over the next five years, sets out the work the RUH will do to become nationally recognised as a centre of excellence for patient care. This will include the hospital achieving NHS Foundation Status, that all of the historic debt will have been repaid; the RUH is seen as an excellent hospital, as evidenced by its Care Quality Commission annual rating and by being within the top ten percent of hospitals as rated by Dr Foster.

Our ultimate aim is for more patients to choose the RUH for their treatment, for GPs to recommend the Trust to their patients and that the Trust is seen as a good place to work, attracting high-quality staff.

Statutory Declarations

Equality and Diversity

We believe that the RUH should be a place where all staff, whatever their differences, feel valued and have a fair and equitable quality of working life, where we accept the difference between individuals and value the benefits that diversity brings.

A number of strategies, policies and action plans support the Trust in both its statutory duty and objectives to maintain equality and diversity. Of note is the assistance provided by our occupational health department to support the recruitment and retention of disabled employees and supporting applicants with learning disabilities into employment. The Trust ensures equality impact assessments are undertaken on all new employment policies. The work to support black and minority ethnic staff access development opportunities has been noted as a best practice case study by NHS Employers.

Information Governance

The Trust takes its responsibilities for maintaining patient and staff confidentiality seriously. Trust employees operate within a comprehensive information governance framework that covers data protection compliance, information security, data quality, confidentiality, records management, IT system security and Freedom of Information compliance. This framework includes procedures for the management of information risks and the reporting of information incidents. One serious and fourteen minor incidents were reported during 20098/09.

Serious Incidents:

Date of incident (month)	Nature of Incident	Nature of data involved	Number of people potentially affected	Notification steps
June	Loss of a paper document from outside secured NHS premises	Name, date of birth, Address, NHS number	27	None
Further action on information risk	Disciplinary action was taken against the member of staff involved. Departmental procedures were amended and staff given further training on the protection of confidential information			

Minor incidents:

Summary of Other Personal Data Related Incidents		
Category	**Nature of Incident**	**Total**
i	Loss of inadequately protected electronic equipment, devices, or paper documents from secured NHS premises	1
ii	Loss of inadequately protected electronic equipment, devices, or paper documents from outside secured NHS premises	0
iii	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
iv	Unauthorised disclosure	11
v	Other	2

Trust Board

Management of the hospital is the responsibility of the Trust Board which comprises eight executive directors (five of whom are voting members) who are professional managers and clinical staff, a chairman, and five voting non-executive directors appointed from within the hospital catchment area.

Non-executives are appointed by an independent body - the Appointments Commission - and are drawn from the local community to ensure that the interests of the patients and the community remain at the heart of the board's decisions. Their role is to concentrate on patient safety, strategy, good governance, risk and financial management. The Trust Board meets in every month, except August.

