RUH

Royal United Hospital Bath NHS
NHS Trust

Annual Report 2012/13

Healthcare you can Trust

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1.1 Trust overview

The Royal United Hospital Bath NHS Trust (RUH) provides general, acute and emergency treatment and care for a catchment area of Bath and North East Somerset, Wiltshire (West and North) and Somerset (Mendip). The catchment population of the RUH is 410,000 people for emergency care, and 320,000 people for planned care.

The Trust occupies a 52-acre site about one and a half miles from Bath city centre and became a National Health Service Trust in 1992. All acute services are provided on the RUH site and the Trust also provides a range of outpatient and diagnostic services from 10 community sites.

The Trust's lead commissioner for 2012/13 was the PCT cluster of NHS Wiltshire and NHS Bath and North East Somerset (BaNES), which commissioned on behalf of seven other Primary Care Trusts and one Specialised Commissioning Group.

1.2 Vision and Strategy

The Trust has developed a five year strategic vision based on delivering high quality, sustainable patient care for its existing population, which is:

The Royal United Hospital, Bath will be recognised for delivering the highest quality hospital care for the people of Bath & North East Somerset, Wiltshire and Somerset as assessed by patient safety and clinical outcomes and evidenced by patient surveys.

This vision will be delivered in relation to the core service offerings of:

- Acute unplanned care e.g. attendance at A&E;
- Planned care for those patients requiring both complex and less complex surgery
- Long term conditions management for those patients with chronic illness
- Specialist services, in particular care for people with cancer.

The Trust's strategy has been developed in response to the forecast needs of the local population which the Trust serves. Consultation on the strategy was undertaken through a comprehensive series of public meetings and publication of the Trust's plans. Staff were also asked to consider the proposals, and feedback from both groups were fed into the strategy. There was unanimously positive feedback on the Trust's strategic direction from all quarters of the community. A summary report of the responses is published on the Trust's website.

The fundamental principle which underpins the Trust's strategy is the recognition that the RUH of the future is likely to have fewer beds, as services move into community settings, demand management initiatives reduce the number of patients accessing acute services, and there is more competition for less complex elective services. This also recognises that the Trust is operating within a very competitive market which includes:

- Local NHS Trusts;
- Independent Sector Treatment Centres (ISTCs) at Devizes, Wiltshire; Emerson's Green, Bristol; Shepton Mallet, Somerset;
- Private hospitals;
- GPs (Including Assura Minerva);

- Social care services.

Whilst the market is competitive the Trust recognises that the patient must receive the highest quality, seamless care and therefore it must work with other providers to ensure this is delivered. For example, the Trust has developed new tests for potential heart problems, alongside GPs, to minimise the number of test and procedures patients are subject to. The Trust will continue to develop these relationships, particularly with Clinical Commissioning groups, in the years to come.

The key principles of the Trust's strategy are to:

- Improve the quality, efficiency and productivity of the services it provides for patients.
- Reduce the overall bed base at the RUH, releasing direct and indirect costs to deliver its Quality, Innovation, Productivity and Prevention (QIPP) programme.
- Increase its market share, collaborating with local independent providers to secure additional capacity when required.
- Work effectively as a partner within the health community through integration and development of working and contractual arrangements.

1.3 Objectives, Priorities and Key Performance Indicators

In order to deliver the strategy the Trust sets annual priorities as set out in the annual business plan. In April 2012 the Trust Board approved the RUH Business Plan Summary 2012/13. This described the Trust's Vision, as well as the objectives and priorities split by the five Strategic Pillars. This document is available on the Trust website at www.ruh.nhs.uk

The Trust Board monitors key performance information at each meeting through the Integrated Balanced Scorecard. This includes the Acute Trust Performance Framework (ATPF) which describes how the Trust is performing against the National Priorities as set out in the NHS Operating Framework. For 2012/13 the Trust achieved a rating of "Performing" against the ATPF indicators. This rating is based on performance against individually weighted indicators.

The Trust Board also monitors its performance against its financial position, which is laid out in more detail within the Annual Accounts.

The Trust Board papers, including both the Integrated Balanced Scorecard and the Finance Report are published on the Trust website as above.

The future focus of the Trust will be on continuing to deliver the national priorities as set out in the annual Operating Framework and, once authorised as an NHS Foundation Trust, deliver against the Monitor Governance Rating. The latter covers both operational performance and financial performance.

1.4 Benefits from capital investment

In order to deliver the Trust's vision and annual priorities, the Trust has considered how its physical assets need to change in order to be appropriate for future service delivery. The Trust invests in its estate and equipment through its capital investment programme. This programme is aligned to the overall five year business plan of the Trust, which has identified the key priorities for investment as:

- 2012/13 – Construction of a new Pathology Laboratory and new IM&T and Medical Records Building;

- 2013/14 – Replacing one of the Trust's linear particle accelerators, more commonly known as a "Linac" which is used in radiation therapy, and commencing the new Oncology development (three year development);
- 2014/15 – Continuation of the Oncology development, and further estates maintenance programmes and supporting the IM&T replacement programmes.

The focus of the programme is both on reducing backlog maintenance but also ensuring that services can be delivered in high quality accommodation. One of the Trust's strategic pillars is improving our buildings and environment. Key objectives linked to this pillar relate to improved sustainability, increasing the number of single en-suite rooms, and reducing the value of backlog maintenance. This pillar is led by the Director of Estates and Facilities, but requires the input of all Directors to ensure that the estate meets the needs of the whole Trust.

Other considerations in the future development of the estate are linked to the required capacity of the Trust. It is likely that the Trust will operate with fewer beds and therefore the ward structure needs to accurately reflect the needs of the Trust. The Trust will also be required to be more efficient in terms of staff, flow of resources and sustainability.

1.5 Description of significant relationships

The Trust has a number of significant relationships which are described below:

Education and Research & Development
The Trust has key relationships with a number of universities as follows:

- The University of the West of England, which primarily undertake training of nurses and other allied health professionals, such as Physiotherapists;
- The University of Bristol, which undertakes the training of doctors; and
- The University of Bath with whom the Trust has key links around Research and Development.

The Trust has developed these relationships both to support the education of future professionals and also to ensure that the Trust has adequate resource to manage its activity. The Trust is subject to inspection by the Severn Deanery, in relation to its education of junior doctors, and its latest review confirms that the Trust was delivering high quality training and education to its trainees.

To recognise these key relationships the Trust has identified the Universities as stakeholders as recognised within the Trust's draft Constitution as an NHS Foundation Trust. As such each university will be asked to nominate a Governor to serve on the Trust's Council of Governors for a two year term, rotated between the universities.

Academic Health Science Network (AHSN)
The Trust is a member of the established West of England Academic Health Science Network which is focused on accelerating "the spread of innovative, evidence-based care to improve health and care quality. This shared commitment to excellence will deliver economic benefits through regional investment, job creation and effective procurement."[1]

The AHSN is focused on improving the implementation of good practice across its network; generating research and increasing patient enrolment and putting research into practice; and improving its links with industry for the benefit of both patients and the local economy.

[1] http://www.weahsn.org.uk/

NHS Foundation Trust Membership and Council of Governors (Shadow)

The Trust has built a membership of over 6,000 public members, as part of its application to become an NHS Foundation Trust. These members, as well as the staff members, elected 11 Public Governors and five Staff Governors to sit on the Council of Governors during 2012/13. Representatives from NHS Wiltshire, NHS Bath and North East Somerset, Wiltshire Council, Bath and North East Somerset Council, and the University of Bath were also appointed to the Council of Governors. The induction process for the Governors commenced in November 2012, and the first formal Council of Governor meeting, in shadow form, was held in March 2013.

The Trust has also continued the Caring for You events, where members are invited to learn more about what's going on in the Trust. Topics in 2012/13 included Breast cancer, Diabetes Surgery – A journey through the Theatre and Men's health, Urology & Cardiology.

Commissioners

The Trust is working with the newly authorised Clinical Commissioning Groups in Bath and North East Somerset, Somerset and Wiltshire to agree contracts for the provision of services to the local population. A key element of this contract is to ensure that capacity within the Trust is in line with predicted activity levels. These activity levels are based on the population, demographic profiling, forecasting and the prevalence of conditions.

Another part of this relationship links to the need for the NHS to deliver the Quality, Improvement, Productivity and Prevention (QIPP) agenda. The Trust has developed robust plans to improve pathways for patients throughout the local health community and deliver savings. In order to achieve the targets the Trust is working closely with all of the members of the local health community and its commissioners.

NHS Trust Development Authority (TDA)

The Trust will work with the NHS TDA during 2013/14 as it moves towards authorisation as an NHS Foundation Trust.

