



Royal United Hospitals Bath
NHS Foundation Trust

Annual Report and Accounts

2017/2018

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Message from the Chairman and Chief Executive

We are proud to share our achievements and reflect on our progress over the last financial year. Once again, it has been a busy and eventful twelve months, and the Annual Report is a chance to stop for a moment and consider what we have accomplished and thank all those who have contributed.

This year marks the 70th birthday of the NHS, offering many opportunities to look back at the RUH's journey over this time, from its beginnings as Bath City Infirmary and Dispensary through to the Foundation Trust we know today. We're honoured we've been able to serve our local communities for 70 years, and we're proud that we've always been an organisation willing and able to adapt and change. Our Fit for the Future programme is testament to that, as we continue with our plans to transform our Combe Park site to ensure we can continue to deliver the highest quality care.

2017/18 saw work start on our RNHRD and Therapies Centre. Purpose built and designed in conjunction with staff, patients and families, the new building will bring together under one roof many of the services currently located at the Mineral Hospital and in RUH North, namely rheumatology, therapies and pain management services. We look forward to our colleagues from the Min joining us at Combe Park when work is completed in 2019.

We continued to invest in our staff as well as our surroundings, supporting new staff as they take up their first roles in the organisation and developing our established workforce with training and coaching opportunities. It's no secret that there is a shortage of nursing staff in particular across the UK; our newly developed Nursing and Midwifery Strategy will help us in ensuring we have the right people, with the right skills, in the right place.

We're also supporting the next generation of NHS employees. Our annual sixth form conference was a huge success, providing local students with an interest in a career in health a unique opportunity to familiarise themselves with a busy hospital environment and discover the career paths that may be open to them. We also saw a great uptake of our work experience and apprenticeship programmes, and it's been a pleasure to play our part in developing these future faces of the NHS.

In this milestone year, we've also been focusing on our strategic plan, where we have the opportunity to set our direction and priorities for the next three years. We heard from hundreds of people and worked with patients, staff, partners, commissioners and representatives of the communities we serve. Together, we have agreed our ambition and aims, with our values continuing to act as the foundation of everything we do. As an organisation we have a shared vision 'To provide the highest quality of care; delivered by an outstanding team who all live by our values' and we'll continue to work in partnership on the next steps.

Our staff continue to do us proud, unfortunately we don't have space to list all the nominations and awards that individuals, teams and services have accumulated in 2017/18, but we can give you a flavour. Three innovative projects from the RUH have made it to the final stages of The British Medical Journal (BMJ) Awards, in the Anaesthesia and Perioperative Medicine Team Award category, the Diagnostics Team Award category and the Education Team category – a great achievement and a fitting acknowledgement of the commitment and dedication of our staff who are always looking at ways we can further improve. Our Frailty Flying Squad was shortlisted in the 'Care of Older People' category of the Nursing Times Awards 2017. The Squad work in the RUH's Emergency Department and Medical Assessment Unit to identify older patients who, with some intensive assessment and treatment, have the opportunity to return home or into the community rather than staying in hospital. This pioneering team were voted Team of the Year at the Trust's own Honours Awards ceremony, and their work has been shared with other Trust's around the country.

Although there is much to celebrate, it's not all been plain sailing; we've had our challenges. Like all NHS Trusts, despite extensive preparatory planning we faced another difficult winter, with high demand on our A&E services as conditions such as flu and respiratory illnesses circulated in the community. Nevertheless, thanks to the hard work of our staff we continued to perform highly on quality aspects of our A&E services and remained one of the top performing Trusts in the region in ensuring a swift handover between ambulance and A&E staff, meaning patients arriving by ambulance are brought in quickly and ambulance crews are freed up to respond to 999 calls.

Finally, as always, we are hugely appreciative of all those who support the Trust, in all sorts of ways – whether that's the Council of Governors, our 17,000 members, the Forever Friends Appeal and Friends of the RUH, you all have a vital part to play. We are also fortunate to be supported by a wide range of individuals, local businesses and charitable groups, such as the Bath Cancer Unit Support Group, Time is Precious and many more.

Perhaps you knitted a baby bobble hat for our hugely successful knitting appeal that made news around the world, or maybe you were one of the hardy volunteers who helped bring our staff to and from work as we battled the snowy weather brought to us by the Beast from the East. You might have taken on a challenge or arranged an event to raise money for the hospital. In these and so many other areas, whatever your contribution to the RUH we are grateful, thank you.



Brian Stables
Chairman



James Scott
Chief Executive

Performance report

Overview of performance

The following report provides a summary of how the Royal United Hospitals Bath NHS Foundation Trust (RUH) performed against its key targets and objectives from both a financial and operational perspective during 2017/18. Information about the Trust's statutory background, principal activities and future objectives are also outlined below.

Statement from the Chief Executive

2017/18 has been a challenging but successful year for our organisation. Across the wider NHS we have continued to see increasing operational and financial pressure on all hospitals. The RUH has continued to address these challenges and is committed to maintaining high quality services which are productive and efficient. Like many acute trusts, managing increases in emergency demand continued to represent the Trust's main operational and financial challenge in 2017/18, including meeting the four-hour emergency access target. Despite these challenges the RUH has delivered a year-end surplus of £6.1m against the NHS Improvement control total.