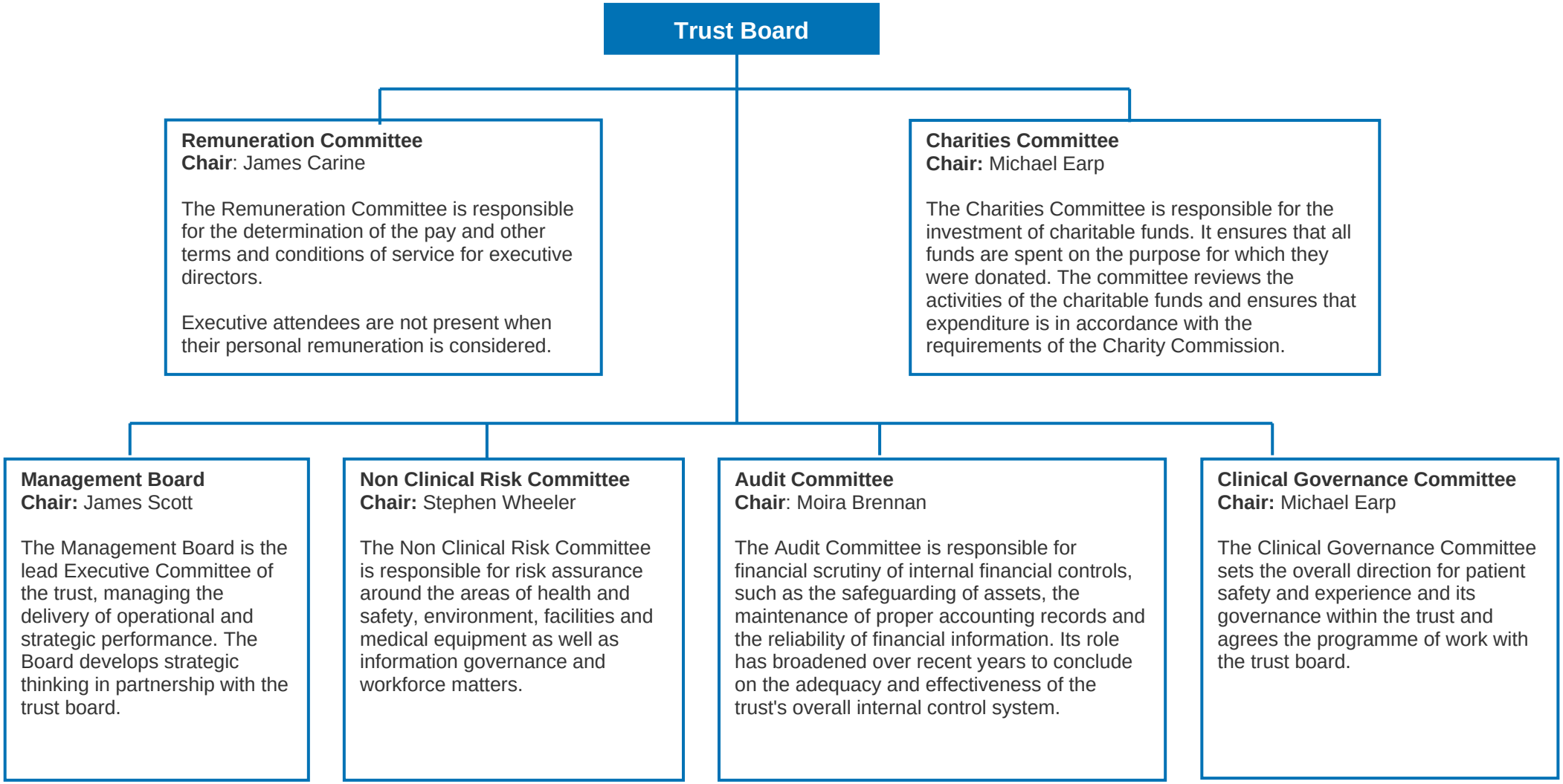
Trust board membership

	Name	Position	Tenure	Voting	Board sub-committees	Attendance at Board
	James Carine	Chairman 1.11.06	4 years	Yes	Remuneration Committee ex-officio all other Trust Board committees	10/10
	James Scott	Chief Executive 1.6.07	substantive	Yes	Management Board ex-officio all other Trust Board committees	10/10
	Michael Earp	Non-Executive Director and Vice Chairman 1.12.04	4 years	Yes	Audit Committee Remuneration Committee Clinical Governance Committee Charities Committee	8/10
	Rev Jonathan Lloyd	Non-Executive Director 1.04.02	4 years	Yes	Remuneration Committee Non-clinical Risk Committee Whistle blowing contact	8/10

	Name	Position	Tenure	Voting	Board sub-committees	Attendance at Board
	Moira Brennan	Non-Executive Director 1.2.08	4 years	yes	Audit Committee Charities Committee Remuneration Committee	9/10
	Prof. Peter Tomkins	Non-Executive Director 1.1.07	4 years	Yes	Remuneration Committee Clinical Governance Committee	10/10
	Stephen Wheeler	Non-Executive Director 1.12.05	4 years	Yes	Charities Committee Audit Committee Remuneration Committee Non-clinical Risk Committee Whistle blowing contact	9/10
	Diane Fuller	Director of Patient Care Delivery	Substantive Seconded end Jan 09	Yes	Management Board Clinical Governance Committee	8/8
	Francesca Thompson	Director of Nursing	Substantive	Yes	Management Board Charities Committee Clinical Governance Committee	10/10
	John Waldron	Medical Director	Substantive consultant ENT surgeon	Yes	Management Board Clinical Governance Committee	9/10

	Name	Position	Tenure	Voting	Board sub-committees	Attendance at Board
	Catherine Phillips	Director of Finance	Substantive	Yes	Charities Committee Management Board Audit Committee	5/5 Maternity leave 01/09/08 – 28/02/09
	Brigid Musselwhite	Deputy Chief Executive & Director of Planning and Strategic Development	Substantive	No	Management Board Non-clinical Risk Committee	10/10
	Lynn Vaughan	Director of Human Resources	Substantive	No	Management Board Non-clinical Risk Committee	10/10
	Howard Jones	Director of Facilities	Substantive	No	Management Board Non-clinical Risk Committee	5/5
	Peter Hollinshead	Interim Director of Finance	Fixed Term 01/09/08 – 28/02/09	Yes	Charities Committee Management Board Audit Committee	4/4

Trust Board Committees



Financial Review 2008/09

The Trust has met its objective of working within available financial resources for 2008/09. The year was the third consecutive year in which we have generated surpluses of income over expenditure. The surpluses have been used to repay the Trust's long term loan from the Department of Health, as described below.