Local Councils

The Trust also has important relationships with the two councils which cover the majority of the Trust's catchment area; Wiltshire Council and Bath and North East Somerset Council. The main relationships are those with social care to ensure that discharge arrangements are appropriate for the local population and that delays to discharge are minimised. Relationships continue to be developed at all management tiers to ensure effective communication, planning and operational effectiveness is maintained.

However the relationship is also wider as the Trust plays a significant role, both as a major employer within the City of Bath, and as a focal point for the community. The Trust takes this role very seriously and actively partakes in local governance arrangements to ensure the Trust's views and resources are taken into account, and that the needs of the community are addressed through effective joint working. For example the Chief Executive attends the Wiltshire Health and Wellbeing Board.

2 Sustainability Report

2.1 Background

The Trust is committed to sustainability and reducing the Trust's carbon footprint. The Trust has described this through the following Strategic Objective:

We will improve the efficiency of our estate through improved utilisation, functionality and sustainability of our buildings.

This is reinforced by the more specific measures of reducing the Trust's carbon footprint (Scope 1 and 2 emissions only: natural gas, gas oil and grid electricity) to 10,000 tonnes CO2e by 2013/14. As our CHP system has not been working as well as we would have liked, progress towards meeting this target has been difficult; Scope 1 and 2 emissions for 2012/13 were recorded at 14,727 tonnes CO2e. The CHP system will soon be brought fully on line and will help us to reduce our Scope 2 emissions resulting from purchased electricity.

To deliver this key strategic priority the Trust has identified the Director of Estates and Facilities as the lead Executive Director and also has allocated a Non-Executive Director, Moira Brennan, as the Sustainability Champion.

The Trust also recognises the importance of sustainability reporting and has adopted, the HM Treasury Guidance in presenting the information below. The Trust will continue to develop its sustainability reporting and will ensure that it meets the requirements of presenting at least three years' information, at the earliest possibility.

2.2 Summary of Performance

The Trust is on track to reduce its carbon footprint and increase energy efficiency to the target levels by 2016/17. During 2011/12 the key action was the installation of a new combined heat and power (CHP) plant to provide both heating and electricity to the Trust estate. This CHP plant replaced old gas fired boilers which were approximately 30 years old and were very inefficient compared to current standards. This will have a significant impact on the Trust's carbon footprint and will also generate significant financial savings. Smaller CHP plants have been installed in the staff accommodation blocks, with further efficiencies and savings.

In addition the Trust has a programme to replace old single glazed windows with new double glazing and ensure there is adequate lagging in all areas. This will again improve the energy efficiency of the buildings and deliver financial savings.

The Trust is actively managing and reducing the amount of waste that it generates on site and ensuring as much waste can be recycled as possible. A programme to introduce local recycling points around the Trust and clearer notices on waste bins is aimed at reducing waste sent to landfill. There are numerous benefits for the Trust including reducing the impact on the environment, but also by reducing the costs associated with managing waste. For example, the cost of disposing clinical waste is far in excess of normal domestic waste, and through a programme of labelling and awareness raising, the Trust has generated significant savings by staff correctly disposing of waste.

The following tables describe how greenhouse gas emissions, energy, waste and finite resources i.e. water, are consumed on the Trust site.

Greenhouse Gas Emissions		**2009/10[2]**	**2010/11[3]**	**2011/12[4]**	**2012/13[5]**
Non-Financial Indicators (tonnes CO2e)	**Total Gross Emissions**	**14,214**	**13,848**	**13,677**	**14,884**
	Gross emissions Scope 1 (direct)	6,420	6,330	8,146	8,586
	Natural Gas	6,265	6,242	7,742	8,270
	Fuel oil	155	88	310	62
	Fugitive refrigerant	Data unavailable	Data unavailable	84	254
	Business Travel (from owned and leased road vehicles)	17	5	10	7
	Scope 2 (energy indirect) purchased electricity	7,794	7,518	5,432	6,141
	Scope 3 Business Travel (in vehicles not owned or operated by the Trust)	Data unavailable	Data unavailable	99	50 (flights, Tube trains, National Rail trains) 107 business miles in privately owned vehicles
Related energy consumptions (millions kWh)	**Total**	**49.52**	**48.64**	**53.47**	**56.05**
	Electricity non-renewable	11.14	10.75	7.64	8.51
	Electricity renewable	3.71	3.58	2.55	2.83
	Natural Gas	34.12	34.00	42.17	44.46
	Fuel Oil	0.55	0.31	1.11	0.25
Financial Indicators (£ '000s)	**Total**	**2,149**	**1,991**	**2,301**	**2,526**
	Electricity	1,292	1,158	1,017	993
	Natural Gas	819	811	1,207	1,516
	Fuel Oil	38	22	77	17

The table above shows that there was an increase in Gross Emissions Scope 1 (direct) from 2011/12 to 2012/13, primarily due to increased gas use whilst commissioning the new CHP plant, whilst there was a corresponding drop in electricity consumption (Scope 2) during the commissioning period this was not maintained due to a prolonged period when the CHP plant was not operational. This was due to the installation of faulty plant which is being replaced at the expense of the installer. The CHP when re-commissioned which uses natural

[2] During 2009/2010 the Trust surrendered 6,287 European Union Emissions Trading Scheme (EUETS) allowances. No surrender was required under the CRC scheme

[3] During 2010/2011 the Trust surrendered 6,651 EUETS allowances. No surrender was required under the CRC scheme

[4] During 2011/12 the Trust surrendered 6,799 European Union Emissions Trading Scheme allowances at a value of £38,000 as required under the scheme. The Trust expected to have to surrender allowances for 5,613 tonnes under the CRC scheme, with an approximate value of £67,350.

[5] During 2012/13 the Trust has identified 9800 EUETS allowances that are required to be surrendered at a value of approx. £37,000. The Trust expects to have to surrender allowances for 6,141 tonnes under the CRC scheme with an approximate value of £74,000.

gas to produce both heat and power will increase the Trust's emissions from burning natural gas but significantly reduces the need to import electricity.

Waste		**2008/09**	**2009/10**	**2010/11**	**2011/12**	**2012/13**
Non-Financial Indicators (tonnes)	Total Waste	**1,550**	**1,467**	**1,566**	**1,720**	**1,364**
	Incinerated	130	218	165	138	145
	Alternative Treatment	214	221	228	222	202
	Landfill	784	708	690	613	640
	Recycled	373	319	482	723	353
Financial Indicators (£k)	**Total Waste Disposal cost**	**382**	**436**	**430**	**319**	**330**
	Incinerated	126	215	182	104	104
	Alternative Treatment	110	92	89	78	91
	Landfill	99	82	110	84	91
	Recycled	47	48	67	64	56

Finite Resource Consumption		**2009/10**[5]	**2010/11**[6]	**2011/12**[7]	**2012/13**
Non-Financial Indicator ('000m^3)	Water Consumption	167	189	177	173
Financial Indicator (£'000s)	Water Supply Costs	247	274	286	303

2.3 Summary of Future Strategy

The Trust will work to improve the environmental impact of our activities, working with local businesses and public organisations and benefiting from the support of our local community in delivering our services. The Trust does not work with only one community, but engages with many, from local support groups and specific patient groups to the global community.

The Trust is committed to the sustainability agenda and we recognise that we have an important role to play, both as a large employer in Bath and as part of the wider NHS, in reducing carbon emissions and continually improving our sustainability performance. People

[5] The figures for 2009/2010 do not include charges for sewerage of £124k

[6] The figures for 2010/2011 do not include charges for sewerage of £134k

[7] The figures for 2011/12 do not include charges for sewerage of £127k

are increasingly aware of the need to reduce energy consumption at home and it is important that we educate, encourage and enable staff to do the same at work, as well as being a responsible public sector organisation.

2.4 Greenhouse Gas Emissions

In April 2013 we launched our electric pool car hire scheme for Trust employees. Two fully electric cars have been leased from a sustainable transport company for Trust staff to use for business related journeys and for private use out of hours and at weekends.

Many short journeys (under 40 miles) can be completed in these cars rather than using conventional fossil fuel powered transport. Several staff members have already signed up to the scheme and are using the cars for work related and private journeys. This scheme will help to reduce our Scope 3 business travel carbon emissions and will also reduce costs to the Trust as staff business mileage claims do not need to be paid out for the use of these cars. Instead, the charging per mile (60p per mile rather than the 68p per mile expense claim rate which will be applied to the NHS from 1st July 2013) is made out to the relevant Trust department. For private usage, the private user is charged directly.