A summary of the Trust's financial performance over the past 4 years is set out below:

Historical financial information	2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000
Income	166,012	177,619	194,221	210,144
Pay expenditure	(114,520)	(114,494)	(119,376)	(127,435)
Non pay expenditure	(49,600)	(58,801)	(68,401)	(72,390)
SURPLUS before INTEREST and DIVIDENDS	**(1,892)**	**4,324**	**6,444**	**10,319**
Net interest and dividends	(5,447)	(4,180)	(4,544)	(4,719)
NET (DEFICIT)/SURPLUS	**(7,339)**	**144**	**1,900**	**5,600**

Figure 1: The Trust's financial performance 2005-2009

Our financial performance is a huge achievement for the Trust and a tremendous success shared by all our staff.

Underlying the Trust's financial achievement is its ability to implement and embed savings plans. During the year, the Trust was able to achieve its surplus partly through additional income earned from activity needed to meet local waiting time targets.

For 2009/10, the Trust is aiming to make a surplus of £5.8m in order to make its planned loan repayment to the Department of Health. This requirement underlines the need to achieve sustained savings.

Details of the Trust's financial plans are closely monitored by the Trust Board every month, and have been regularly reviewed by the South West Strategic Health Authority (SWSHA). Copies of our Trust Board papers are available on our web site.

Financial duties and measures in 2008/09

The Trust has a number of financial duties. These were met as follows:

Meeting the planned surplus

The Trust's target of achieving a planned revenue surplus of £5.6m was achieved (2007/08 planned surplus of £1.9m achieved). By achieving this target, the Trust achieved its statutory breakeven duty to ensure that its in-year expenditure does not exceed its income.

External financing limit (EFL)

The EFL sets out how the Trust must manage its cash flow and borrowing requirements. During 2008/09 the Trust was able to manage within its cash requirements, and met this target (2007/08: target met).

Capital resource limit (CRL)

The CRL is the maximum amount that the Trust can invest in fixed assets during the year. In 2008/09 the Trust did not exceed its CRL (2007/08: CRL not exceeded).

In addition, the Trust is measured against the following targets:

Capital cost absorption rate

The Trust is required to make a return on the assets it employs of 3.5%. In 2008/09 the Trust achieved a return of 2.5% (2007/08: 2.4%).

Management costs

The Trust is required to record its management costs according to parameters set by the Department of Health and to state these in relation to relevant income.

	2008/09	2007/08
	£000	£000
Management Costs	8,366	7,264
Income	210,260	186,572
Cost as a percentage of income	3.98%	3.89%

Management costs and related income figures are as defined by the Department for Health.

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. Given the current economic climate, the Department of Health wrote to the Trust in 2008/09 encouraging payment within 10 days.

Better payment practice code - Measure of compliance			
	2008/09		**2007/08**
	Number		**Number**
Total Non-NHS trade invoices paid in the year	68,775		62,358
Total Non NHS trade invoices paid within target	61,286		57,876
Percentage of Non-NHS trade invoices paid within target	**89%**		**93%**
Total NHS trade invoices paid in the year	2,407		2,211
Total NHS trade invoices paid within target	2,140		1,887
Percentage of NHS trade invoices paid within target	**89%**		**85%**

Our monthly performance in achieving the 30-day and 10-day target in 2008/09 has been as follows:

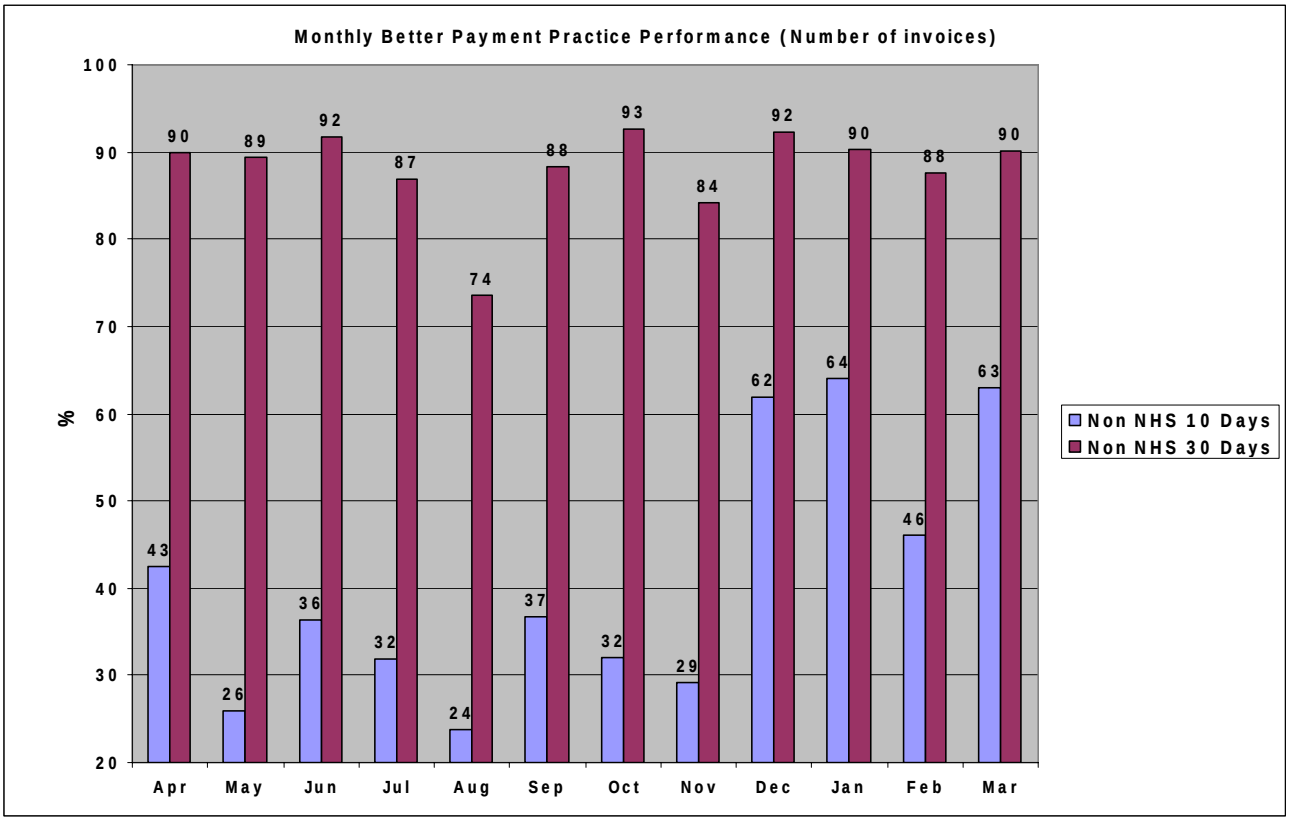


Figure 2: 2008/09 performance under the Better Payment Practice Code

Historic Deficit, Breakeven Duty and Cash Loan

The Trust has demonstrated financial stability since 2006/07, but it has a substantial historic accumulated deficit on the Income and Expenditure Reserve, standing at £35.5m at 31 March 2009.

Legislation requires the Trust to breakeven 'taking one year with another'. In 1997, guidelines were issued by the Department of Health on how this should be measured in practice. Adjustments are required to remove certain transactions from the in-year financial surplus or deficit to compare against the Trust's breakeven duty. Consequently, there are differences between the historic accumulated deficit and the breakeven duty deficit, as detailed below.

	In Year (Deficits)/ Surpluses £000	Breakeven Duty £000
1992/93	(2,724)	-
1993/94	(676)	-
1994/95	(2,545)	-
1995/96	(586)	-
1996/97	(777)	-
1997/98	(722)	-
1998/99	(478)	-
1999/00	(543)	-
2000/01	(336)	-
2001/02	1,242	-
2002/03	(24,784)	(24,784)
2003/04	(1,968)	(1,968)
2004/05	(946)	1,022
2005/06	(7,339)	(6,393)
2006/07	144	144
2007/08	1,900	1,900
2008/09	5,600	7,405
Accumulated Deficit	**(35,538)**	**-**
Breakeven duty	**-**	**(22,674)**

Figure 3: The Trust's cumulative breakeven duty as at 31st March 2009

The solution to the Trust's situation was sought through long-term financing which would allow the Trust to meet its break even duty over time and also resolve its cash flow issues.