The European Union Emissions Trading Scheme (EU ETS) and the CRC Energy Efficiency Scheme (formerly known as the Carbon Reduction Commitment) are the principle forms of statutory legislation that actively drives the progress for our Trust to reduce its carbon emissions. Various initiatives have also been set up to achieve reductions. Emissions relating to purchased electricity have decreased significantly from 2011 to 2012 due to a combination of factors: the addition of a new 2Mega Watt Combined Heat and Power system which reduced our consumption of purchased electricity, increased awareness of switching off appliances and lights amongst staff, improved power management across our IT infrastructure and energy efficiency improvements on existing and new buildings.

The estates team regularly read gas, electricity and water meters across the site, and all invoices are scrutinised to ensure they are correct before payment. In this way potential problems can be identified and investigated.

During the period 2009 to March 2012 we carried out several projects to improve our environmental performance:

- Inefficient and failing heating systems were replaced in the central labs, medical physics and central pre-operative assessment suite;
- The pharmacy heating system was upgraded;
- A continuing programme of window replacement which gives a better environment both by reducing draughts and heat loss but also, when appropriate, reducing solar gain;
- Automatic doors were installed into the emergency department to better control the environment and allow the existing systems to operate to heat or cool more effectively;
- LED lighting was installed in the north corridor and in the Princess Anne Wing link corridor;
- Modern lighting controls have been incorporated into the schemes. LED lighting can reduce energy usage by as much as 40% compared to fluorescent lighting and they also last significantly longer, so they are a sound investment to save on our electricity usage and reduce carbon emissions;

Further work was carried out on improving and extending the Building Management System across the site. This can monitor and control heating, cooling, and ventilation systems, reducing energy usage through better control, managing set points and time schedules.

Further work for 2012 and beyond includes:

- LED lighting to be fitted in corridor and 24-hour areas;
- Increased levels of roof insulation in West ward block, residences and Bath & Wessex House. A thermal survey is programmed for the whole site in the winter to identify problem areas;
- Further work on measuring and metering – to assist with running energy awareness campaigns;

In November 2011 we commissioned the new 2 Mega Watt Combined Heat and Power plant (CHP) online. This involved a complete refurbishment of the boiler house and is saving £60K per month on utility costs against an investment of approximately £4.8M. This is reducing our reliance on purchased electricity and surplus electricity that is generated is sold back to the National Grid.

2.5 Waste

The Waste data shown in the table on page 10 includes all waste produced directly by the RUH. It does not include waste which has been produced by building contractors involved in new builds and building refurbishment projects. The Trust is committed to continually reducing the amount of waste sent to landfill and increasing the amount of waste recycled.

There has been a sharp decrease in the amount of waste sent for recycling in 2012-2013 compared to 2011-2012. This was due to our plastics, cans, paper and glass recycling waste contractor using a new bin weighing system instead of using bin weight estimates. The weight of the waste in each bin is recorded using a microchip device, just before the waste material is tipped into the back of the waste vehicle.

The amount of waste sent to landfill also increased by just over 27 tonnes in 2012-2013 compared with 2011-2012. This was due to the March 2012 black bag waste figures being missed off the landfill waste figures for 2011-2012. If this data was included on the 2011-2012 data, the landfill waste figures in 2011-2012 would have been increased by 44.7 tonnes and the cost by £4,600.

In order to insulate ourselves from increased landfill disposal costs and to improve our environmental credentials, we will be continuing to promote the use of our AnyTakers item re-use distribution system and providing new internal recycling bins for our departments to utilise. We also installed an aerobic food waste digestion system in our main kitchen. This machine handles approximately 160KG of food waste per day, seven days a week. It turns the food waste into a liquid which is then discharged to the sewer system. This provides a benefit for sewage treatment works as the liquid is rich in beneficial aerobic bacteria. Since it was installed in September 2012, the machine has significantly reduced the amount of food waste sent to landfill. In 2013-2014 we expect to see a measurable reduction in the total landfill waste weight as food waste is a very heavy waste to hold in black waste bags.

2.6 Use of Finite Resources - Water consumption

The Trust is a major consumer of water and has actively been trying to reduce the volume of water year on year. From 2011 to 2012 the Trust reduced its water consumption by 6.3% and from 2012 to 2013, consumption decreased by 2.3%. The Trust has a programme to identify and repair water leaks, as well as replacing inefficient water systems across the site as part of on-going maintenance and refurbishment programmes. The Trust is also working closely with its water supplier, Wessex Water, to carry out water saving awareness events to help our staff save water at the hospital and in their own homes. Wessex Water has also carried out an audit on areas which are significant consumers of water (wards,

accommodation, kitchen, Education Centre). Subsequent recommendations (retrofitting of taps, renewal of old systems etc.) will be presented to the Trust for consideration.

2.7 Biodiversity and Natural Environment

In April 2012 the Trust installed six bat boxes in the woodland area behind the residential accommodation buildings. The Trust was advised by the Avon Wildlife Trust (AWT) as to the type and most suitable location for the bat boxes. The bat boxes now show evidence of being in use by bats.

Several new trees have also been planted on the Trust site. In February 2013, the local residents living adjacent to the Trust on the western boundary were consulted on the species of tree that they would like to have planted on the boundary line. Silver Birch trees were the preferred choice. As part of NHS Sustainability Day, Silver Birch trees were planted in this area along with other trees (oak, hawthorn, apple and holly) that were planted adjacent to our main medical gas storage facility.

2.8 Procurement (general overview)

To ensure that the Trust's procurement policy reflects its desire to reduce its carbon footprint, the Trust is reviewing its approach to commissioning, sourcing and buying. This includes whether a product should be purchased in the first place, the level of use, the most appropriate stock levels and reviewing whether an item can be reused or recycled prior to ordering new items.

The drive to constantly reduce costs often favours the cheapest short term option, but this can have a disproportionately high life time carbon cost.

By delivering sustainable procurement it will help the Trust to:

- Stimulate innovation in the supply chain to deliver viable sustainable options for both goods and services;
- Identify any opportunities for greater efficiency in the supply chain, such as sourcing products from local suppliers or cooperatives;
- Reduce sustainability risks posed to the Trust through the practices of supply chain partners, the sourcing of materials and design of goods;
- Meet stakeholder expectations in a marketplace that is looking increasingly at the origins and ethical nature of products;

The Trust has already made sustainable gains in relation to procurement in a number of areas and is now working with its suppliers to develop this on a more formal basis. Examples of this include the consolidation of order requirements to reduce the number of deliveries to site, bulk storage of high turnover items, electronic procurement and trading and product range rationalisation. The Trust is also committed to maximising opportunities for local suppliers to compete for NHS contracts, thus reducing transport mileage and the Trust's carbon footprint as a result.

In addition the Trust is working hard to ensure it purchases more products derived from renewable sources, and encouraging its suppliers to develop and innovate suitable products for use by the Trust.

2.9 Food procurement

The Trust works with local suppliers that can demonstrate lower carbon forms of production and transport to reduce food miles. The number of supplier deliveries per week is also

closely managed to ensure the minimum number of journeys are carried out. Measures to reduce the carbon footprint of food procurement are a strong consideration in food supplier tenders.

The Trust is working with local farmers and food suppliers to increase the amount of sustainable produce we use. Using more assured foods from fairly traded and organic sources results in healthier meals for patients, staff and visitors as well as benefiting the environment and the local economy. This includes items such as free range Lion quality eggs, free range organic chicken, Rainforest Alliance coffee and organic ice cream.

Where possible the Trust will seek to purchase food from smaller suppliers, giving local businesses the opportunity to provide good quality, fresh local food to the hospital at a competitive price. This initiative also reduces the amount of food miles.

The Trust complies with the mandatory requirements of the Government Buying Standards and is implementing the best practice elements where practicable.

2.10 Sustainable Construction

The Trust is committed to ensuring all new developments are sustainable and meet the highest standards of sustainability whilst ensuring that all schemes are affordable. The Trust's new Neo Natal Intensive Care Unit (NICU) which opened during 2011/12 was built to achieve the highest standard of BRE's Environmental Assessment Methodology. The building achieved a rating of Excellent.

The principles from the building of the NICU are now being translated into current planned developments including a new Pathology Laboratory and Information Management & Technology and Medical Records Building.

2.11 People

Improving the health and well-being of our workforce not only ensures the Trust is a 'healthy employer' with low sickness rates and high levels of motivation; it also helps to improve the general health of the communities in which our staff live. The Trust provides subsidised travel passes for park and ride schemes, and discounted parking for those who car share. The Trust encourages staff to join the national Cycle scheme under the Cycle to Work initiative, and over the last two years the Trust has also invested in new and improved cycle parking facilities.