At the end of 2006/07, the Trust entered into a loan agreement with the Department of Health and SWSHA for £38m repayable over 20 years. In March 2008, the SWSHA negotiated a revised repayment structure for both the loan and breakeven duty. These negotiations with the Department of Health and local commissioners were concluded in March 2008.

The Trust will repay its cash loan and recover its remaining deficit over the next four years ending in 2013. The Trust will make surpluses each year for four years to achieve this.

Future financial plans

The Trust has completed its financial forecasts as shown below, based on the revised loan agreement and projections of income and expenditure.

The forecast for the next four years is shown below:

	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000
Trust forecast surplus	4,800	4,800	4,800	4,800
Change in interest payable/other changes	1,000	1,200	1,400	1,700
Revised surplus	**5,800**	**6,000**	**6,200**	**6,500**
Loan outstanding at beginning of year	(27,500)	(20,700)	(13,700)	(6,500)
Surplus	5,800	6,000	6,200	6,500
Planned additional cash repayment	1,000	1,000	1,000	-
Loan outstanding at end of year	**(20,700)**	**(13,700)**	**(6,500)**	**-**
Historic breakeven duty at beginning of year	(22,674)	(16,874)	(10,874)	(4,674)
Historic breakeven duty at end of year	**(16,874)**	**(10,874)**	**(4,674)**	**1,826**

Figure 4: Rescheduled loan repayments and recovery of breakeven duty

The major financial risks for the Trust in 2009/10 and beyond are:

- The delivery of the required surpluses each year to meet the terms of the loan and recovery of the historic deficit;
- The delivery of savings to meet the targets, including savings from the 'RUH 2010' change programme;
- That the Trust's planned activity levels are not sustained as a result of activity performed by Independent Sector Treatment Centres and other providers;
- The transition to a new tariff mechanism for the Trust income under the Payment by Results regime; and
- The raising of finance to fund capital developments across the Trust.
- The Trust has identified a number of factors which will strengthen its ability to manage its financial risks:
- Contracts were concluded with its commissioning PCTs before the start of the financial year and therefore any uncertainties around income and contractual arrangements have been minimised;
- The Trust will spend less if it delivers less activity; savings in variable costs will help offset changes in income; and
- Learning from the RUH 2010 process is being applied as the Trust identifies financial benefits for future years.

Capital investment

The Trust's capital investment programme is reviewed on a rolling three year basis. Under the new rules for capital expenditure, all capital investment must be funded from internally generated resources or loans. The Trust already has a substantial loan. As this affects the Trust's ability to borrow in the short to medium term to fund capital investment, future funding options for major capital schemes are currently being reviewed.

Remuneration Report

Membership of the Remuneration committee

All, and only, Non Executive Directors are members of the committee. The committee is quorate with 4 members.

During 2008/09 the following individuals were Non Executive Directors:

James Carine
Stephen Wheeler
Jonathon Lloyd
Michael Earp
Peter Tomkins
Moira Brennan

Statement on the policy on the remuneration of senior managers for current and future years

Starting salaries for Executive Directors are determined by the committee by reference to independently obtained NHS salary survey information, internal relativities and equal pay provisions and other labour market factors where relevant, e.g. for cross sector, functional disciplines such as human resources.

Progression is determined by the committee for:

- Annual inflation considerations in line with nationally published indices (RPI/CPI),DH guidance and other nationally determined NHS pay settlements;
- Specific review of individual salaries in line with independently obtained NHS salary survey information, other labour market factors where relevant , e.g. for cross sector, functional disciplines, internal relativities and equal pay provisions. Such review is only likely where an individual Director's portfolio of work or market factors change substantially;

During 07/08 the Remuneration committee agreed to introduce a discretionary performance related payment system for Executive Directors relating to performance during the 08/09 business year. The bonus arrangement provides for directors to receive an annual inflation uplift providing performance is judged to be satisfactory. Additionally, a non-consolidated bonus of up to 5% may be paid to individuals whose performance exceeds expectation. For individuals judged to have outstanding performance a non-consolidated bonus of up to 10% may be paid.

Other senior managers are paid in accordance with the national NHS Agenda for Change pay system.

Contracts

Contracts are normally substantive (permanent) contracts subject to termination by written notice of 6 months, by either party.

On occasion as required by the needs of the organisation appointments may be of a temporary or 'acting' nature in which case a lesser notice period may be agreed.

Termination liabilities for Executive Directors

There are no provisions for compensation for early termination for any Executive Directors, as detailed in the table below.

Other termination liabilities for all executive directors are the entitlements under the NHS Whitley Council and/or Agenda for Change and the NHS Pension scheme. Statutory entitlements also apply in the event of unfair dismissal. The balance of annual leave earned but untaken would be due to be paid on termination.

Details of service contracts

Name	Post Title	Date of Contract	Unexpired Term	Notice Period	Provision for Compensation for Early Termination	Other Termination Liability
James Scott	Chief Executive	01/06/2007	Substantive	6 months	None	See text above
Catherine Phillips	Director of Finance	03/09/2007	Substantive	6 months	None	As above
Beverley Goddard	Acting Director of Finance [1]	01/08/2008 31/08/2008	Term Expired 31/08/2008	N/A	None	As above
Peter Hollinshead	Interim Director of Finance	01/09/2008 27/02/2009	Contract	N/A	None	As above
Diane Fuller	Director of Patient Care Delivery	01/09/2005	Substantive Left: 31/01/2009	6 months	None	As above
Lynn Vaughan	Director of Human Resources	01/07/2004	Substantive	6 months	None	As above
Brigid Musselwhite	Director of Planning & Strategic Development Deputy Chief Executive	01/03/2004 01/09/2007	Substantive	6 months	None	As above
Francesca Thompson	Director of Nursing	25/09/2006	Substantive	6 months	None	As above
Howard Jones	Director of Facilities	03/11/2008	Substantive	6 months	None	As above
John Waldron	Medical Director [2]	01/09/2002			None	As above with respect to Medical Director responsibilities

[1] Beverley Goddard's substantive appointment is as Deputy Director of Finance of the Trust. Her terms and conditions are therefore under her substantive role as Deputy Director of Finance.
[2] John Waldron's substantive appointment is as a Consultant ENT Surgeon, to which Consultant Contract termination liabilities apply.

Salary and Pension entitlements of Senior Managers
Salaries and allowances

Name and title	2008-09				2007-08		
	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £00) £00	Date of starting (S) or leaving (L)	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Benefits in kind (Rounded to the nearest £00) £00
James Scott - Chief Executive [1]	**150-155**				130-135		
Catherine Phillips - Director of Finance	**75-80**				60-65		
Beverley Goddard - Director of Finance (acting) [2]	**0-5**	**5-10**		01.08.08 (S) 31.08.08 (L)			
Peter Hollinshead - Director of Finance (interim) [3]	**130-135**			01.09.08 (S) 27.02.09 (L)			
John Waldron - Medical Director [4]	**30-35**	**140-145**			40-45	125-130	
Francesca Thompson - Director of Nursing	**85-90**				75-80		
Brigid Musselwhite - Director of Planning and Strategic Development/Deputy Chief Executive	**90-95**				85-90		
Howard Jones - Director of Facilities	**40-45**			03.11.08 (S)			
Lynn Vaughan - Director of Human Resources	**70-75**				70-75		
Diane Fuller - Director of Patient Care Delivery	**65-70**			31.01.09 (L)	75-80		
James Carine - Chairman	**20-25**				20-25		
Stephen Wheeler - Non Executive Director	**5-10**				5-10		
Rev. Jonathon Lloyd - Non Executive Director	**5-10**				5-10		
Michael Earp - Non Executive Director	**5-10**				5-10		
Prof. Peter Tomkins - Non Executive Director	**5-10**				5-10		
Moira Brennan - Non Executive director	**5-10**				0-5		

[1] James Scott was employed by the Trust during the 2007/08 year. Had he been employed for the whole year, his salary would have been in the band £145-150,000.
[2] Beverley Goddard's substantive appointment is as Deputy Director of Finance of the Trust. Her remuneration is therefore split during the period within which she was acting Director of Finance between that earned for performing the role of Director (Salary) and that earned for her substantive role (Other remuneration).
[3] The figures quoted for Peter Hollinshead are based on invoices which included amounts for travel and away from home expenses, pension contributions and the overheads of his business. These costs are therefore not directly comparable to the salaries of other directors.
[4] John Waldron's substantive appointment is as a Consultant ENT Surgeon. His remuneration is therefore split between his responsibilities as Medical Director (Salary) and that earned in his substantive appointment (Other remuneration).