Staff can also make use of the gym on site. Healthy food is offered in the staff restaurants. The Trust offers a free counselling service and our occupational health department operates a smoking cessation service.

Flexible working is also encouraged. E learning, classroom, remote learning and work based learning are all available.

2.12 Governance

The Trust's sustainability agenda is managed by regular meetings of Team Green, whose membership includes Heads of Departments, Trust Staff, the Environment Manager and Non-Executive Directors and the Director of Estates and Facilities. The information gained at these meetings is then reported to the Trust Board via the Director of Estates and Facilities. Ultimate responsibility for effective overall delivery of the agenda rests with the Trust Board.

Figures quoted in reports to the Trust Board on matters such as waste reduction figures, carbon emissions from energy use etc. are taken from official ERIC reports. These ERIC reports are submitted to the Department of Health at the end of the financial year. Each individual in the Trust responsible for constructing the ERIC reports (for example, the Environment Manager produces the ERIC waste management report), retains their raw data in the event of an external audit.

3 Information on social and community issues

3.1 Emergency preparedness

The Trust has in place a Major Incident Plan that is fully compliant with the requirements of the NHS Emergency Planning Guidance 2005. The Trust reviewed and tested the plan in September 2011 in line with the requirements of the Civil Contingencies Act 2004. The Trust Board approved the plan in December 2011.

3.2 Principles for remedy

The Trust has adopted the Parliamentary and Health Service Ombudsman's Principles for Remedy. Where the Trust has caused injustice or hardship by maladministration or service failure the Trust will seek to remedy this in conjunction with the individual. This forms part of the Trust's complaint handling process which was reviewed during the year by the Clinical Governance Committee to ensure that it was fit for purpose. The culture of the Trust is to seek continuous improvement in all areas of its work and particularly in relation to the quality of its services, of which patient experience is a key component.

3.3 Employee Consultation and Engagement

The Trust has formal structures to consult and negotiate with employee representatives; these continued throughout the year. The Chair of Staff Side has joined the Strategic Workforce Forum which enables access to workforce data and decision making on key matters. Additionally other consultation processes took place including Listening into Action events, the annual staff survey and the involvement of staff side representatives in various working groups. The Trust uses a range of communication methods to provide information to staff including team briefing, open staff meetings led by the Chief Executive, e mailed newsletters, printed magazines, Facebook and twitter. The development of the Trust's Foundation Trust Membership arrangements has further enabled employee access to information about a range of matters.

All employees with a permanent contract or a contract for greater than 12 months have become a member of the Trust.

3.4 The policy in relation to disabled employees

The Trust's policy is to actively implement the systems and processes required by the Equality Act 2010 to ensure that it meets its statutory duties. The Trust has been accredited with the 'two ticks' disability standard which also demonstrates its commitment to disabled applicants. For several years the Trust has worked with Project Search to support disabled young people into employment and has successfully recruited a number of former Project Search students into Trust posts.

With the advice of our on-site occupational health team, the Trust makes 'reasonable adjustments' for employees who are or become disabled including adjustments to roles or working hours and the provision of specialised equipment. The Trust has a range of policies in place to support employees in their role as 'carers' of disabled people.

Health and safety risk assessments are in place to ensure that staff do not suffer disability through work and are supported by a range of training such as manual handling.

3.5 The policy on equal opportunities

The Trust's policy is to actively implement the systems and processes required by the Equality Act 2010 to ensure that it meets its statutory duties. During early 2013 the NHS Equality Delivery System (EDS) self-assessment process was repeated to enable equality goals for 2013/14 to be set.

The Equality goals set are;

1. Further develop meaningful engagement with staff, service users, carers and the local community to improve and align Trust services to meet the needs of the local population.

2. Develop culturally competent and empowered staff, aware that it is the responsibility of every person to act in ways that support equality and diversity.

3. Ensure that the revised Leadership and Management Development Strategy addresses leadership at all levels, with a clear focus on equality.

4. Build on progress made to date; ensuring equality data is collected and used for the provision of services across all activities.

The Trust will be working to define clear actions to enable us to meet these goals and monitor achievement. Monitoring data will be published annually.

The Trust recognises the important role that training has in the delivery of our equality goals and this is being embedded in a number of programmes.

4 Annual Accounts

4.1 Context

The Royal United Hospital Bath NHS Trust (RUH) met its objective of working within available financial resources for 2012/13. This year was the seventh consecutive year in which the Trust generated surpluses of income over expenditure. The surpluses have been used to repay the Trust's Workings Capital loan from the Department of Health. This year the Trust has made its final repayment of the £38m Working Capital loan.

A summary of the RUH financial performance over the past four years is set out below. Information since 2008/09 is based on International Financial Reporting Standards (IFRS). This is in response to the Department of Health's requirement that the NHS is compliant with the requirements of IFRS as applicable to the NHS.

Historical financial information	**2009/10 £m**	**2010/11 £m**	**2011/12 £m**	**2012/13 £m**
Revenue[1]	222.3	215.6	223.7	233.6
Pay expenditure	(137.6)	(136.3)	(139.9)	(142.0)
Non pay expenditure	(64.4)	(61.8)	(63)	(68.6)
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)	**20.3**	**17.5**	**20.8**	**23.0**
Depreciation and amortisation	(12.7)	(8.0)	(8.6)	(9.0)
Net finance costs and dividends	(6.2)	(5.4)	(5.6)	(5.3)
Net surplus	**1.4**	**4.1**	**6.6**	**8.7**
Impact of transfer to IFRS	0	0	0	0
Reversal of impairments	4.4	0.1	0.9	0.5
Changes to Donated asset accounting			(1.3)	0.1
Position against Breakeven duty	**5.8**	**4.2**	**6.2**	**9.2**

[1] Revenue excludes transfers from the Donated Asset reserve relating to depreciation charged on donated assets. This has been offset directly against depreciation.

Figure 1: The Trust's financial performance 2009-2013

The Trust's financial performance is a huge achievement and credit must be paid to all our staff for the part they have played in delivering the surplus required.

The change in the RUH surplus from 2011/12 to 2012/13 is explained by figure 2. The surplus of £9.2m is in line with the position agreed with NHS South West for the financial year.

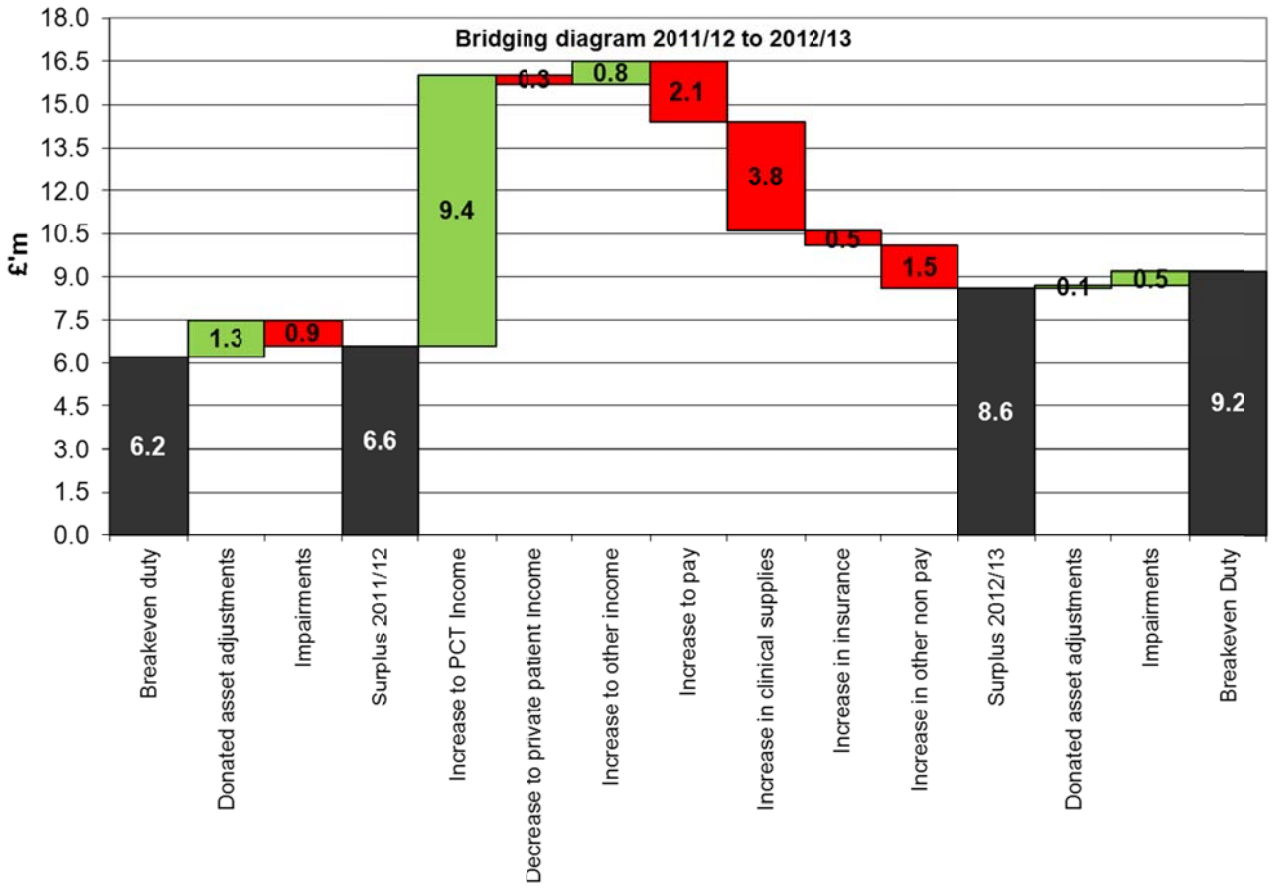

Figure 2: Changes contributing to the Trust's surplus in 2012/13

For 2013/14, the RUH is aiming to make a surplus of £3.7m. The Trust must implement and deliver its planned savings in 2013/14 in order to achieve this.

Details of the Trust's financial plans are closely monitored by the Trust Board every month.

Copies of our Trust Board papers are available on our web site, www.ruh.nhs.uk

4.2 Financial duties and measures in 2012/13

The Trust met its statutory financial duties in 2012/13 as follows:

4.2.1 Meeting the planned surplus

The Trust achieved its target of a planned revenue surplus, delivering a surplus of £8.7m (in 2011/12 the Trust achieved its planned surplus of £6.6m).

The Trust's final reported surplus is adjusted to remove the effect of impairments and the impact of changes in accounting for donated assets, before calculating the Trust's planned surplus or its break-even duty.

By achieving this target, the Trust achieved its statutory breakeven duty and ensured that its in-year expenditure did not exceed its income.

4.2.2 External financing limit (EFL)

The EFL sets out how the Trust must manage its cash flow and borrowing requirements. During 2012/13 the Trust was able to manage within its cash requirements, and met this target (2011/12: target met).

4.2.3 Capital resource limit (CRL)

The CRL is the maximum amount that the Trust can invest in fixed assets during the year. In 2012/13 the Trust did not exceed its CRL (2011/12: CRL not exceeded).

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

4.2.3.1 Capital cost absorption rate

The Trust is required to make a return on the assets it employs of 3.5% based on actual assets held through the year; the Trust then pays 3.5% of this value as its dividend payment. The Trust achieved this requirement (2011/12: achieved).

4.3 Better payment practice code - Measure of compliance

	2012/13 Number	2011/12 Number
Total Non-NHS trade invoices paid in the year	61,876	61,500
Total Non NHS trade invoices paid within target	58,539	41,553
Percentage of Non-NHS trade invoices paid within target	95%	68%
Total NHS trade invoices paid in the year	2,118	2,230
Total NHS trade invoices paid within target	1,952	1,583
Percentage of NHS trade invoices paid within target	92%	71%

Figure 3: Performance under the Better Payment Practice Code

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. We place great importance on ensuring that valid invoices are paid quickly, and are a signatory to the Prompt Payment Code www.promptpaymentcode.org.uk The Prompt payment code requires that at least 95% of valid invoices are paid within 30 days of receipt.

The Trust position has improved significantly since 2011/12, due to improvements to processes and cash flow forecasting.

4.4 Historic Deficit, Breakeven Duty and Legacy Debt

The Trust has demonstrated financial stability since 2006/07, but it has a substantial historic accumulated deficit within Retained Earnings (formerly, the Income and Expenditure Reserve), standing at £15.6m at 31 March 2013.

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. The position stated for years up to 2008/09 are on a UK GAAP basis, and since then are on an IFRS basis.

	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
Impact of transition to IFRS	(10,285)	-
2008/09	5,600	7,405
2009/10	1,398	5,800
2010/11	4,143	4,195
2011/12	6,562	6,216
2012/13	8,621	9,240
Accumulated Deficit	**(25,099)**	**-**
Breakeven duty	**-**	**2,777**

Figure 4 The Trust's cumulative breakeven duty as at 31st March 2013

At the end of 2006/07, the Trust entered into a loan agreement with the Department of Health and NHS South West for £38m repayable over 20 years. In March 2008, the Strategic Health Authority negotiated a revised repayment structure for both the loan and breakeven duty.

The Trust has repaid its legacy debt of £38m in full in 2012/13.

5 Future financial plans

The Trust's financial forecasts are shown below. This is based on the terms of the loan agreement, along with income, expenditure and capital projections.

The forecast for the next four years is part of the Trust's long term financial plan, and is shown below:

Future Financial Forecast	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Revenue	233.6	232.2	223.1	226.9	226.0
Pay	(142.0)	(143.0)	(136.3)	(136.9)	(135.5)
Non Pay	(68.5)	(71.3)	(66.0)	(68.0)	(70.0)
Earnings before Interest, Tax, Depreciation and Amortisation	**23.1**	**17.9**	**20.8**	**22.0**	**20.5**
Depreciation, Amortisation and Impairments	(9.5)	(9.1)	(8.8)	(9.4)	(9.9)
Net Finance costs and Dividends	(4.9)	(5.2)	(5.3)	(6.6)	(6.2)
Net Surplus	**8.6**	**3.7**	**6.7**	**6.0**	**4.4**
Adjustments to arrive at the Trusts statutory Breakeven duty					
Reversal of Impairments	0.5	0.9	0.1	1.3	0.1
Adjustments for changes in accounting for donated assets	0.1	0.6	(2.4)	(2.7)	0.5
Position against breakeven duty at end of year	**9.2**	**5.1**	**4.5**	**4.6**	**5.0**
Historical breakeven duty at beginning of year	(6.4)	2.8	8.0	12.4	17.0
Historical breakeven duty at end of year	**2.8**	**8.0**	**12.4**	**17.0**	**22.1**

Figure 5: Future Financial Forecast

The Trust's future financial plans do require the Trust to ensure that key financial risks are addressed. The main financial risks which are anticipated to affect the Trust in 2013/14 and beyond are:

- The delivery of the required surpluses each year to be able to implement the Trust Estates Strategy.
- The delivery of efficiency savings to meet the financial targets;
- The level of income the Trust may earn from commissioned activity, in an environment of increasing competition, and health economy pressures.

The Trust has identified a number of factors which will strengthen its ability to manage its financial risks:

- The Trust is working in partnership with its commissioning partners and has agreed a contract for 2013/14 which minimises uncertainties around its income position;
- The Trust will spend less if it delivers less activity; savings in variable costs will help offset changes in income;
- The Trust has in place plans for the delivery of efficiency savings, and the requirements of the Department of Health's work programme: Quality, Innovation, Productivity and Prevention ('QIPP'). The plans are monitored through the Trust's performance framework and by the Trust's Efficiency Board and Transformation Board; and

- Business plans for the 2013/14 financial year were reviewed by the Trust Board.

5.1 Capital investment

The Trust Board has approved a long term Estate Investment Strategy which will significantly reduce the longstanding backlog maintenance issues affecting the Trust over the coming five years. 2013/14 will see the conclusion of the Pathology development funded through Department of Health capital loans. Future developments include a new Cancer Centre.

6 Trust Board Membership

The membership of the Trust Board is outlined below. The terms and conditions of appointment of the Non-Executive Directors are available for inspection by contacting the Trust. Contact details can be found at the end of this document. The Non-Executive Directors are all considered to be independent in their character and judgement. To be considered independent the Non-Executive Directors must meet a number of criteria which includes not having any pecuniary or material interest in organisations with whom the Trust contracts, not having been an employee of the Trust in the preceding five years, and have not served on the Board for more than nine years.