Pension Benefits

Name and title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2009 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2009 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2009 £000	Cash Equivalent Transfer Value at 31 March 2008 £000	Real increase in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
James Scott - Chief Executive	5-7.5	17.5-20	45-50	140-145	865	59	806	0
Catherine Phillips - Director of Finance	5-7.5	15-17.5	20-25	65-70	314	196	117	0
Beverley Goddard - Acting Director of Finance	10-12.5	30-35	10-15	30-35	187	0	187	0
Peter Hollinshead – Interim Director of Finance	0	0	0	0	0	0	0	0
Brigid Musselwhite - Director of Planning and Strategic Development	2.5-5	7.5-10	25-30	75-80	424	299	125	0
John Waldron - Medical Director	7.5-10	27.5-30	55-60	175-180	1,286	832	454	0
Francesca Thompson - Director of Nursing	2.5-5	10-12.5	15-20	55-60	390	255	136	0
Howard Jones - Director of Facilities	35-40	117.5-120	35-40	115-120	934	0	934	0
Lynn Vaughan - Director of Human Resources	2.5-5	10-12.5	15-20	50-55	397	246	151	0
Diane Fuller - Director of Patient Care Delivery	0-(2.5)	(5)-(7.5)	15-20	55-60	306	276	30	0

Non-Executive members do not receive pensionable remuneration from the Trust. Peter Hollinshead did not receive pensionable remuneration from the Trust.

Cash Equivalent Transfer Values

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

Real Increase in CETV

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

8th June 2009

Annual accounts 2008/09

The summary financial statements which follow do not contain sufficient information to allow as full an understanding of the results and state of affairs of the Trust and its policies and arrangements as provided by the full set of annual accounts.

A full set of the accounts is available on request from:

Director of Finance
Royal United Hospital Bath NHS Trust
Finance Department
Malvern House
Combe Park
Bath
BA1 3NG

The following statements are attached at Appendix 1:

- Summary Financial Statements
- Statement of Internal Control
- Directors Statements
- Independent Auditors report

Audit

The independent auditor's statement is included within the Summary Financial Statements.

In respect of the preparation of the accounts for 2008/09, as far as the Directors are aware there is no relevant audit information of which the Trust's auditors are unaware. The Trust's Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

NHS Trust Manual for Accounts

The operating and financial review has been prepared in accordance with the NHS Trust Manual for Accounts for 2008/09, as directed by the Secretary of State.

Directors' Interests

Executive Directors

Director of Human Resources – Lynn Vaughan
External Examiner in Human Resources Management at the University of the West of England (Bristol Business School)

Medical Director – John Waldron
Signed up to an agreement with Centres of Clinical Excellence (CCE) to transfer at least 50% of the time currently devoted to private practice to a CCE facility once established in this area. In return for signing up the Medical Director has received 10,000 shares in CCE. The Medical Director has not had any financial transactions with them. He does not feel he should represent the Trust in any future discussions with CCE because it could be perceived that he has a conflict of interest.

Non Executive Directors

Chairman - James Carine
Welfare Representative BLESMA (British Limbless Ex-Servicemen Association)
Member Copyright Tribunal

Michael Earp
Partner in Hill Cameley LLP

Stephen Wheeler
Chair of Trustees of the Evaluation Trust

Peter Tomkins
Vice Chairman/Trustee of Chartered Institute of Marketing (and Director of Related Boards)
CEO of D M Management Consultants Ltd
Member of the Advisory Board of CASS Business School, City University
Vice President of UK Youth
Visiting Academic at CASS Business School, Cranfield Business School and St Gallen University

Moira Brennan
Trustee of Royal Mail Senior Executive Pension Scheme

Appendix 1 Summary Financial Statements

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 March 2009

	2008/09	2007/08
	£000	£000
Income from activities	**190,685**	177,544
Other operating income	**19,464**	16,677
Operating expenses	**(199,812)**	(187,777)
OPERATING SURPLUS	**10,337**	6,444
Loss on disposal of fixed assets	**(18)**	0
SURPLUS BEFORE INTEREST	**10,319**	6,444
Interest receivable	**747**	934
Interest payable	**(1,632)**	(1,858)
Other finance costs - unwinding of discount	**(12)**	(5)
SURPLUS FOR THE FINANCIAL YEAR	**9,422**	5,515
Public Dividend Capital dividends payable	**(3,822)**	(3,615)
RETAINED SURPLUS FOR THE YEAR	**5,600**	1,900