Name	Position	Tenure	Voting	Board sub-committees	Attendance at Board during 2012-13
Brian Stables	Chairman	4 years	Yes	*Ex-officio member of all Trust Board Committees* *Remuneration Committee*	12/12
Moira Brennan	Non-Executive Director (Independent)[8]	4 years	Yes	Audit Committee Charities Committee Remuneration Committee	11/12
Michael Earp	Non-Executive Director, Vice Chairman and Senior Independent Director	4 years	Yes	Audit Committee Remuneration Committee Clinical Governance Committee Charities Committee	12/12
Stephen Wheeler (Until 31 July 2012)	Non-Executive Director (Independent)	4 years	Yes	Charities Committee Audit Committee Remuneration Committee Non-Clinical Governance Committee Whistle blowing contact	4/4

[8] All Non-Executive Directors are considered to be independent in character and judgement

Name	Position	Tenure	Voting	Board sub-committees	Attendance at Board during 2012-13
Roger Newton (Until 31 July 2012)	Non-Executive Director (Independent)	4 years	Yes	Remuneration Committee Clinical Governance Committee Charities Committee	2/4
Joanna Hole	Non-Executive Director (Independent)	4 years	Yes	Remuneration Committee Non-Clinical Governance Committee Audit Committee	11/12
Nigel Sullivan	Non-Executive Director (Independent)	4 years	Yes	Remuneration Committee Non-Clinical Governance Committee	5/8
Nick Hood	Non-Executive Director (Independent)	2 years	Yes	Remuneration Committee Clinical Governance Committee	5/8
James Scott	Chief Executive	Substantive	Yes	Management Board *Ex-officio member of all other Trust Board Committees*	12/12
Tim Craft	Medical Director	Substantive	Yes	Management Board Clinical Governance Committee	10/12
Howard Jones	Director of Facilities	Substantive	No	Management Board Non-Clinical Governance Committee	11/12
Catherine Phillips	Director of Finance	Substantive	Yes	Charities Committee Management Board Audit Committee	10/12

Name	Position	Tenure	Voting	Board sub-committees	Attendance at Board during 2012-13
Francesca Thompson	Director of Nursing (Until 31 December 2012)	Substantive	Yes	Management Board Charities Committee Clinical Governance Committee	8/9
	Chief Operating Officer (From 1 January 2013)	Substantive	Yes	Management Board Non-Clinical Governance Committee	3/3
Lynn Vaughan	Director of Human Resources	Substantive	No	Management Board Non-Clinical Governance Committee	12/12
Lisa Hunt (Until 31 December 2012)	Chief Operating Officer and Deputy Chief Executive	Substantive	Yes	Management Board Non-Clinical Governance Committee	9/9
Mary Lewis	Director of Nursing (Acting)	Temporary	Yes	Management Board Charities Committee Clinical Governance Committee	3/3
Jocelyn Foster	Commercial Director	Substantive	No	Management Board Non-Clinical Governance Committee	8/8

7 Remuneration Report

7.1 Membership of the Remuneration committee

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

During 2012/13 the following individuals were Non-Executive Directors:

Brian Stables
Stephen Wheeler (Until 31 July 2012)
Michael Earp
Moira Brennan
Roger Newton (Until 31 July 2012)
Joanna Hole
Nigel Sullivan (From 1 August 2012)
Nick Hood (From 1 August 2012)

7.2 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;

A discretionary performance related payment system for Executive Directors exists. The arrangement provides for directors to receive an annual inflation uplift provided that performance is judged to be satisfactory. Additionally, a non-consolidated bonus of up to five per cent may be paid to individuals whose performance exceeds expectation. For individuals judged to have outstanding performance a non-consolidated bonus of up to 10 per cent may be paid.

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

7.3 Contracts

Contracts are normally substantive (permanent) contracts subject to termination by written notice of six 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.

7.4 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.

8 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
Tim Craft	Medical Director[1]	01/04/2004		6 months	None	As above with respect to Medical Director responsibilities
Howard Jones	Director of Facilities	03/11/2008	Substantive	6 months	None	As above
Catherine Phillips	Director of Finance and Deputy Chief Executive	03/09/2007	Substantive	6 months	None	As above
Francesca Thompson	Chief Operating Officer	25/09/2006	Substantive	6 months	None	As above
Lynn Vaughan	Director of Human Resources	01/07/2004	Substantive	6 months	None	As above
Jocelyn Foster	Commercial Director	30/07/2012	Substantive	6 months	None	As above
Mary Lewis	Acting Director of Nursing	01/01/2013	Substantive	6 months	None	As above

[1] Tim Craft's substantive appointment is as a Medical Consultant, to which Consultant Contract termination liabilities apply.

9 Emoluments Disclosure

The remuneration of the Chairman and the Non-Executive Directors is set by the Appointment's Commission.

		2012/13					2011/12			
Name	Title	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	*Bonus Payments (bands of £5,000) £000	Benefits in Kind (rounded to the nearest £000) £000	Date of Starting (S) or Leaving (L)	Salary (bands of £5,000) £000	Other Remuneration (bands of £5,000) £000	Bonus Payments (bands of £5,000) £000	Benefits in Kind (rounded to the nearest £000) £000
James Scott	Chief Executive	160-165		10-15			155-160		5-10	
Howard Jones	Director of Estates and Facilities	95-100		5-10			95-100		0-5	
Francesca Thompson[1]	Chief Operating Officer	25-30				1/01/13 (S)	90-95		0-5	
Francesca Thompson [1]	Director of Nursing	65-70		5-10		31/12/12 (L)				
Mary Lewis	Acting Director of Nursing	20-25				01/01/13 (S)				
Catherine Phillips[2]	Director of Finance and Deputy Chief Executive	120-125		5-10			115-120		5-10	
Jocelyn Foster	Commercial Director	65-70				30/07/12 (S)				
Lynn Vaughan	Director of Human Resources	85-90		5-10			85-90		0-5	
Tim Craft[3]	Medical Director	30-35	105-110	35-40			30-35	105-110	35-40	
Lisa Hunt	Chief Operating Officer and Deputy Chief Executive	105-110		5-10		03/01/13 (L)	75-80			
Brigid Musselwhite	Deputy Chief Executive & Director of Planning and Strategic Development	0				30/11/11 (L)	60-65		0-5	
James Rimmer	Director of Operations	0				3/7/11 (L)	20-25		0-5	
Brian Stables	Chairman	20-25					20-25			
Moira Brennan	Non-Executive Director	5-10					5-10			
Michael Earp	Non-Executive Director	5-10					5-10			
Joanna Hole	Non-Executive Director	5-10					5-10			

Stephen Wheeler	Non-Executive Director	1-5				31/07/12 (L)	5-10			
Roger Newton	Non-Executive Director	1-5				31/07/12 (L)	5-10			
Nigel Sullivan	Non-Executive Director	1-5				01/08/12 (S)				
Nicholas Hood	Non-Executive Director	1-5				01/08/12 (S)				

* A performance related payment was paid in 2012/13 which related to performance in 2011/12.
[1] Francesca Thompson was Director of Nursing until 31 December 2012 and became Chief Operating Officer on 1 January 2013.
[2] Catherine Phillips became Deputy Chief Executive on 1 January 2013.
[3] Tim Craft's substantive appointment is as a Medical Consultant. His remuneration is therefore split between his responsibilities as Medical Director (Salary), that earned in his substantive appointments (Other remuneration) and amounts paid under the national clinical excellence reward scheme are (Bonus).

10 Pensions Disclosure

Name	Title	Real increase in pension at age 60 (bands of £2,500) £000	Real increase in pension lump sum at age 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31st March 2013 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31st March 2013 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31st March 2013 £000	Cash Equivalent Transfer Value at 31st March 2012 £000	Real increase in Cash Equivalent transfer Value £000	Employer's contribution to stakeholder pension £000
James Scott	Chief Executive	5 – 7.5	15.0 – 17.5	55 – 60	175 – 180	1,129	1,003	126	
Howard Jones	Director of Estates and Facilities	0 - 2.5	2.5 – 5.0	45 – 50	135 – 140	0	0	0	
Jocelyn Foster	Commercial Director	0	0	0 – 5	5 – 10	53	0	0	
Catherine Phillips	Director of Finance and Deputy Chief Executive	2.5 – 5.0	7.5 – 10.0	30 – 35	100 - 105	498	445	53	
Mary Lewis	Acting Director of Nursing	0	0	20 - 25	60 - 65	345	0	0	
Francesca Thompson	Director of Nursing	2.5 – 5.0	7.5 – 10.0	25 – 30	75 – 80	543	471	72	
Lynn Vaughan	Director of Human Resources	0 - 2.5	5.0 – 7.5	20 – 25	70 – 75	538	468	71	
Tim Craft	Medical Director	0 - 2.5	5.0 – 7.5	60 – 65	180 - 185	1,191	1,118	73	

Non-Executive directors do not receive pensionable remuneration (2012/13: nil). The Trust did not contribute to any Director's stakeholder pension scheme (2012/13: nil).

Pension details have only been disclosed for those Directors in post during 2012/13. Balances for those in post during 2011/12 can be obtained from the 2011/12 Annual Report.

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 or decrease 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.

James Scott, Chief Executive, 31 May 2013

11 Pay multiples

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

The banded remuneration of the highest paid director in the Royal United Hospital Bath NHS Trust in the financial year 2012-13 was £175,000-£180,000 (2011-12:£175,000-£180,000). This was 6.5 times (2011-12:6.4) the median remuneration of the workforce, which was £27,348 (2011-12:£27,625). In 2012-13, three (2011-12: two) employees received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind. It does not include employer pension contributions and the cash equivalent transfer value of pensions. The median and the ratio includes bank and locum staff but does not include agency staff.

2012/13		2011/12	
Band of Highest Paid Director's Total Remuneration (£'000)	175-180	Band of Highest Paid Director's Total Remuneration (£'000)	175-180
Median Total Remuneration (£)	27,348	Median Total Remuneration (£)	27,625
Ratio	6.5	Ratio	6.4

12 Reporting of staff exit packages

The Trust is required, in line with Department of Health guidelines, to report exit packages which have been agreed with former staff as part of this report.

	2012/13				2011/12			
Exit package cost band (including any special payment element)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band (total cost)	Of which, number where special payments have been made (totalled)	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band (total cost)	Number of departures where special payments have been made (totalled)
<£10,000	1	7	8 (£28,000)	0	2	5	7 (£19,000)	0
£10,001-£25,000	1	0	1 (£22,000)	0	1	0	1 (£10,000)	0
£25,001-£50,000	1	0	1 (£41,000)	0	0	0	0	0
£50,001-£100,000	0	0	0	0	0	0	0	0
£100,001-£150,000	0	0	0	0	0	0	0	0
£150,001-£200,000	0	0	0	0	0	0	0	0
Total number of exit packages by type (total cost)	3 (£68,000)	7 (£25,000)	10 (£93,000)	0	3 (£20,000)	5 (£9,000)	8 (£29,000)	0

13 Annual accounts 2012/13

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 the Director of Finance.

The following statements are attached as appendices.

- Summary Financial Statements
- Chief Executive's statement
- Directors' Statements
- Independent Auditors report …

The Annual Governance Statement is published on our website.

The summary financial statements do not include the results for Royal United Hospital Bath Charitable Fund. The Charitable Fund is registered with the Charity Commission for England and Wales under registration number, 1058323. Its principal office is at the Royal United Hospital NHS Trust, Combe Park, Bath BA1 3NG. Details of the charitable fund can be found on the website: www.ruh.nhs.uk. The main fundraising appeal of the fund, the Forever Friends Appeal, can be found at www.foreverfriendsappeal.co.uk.

13.1 Administrative details

Trust contact: Director of Finance

Royal United Hospital Bath NHS Trust
Malvern House
Combe Park
Bath
BA1 3NG
Telephone: 01225 428331
E-mail: ruh-tr.FOIRequests@nhs.net

Solicitors: Bevan Brittan Solicitors
35 Colston Avenue
Bristol
BS1 4TT

Bankers: Government Banking Service
Sutherland House
Russell Way
Crawley
West Sussex
RH10 1UH

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

13.2 Audit

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

The Trust, and its auditors, have processes in place to ensure that conflicts of interest are minimised and that the auditor's independence is not compromised. This includes providing the auditor with direct access to the Chair of the Audit Committee, and its other Non-Executive Members. The Audit Committee seeks confirmation on an annual basis that the audit function is independent from management. During the year, the external auditor was paid £107,076 for their work (2011/12: £147,896). All of this work related to their statutory activities under the Audit Commission's 'Code of Audit Practice'.

In addition, they were paid £4,000 in relation to work on Employment Status and £9,500 in relation to work on QIPP.

In respect of the preparation of the accounts for 2012/13, 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.

13.3 Going concern

The directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future, and for a period exceeding 12 months from the date of signing the accounts. For this reason, the accounts have been prepared on the going concern basis.

13.4 Counter Fraud

The Trust has taken all reasonable steps to comply with the requirements set out in the Code of Conduct for NHS managers, and has a named individual nominated to provide the lead local counter fraud specialist function: an accredited counter fraud specialist. If you suspect that fraud may have occurred, affecting either the Trust or any other NHS organisation, please contact the counter fraud helpline on 0800 028 4060.

13.5 Openness and accountability

The Trust is committed to ensuring that it operates within an open and transparent environment, where this does not conflict with its legal responsibilities. The Trust is compliant with the requirements of the Freedom of Information Act. The Annual Report and Accounts provides the public with a comprehensive review of the Trust's annual performance and has been subject to audit scrutiny.

13.6 Pensions

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

13.7 Staff sickness absence

The Manual for Accounts requires that the Trust disclose details of staff sickness absences. This disclosure is included below:

	2012/13 Number	2011/12 Number
Total days lost	**29,307**	**26,775**
Total staff years[1]	3,297	3,300
Average working days lost[2]	**8.89**	**8.11**

[1] The number of equivalent years of staff service worked during the current year based on the number of working days in a year.

[2] The number of working days lost on average for each employee. This is calculated by dividing the total number of days lost by the total of staff years.

Data used in this calculation is on a calendar year basis, for the years ended 31 December 2011 and 31 December 2012 and are used as approximations of the information related to the financial years.

13.8 NHS Trust Manual for Accounts

The operating and financial review has been prepared in accordance with the NHS Trust Manual for Accounts for 2012/13, as directed by the Secretary of State.

14 Directors' Interests

Surname	First Name	Role	Declared Interest
Brennan	Moira	Non-Executive Director	No interest currently declared
Craft	Tim	Medical Director	Medical Director and shareholder of Anaesthetic Medical Systems (AMS) Ltd Partner of Bath Anaesthetic Group LLP
Earp	Michael	Non-Executive Director	No interest currently declared
Foster	Jocelyn	Commercial Director	Chair of Apex Works Charity, Leicester Trustee of the Disability Trust
Hole	Joanna	Non-Executive Director	No interest currently declared
Hunt	Lisa	Chief Operating Officer	No interest currently declared
Jones	Howard	Director of Estates and Facilities (Non-Voting)	No interest currently declared
Newton[9]	Roger	Non-Executive Director	No interest currently declared
Phillips	Catherine	Director of Finance	No interest currently declared
Scott	James	Chief Executive	No interest currently declared
Stables	Brian	Chairman	Director of Profex Associates Ltd - Management Consultancy Director and Trustee of Foundation Trust Network
Thompson	Francesca	Director of Nursing	No interest currently declared
Vaughan	Lynn	Director of Human Resources (Non-Voting)	No interest currently declared
Wheeler[10]	Stephen	Non-Executive Director	Chair of Trustees of The Evaluation Trust
Sullivan[11]	Nigel	Non-Executive Director	No interest currently declared
Hood[12]	Nick	Non-Executive Director	Chairman of Walk the Walk

[9] Until 31 July 2012

[10] Until 31 July 2012

[11] From 1 August 2012

[12] From 1 August 2012

15 Off-Payroll Arrangements

Off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012

No. In place on 31 January 2012	1
Of which:	
No. that have since come onto the Organisation's payroll	0
Of which:	
No. that have since been re-negotiated/re-engaged to include contractual clauses allowing the Trust to seek assurance as to their tax obligations	0
No. that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the Trust to seek assurance as to their tax obligations	0
No. that have come to an end	1
Total	1

…

New off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months

No. of new engagements	1
Of which:	
No. of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	1
Of which:	
No. for whom assurance has been accepted and received	1
No. for whom assurance has been accepted and not received	0
No. that have been terminated as a result of assurance not being received	0
Total	1

Appendix 1 - Summary Financial Statements

Statement of Comprehensive Income

	2012-13	2011-12
	£000	£000
Gross employee benefits	**(142,010)**	(139,892)
Other costs	**(77,636)**	(71,665)
Revenue from patient care activities	**215,568**	204,559
Other Operating revenue	**18,017**	19,119
Operating surplus	**13,939**	12,121
Investment revenue	**38**	23
Other gains	**19**	9
Finance costs	**(461)**	(740)
Surplus for the financial year	**13,535**	11,413
Public dividend capital dividends payable	**(4,914)**	(4,851)
Retained surplus for the year	**8,621**	6,562

Other Comprehensive Income	2012-13	2011-12
	£000	£000
Impairments and reversals	**(2,391)**	(700)
Net gain/(loss) on revaluation of property, plant & equipment	**0**	1,312
Total comprehensive income for the year*	**6,230**	7,174