BALANCE SHEET AS AT 31 MARCH 2009

	31 March 2009	31 March 2008 (Restated)
	£000	£000
FIXED ASSETS		
Tangible assets	**179,898**	190,643
Investments	**165**	0
	180,063	190,643
CURRENT ASSETS		
Stocks and work in progress	**3,309**	3,237
Debtors falling due within one year	**13,926**	13,827
Debtors falling due after one year	**1,476**	1,320
Investments	**55**	0
Cash at bank and in hand	**1,470**	2,465
	20,236	20,849
CREDITORS: Amounts falling due within one year	**(20,637)**	(21,106)
NET CURRENT LIABILITIES	**(401)**	(257)
TOTAL ASSETS LESS CURRENT LIABILITIES	**179,662**	190,386
CREDITORS: Amounts falling due after more than one year	**(20,724)**	(27,548)
PROVISIONS FOR LIABILITIES AND CHARGES	**(1,918)**	(2,131)
TOTAL ASSETS EMPLOYED	**157,020**	160,707
FINANCED BY:		
TAXPAYERS' EQUITY		
Public dividend capital	**127,445**	128,545
Revaluation reserve	**69,302**	77,055
Donated asset reserve	**6,114**	6,548
Government grant reserve	**0**	0
Income and expenditure reserve	**(45,841)**	(51,441)
TOTAL TAXPAYERS' EQUITY	**157,020**	160,707

The opening revaluation reserve and income and expenditure reserve have been restated and the aged analysis of debtors has been reanalysed. These changes have not affected the total Taxpayers' Equity of the Trust.
The financial statements were approved by the Board on the 8th June 2009 and signed on its behalf by:

James Scott, Chief Executive

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2009

	2008/09	2007/08
	£000	£000
Surplus for the financial year before dividend payments	**9,422**	5,515
Fixed asset impairment losses	**0**	(2,059)
Unrealised (deficit)/surplus on fixed asset revaluations/indexation	**(7,801)**	12,548
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	**569**	851
Total gains and losses recognised in the financial year	**2,190**	16,855

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	2008/09	2007/08
	£000	£000
OPERATING ACTIVITIES		
Net cash inflow from operating activities	**22,570**	17,806
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE:		
Interest received	**747**	934
Interest paid	**(1,632)**	(1,858)
Net cash outflow from returns on investments and servicing of finance	**(885)**	(924)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	**(8,804)**	(6,694)
Receipts from sale of tangible fixed assets	**5**	0
Payments to acquire financial instruments	**(359)**	0
Net cash outflow from capital expenditure	**(9,158)**	(6,694)
DIVIDENDS PAID	**(3,822)**	(3,615)
Net cash inflow before financing	**8,705**	6,573
FINANCING		
Public dividend capital repaid	**(1,100)**	(2,672)
Loans repaid to DH	**(8,600)**	(1,900)
Net cash outflow from financing	**(9,700)**	(4,572)
(Decrease)/increase in cash	**(995)**	2,001

Statement on Internal Control

The Board is accountable for Internal Control. The Chief Executive of the Board, as accountable officer has responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. He is also responsible for safeguarding the public funds and the organisation's assets for which he is personally responsible as set out in the Accountable Officer Memorandum.

A copy of the statement of internal control is included within the Trust's annual accounts and is available by contacting the Director of Finance.

Statement of the Chief Executive's responsibility as the accountable officer of the Trust

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Department of Health. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities who govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an accountable officer.

8th June 2009 Chief Executive

Statement of Directors' responsibility in respect of the accounts

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of HM Treasury;
- make judgements and estimates which are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

8th June 2009 Chief Executive

8th June 2009 Director of Finance

Independent auditor's statement to the Board of Directors of Royal United Hospital Bath NHS Trust

We have examined the summary financial statement which comprises the income and expenditure account, balance sheet, statement of total recognised gains and losses, and cash flow statement.
This report is made solely to the Board of Directors of Royal United Hospital Bath NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Directors' as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The Directors are responsible for preparing the Annual Report.

Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the Annual Report with the statutory financial statements.

We also read the other information contained in the Annual Report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statement.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our audit opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of the Trust for the year ended 31 March 2009.

8th June 2009

Grant Thornton UK LLP

Grant Thornton UK LLP
Hartwell House
55-61 Victoria Street
Bristol
BS1 6FT

If you would like to know more:

If you would like to know more, or to comment on our plans, please write to the Chairman James Carine or Chief Executive James Scott at:

Royal United Hospital NHS Trust
Combe Park
BATH
BA1 3NG

Telephone: 01225 824033
E-mail: trustboard@ruh.nhs.uk
Website: www.ruh.nhs.uk

We value your opinion

We want to make sure future Annual Reports give you all the information you need on our services, so please tell us if you think we could improve.

Are we talking your language?

If you need this document in another format, including large print, please contact PALS (Patient Advice and Liaison Service)
Tel: 01225 825656
E-mail: pals@ruh.nhs.uk

Date of publication: September 2009
Ref: AGM 0001/1

United in Excellence