* This sums the rows above and the surplus / (deficit) for the year before adjustments for PDC dividend and absorption accounting

Financial performance for the year		
Retained surplus for the year	**8,621**	6,562
Impairments	**533**	947
Adjustments in respect of donated asset reserve elimination	**86**	(1,294)
Adjusted retained surplus	**9,240**	6,215

Statement of Financial Position

	31 March 2013 £000s	31 March 2012 £000s
Non-current assets:		
Property, plant and equipment	**159,390**	161,971
Intangible assets	**947**	638
Trade and other receivables	**1,532**	1,584
Total non-current assets	**161,869**	164,193
Current assets:		
Inventories	**3,701**	3,296
Trade and other receivables	**10,678**	10,408
Other current assets	**0**	33
Cash and cash equivalents	**10,697**	6,068
Total current assets	**25,076**	19,805
Total assets	**186,945**	183,998
Current liabilities		
Trade and other payables	**(14,078)**	(14,497)
Provisions	**(2,011)**	(1,517)
Borrowings	**(185)**	(103)
Working capital loan from Department	**0**	(1,900)
Capital loan from Department	**(990)**	(590)
Total current liabilities	**(17,264)**	(18,607)
Non-current assets plus/less net current assets/liabilities	**169,681**	165,391
Non-current liabilities		
Provisions	**(2,236)**	(2,067)
Borrowings	**(190)**	(309)
Working capital loan from Department	**0**	(4,600)
Capital loan from Department	**(7,925)**	(5,315)
Total non-current liabilities	**(10,351)**	(12,291)
Total Assets Employed:	**159,330**	153,100
Financed by:		
Taxpayers' Equity		
Public Dividend Capital	**137,356**	137,356
Retained earnings	**(15,651)**	(25,423)
Revaluation reserve	**37,625**	41,167
Total Taxpayers' Equity:	**159,330**	153,100

Statement of Changes in Taxpayers' Equity

	Public Dividend capital £000s	Retained earnings £000s	Revaluation reserve £000s	Other reserves £000s	Total reserves £000s
Balance at 1 April 2012	**137,356**	**(25,423)**	**41,167**	**0**	**153,100**
Changes in taxpayers' equity for 2012-13					
Retained surplus/(deficit) for the year		8,621			**8,621**
Impairments and reversals			(2,391)		**(2,391)**
Transfers between reserves		1,151	(1,151)	0	**0**
Net recognised revenue/(expense) for the year	**0**	**9,772**	**(3,542)**	**0**	**6,230**
Balance at 31 March 2013	**137,356**	**(15,651)**	**37,625**	**0**	**159,330**
Balance at 1 April 2011	**135,545**	**(33,079)**	**41,649**	**0**	**144,115**
Changes in taxpayers' equity for the year ended 31 March 2012					
Retained surplus for the year		6,562			6,562
Net gain on revaluation of property, plant, equipment			1,312		1,312
Impairments and reversals			(700)		(700)
Transfers between reserves		1,094	(1,094)	0	0
Reclassification Adjustments					
New PDC Received	1,811				1,811
Net recognised revenue/(expense) for the year	1,811	7,656	(482)	0	8,985
Balance at 31 March 2012	**137,356**	**(25,423)**	**41,167**	**0**	**153,100**

Appendix 2 - Statement of the Chief Executive's responsibility as the accountable officer of the Trust

The Chief Executive of the NHS has designated 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 which 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 the 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.

29 May 2013 James Scott, Chief Executive

Appendix 3 - 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 the 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, directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;

- make judgements and estimates which are reasonable and prudent;

- 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

29 May 2013 James Scott, Chief Executive

29 May 2013 Catherine Phillips, Director of Finance

Appendix 4 - Independent auditor's statement to the Board of Directors of Royal United Hospital Bath NHS Trust

We have examined the summary financial statement for the year ended 31 March 2013 which comprises the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Taxpayers' Equity.

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 45 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust's directors and the Trust as a body, for our audit work, for this report, or for 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.

We conducted our work in accordance with Bulletin 2008/03 "The auditor's statement on the summary financial statement in the United Kingdom" issued by the Auditing Practices Board. Our report on the statutory financial statements describes the basis of our opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the statutory financial statements of the Royal United Hospital Bath NHS Trust for the year ended 31 March 2013.

30 May 2013

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

Glossary

Term	Definition
Agenda for Change	Current NHS pay system (excluding doctors, dentists and some senior managers) implemented to standardise pay across various staff groups and across NHS organisations.
Amortisation	An amount which is charged to expenditure on a periodic basis to reflect the use of an intangible asset over more than one reporting period.
Asset	A balance which represents the value of finance benefit the Trust will gain in future periods as a result of a past transaction or event.
Borrowings	Amounts which the Trust has borrowed, either as a loan or as a finance lease.
Breakeven Duty	A statutory requirement for the Trust to ensure that it balances income and expenditure over a period of three years (or in certain exceptions, five years).
Cash Equivalents	Assets that can be easily and quickly converted into cash.
Current Asset	An asset used or sold in the Trust's normal activities, such as stocks.
Depreciation	An amount which is charged to expenditure and which recognises the reduction in value of a non-current asset over its life due to wear and tear, technological changes or the general passing of time.
Donated Asset Reserve	An account which is credited with a balance to reflect assets donated to the Trust.
Exit packages	A financial arrangement with an employee which will result in a termination of their contract of employment with the Trust. This can be the result of a MARS scheme, redundancy, severance agreement, or pay in lieu of notice.
Finance Costs	A balance which represents interest costs, arising from borrowings and unwinding the discounts applied to future liabilities reflecting the time-value of money.
Finance Lease	A contractual agreement arising where an underlying asset is transferred to the lessee, but where legal ownership remains with the lessor.
IFRS	International Financial Reporting Standards, a set of rules that were set up to standardise accounting procedures and reporting processes across international boundaries. These have been applied for the first time in 2009/10.
Impairment	The reduction in value of an asset due to damage or obsolescence.
Independent Sector Treatment Centres	Privately owned treatment centres which perform procedures on behalf of the NHS.
Intangible Asset	An asset which cannot be seen or touched but with value, such as software licences.
Inventories	Stock.
Liabilities	A balance which represents an expected future financial outflow to the Trust arising as a result of a past transaction or event.
MARS	Mutually Agreed Resignation Scheme. The Scheme enables individual employees - in agreement with their employer - to choose to leave their employment voluntarily, in return for a severance payment. It is not a redundancy.
Non-Current Asset	An asset which is held for more than one year and not sold during the normal course of Trust activities, such as medical equipment.
Operating Expenses	Costs incurred through carrying out the day to day activities of the Trust i.e. patient care activities.

Term	Definition
Operating Revenue	Income received from the day to day activities of the Trust i.e. patient care activities.
Payables	Balances owed to others.
PDC Dividend	An amount which represents a return on the net assets of the Trust which is paid annually to HM Treasury. The net assets used for this calculation excludes the value of donated assets and cash held in Government Banking Services bank accounts.
Provision	A liability arising as a result of a past event which will be payable in future periods.
Public Dividend Capital (PDC)	Represents Central Government's investment in the Trust. This is similar to the 'Share Capital' in a company.
Receivables	Balances owed by others.
Redundancy	Termination of employment of an employee or a group of employees for business reasons.
Revaluation Reserve	A reserve which is credited with historic increases in the value of assets as a result of changes in prices. When assets are assessed and found to have increased in value the additional amount is recorded here
Taxpayers' Equity	A balance representing the net assets of the Trust.
UK GAAP	UK Generally Accepted Accounting Practice represents the collective term for the standards, rules and practices which developed in the UK. From 2009/10 onward, these have been replaced by International Financial Reporting Standards in the NHS.

We value your opinion and would like to ensure that future reports give you all the information you need on our services, so please tell us if you think we could improve.

If you would like to know more, or to comment on our existing reports, please write to

Brian Stables, Trust Chairman, or James Scott, Chief Executive at:

Royal United Hospital Bath NHS Trust
Combe Park
BATH
BA1 3NG
Telephone: 01225 824032
E-mail: RUHCommunications@nhs.net

Are we talking your language?

If you need this document in another format, including large print, Braille or audio CD, please contact PALS (Patient Advice and Liaison Service)
Tel: 01225 825656
E-mail: RUHCommunications@nhs.net

Se você gostaria desta informação em seu idioma, por favor nos contate em 01225 825656.

如果你希望**这一信息在你的语言,请联系我们关于1225 825656。**

Jeśli chcesz tę informację w twoim języku, prosimy o kontakt z 01225 825656.

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