Further information relating to the operational and financial performance of the Trust over the 2017/18 financial year is outlined in the following report.

About the Trust

Statutory background

The Trust is authorised under the National Health Service Act 2006 to provide goods and services for the purposes of the Health Service in England. It was established as an NHS Trust in 1992 and achieved Foundation status in November 2014. On 1 February 2015 the Trust acquired the Royal National Hospital for Rheumatic Diseases NHS Foundation Trust (RNHRD) which further expanded the RUH's portfolio of specialist treatment and rehabilitation.

In December 2015 the RUH became a founding partner in Wiltshire Health and Care, a Limited Liability Partnership (LLP) which from 1 July 2016 became responsible for the delivery of integrated adult community health services across Wiltshire for the next five years.

Purpose and activities

The Royal United Hospitals Bath NHS Foundation Trust serves a population of approximately 500,000 people across Bath and North East Somerset, Wiltshire, Somerset and South Gloucestershire. In addition to our core local population, we also treat people visiting our area, including tourists, students and overseas visitors.

Together our 5,192 dedicated employees deliver high quality services from our main major acute hospital site in Combe Park in Bath, the Mineral Water Hospital in central Bath, and a number of community birth centres and other outpatient centres across the region.

As a Foundation Trust, we are governed by a Board of Executive and Non-Executive directors working alongside a Council of Governors representing the populations we serve and key stakeholders.

Our core business is provision of NHS services under contracts to Wiltshire, Bath and North East Somerset, Somerset and South Gloucestershire clinical commissioning groups as well as NHS England specialised service commissioners. Our organisation has a divisional structure; medicine, surgery, womens and children's, estates and facilities and corporate. We provide a service for

patients needing emergency and unplanned specialist care, 24 hours a day, every day of the year. From that core is built a comprehensive planned surgical, medical and diagnostics service for adults and children. Specialised care is delivered in a number of areas including:

- Cancer care
- Cardiac and stroke
- Care for older people, particularly those with dementia
- Higher levels of critical care
- Maternity services
- Rheumatology, pain and fatigue (RNHRD)
- Specialist orthopaedics (surgery on joints and bones)
- Pulmonary hypertension

The RUH, in partnership with local universities and colleges, also plays a major role in education and research.

In common with other areas, our population is evolving:

- We have a growing population of people with more complex needs, in all age groups but in particular we have growth in our older population and long-term conditions.
- There are rising public expectations of public services
- In Bath we have a large student population that is temporary and always changing

Patients are at the heart of all we do, and we aspire to be listening and compassionate at all times. We place great importance on gathering feedback from patients and carers, and involving them in decisions and developments. This is embedded in the Trust through our Patient Experience Strategy supported by an Engagement Toolkit and a range of initiatives and practices, such as our complaints service, consultations and events, social media and other communications, and our volunteers, membership and member governors.

We aim to provide the highest quality of services in response to the needs of our patients and the communities we serve. Our new three year Trust Strategy was developed in 2017/18 following engagement with over 600 staff, patients and key stakeholders. It sets out our overall goals to achieve high quality care and patient experience, putting patients at the heart of all we do. It is built around five key strategic goals and also reflects our core trust values.



Key objectives in 2018/19 continue as per our 2 year operating plan set out in 2017/18 including:

- Addressing our operational performance challenges particularly relating to patient flow through the hospital;
- Continuing to embed the Trust values and support staff health and wellbeing including a focus on recruitment and retention;
- Delivering the next phase of estate redevelopment including a new RNHRD and Therapies Centre;
- Encouraging cultural change in the adoption of new technology;
- Empowering teams to continue to make quality improvements;
- Further improving how we use our resources to remain on a firm financial footing;
- Working with partners across the health system to provide services which are more flexible to patients' needs and sustainable against growing demand.

Risks and issues

We have identified the following as our three top Trust-wide risks to the delivery of our organisational objectives:

a. Workforce supply

National shortages of key staffing groups have and continue to impact on the Trust's ability to recruit to some groups, in particular - Nursing staff, estates and facilities and certain specialists.

Our staff are central to our strategy to provide quality services and care. We see an ongoing focus on staff engagement and wellbeing as a priority and continue to monitor levels of satisfaction and actively seek new ways to support our employees. During 2017/18 and going forwards we also aim to continue to invest in recruitment and retention including new roles, training and alternative sources of supply including overseas recruitment.

b. System sustainability

The national picture of financial challenge for the NHS is well publicised. Our local catchment population in 2017 was older than the UK average with 2.9% more over 65's and current forecasts estimate this gap will continue to widen with 1.8% higher growth in this population segment by 2022. The financial sustainability of the local health and care system is under significant strain and we are working together with our STP partners to identify solutions including the development of local area integrated care systems. The focus of work currently is around frail elderly pathways, mental health conditions, prevention and review of any unwarranted variation against local and national benchmarks.

c. Performance

In the context of an aging population and financial challenge, the health system has struggled to enact transformational change which effectively matches capacity and demand. Performance against key national indicators, including 4 hours, RTT and cancer access standards, within this context, has been and continues to be very challenging. Work continues with commissioners to identify and progress opportunities for more effective capacity/demand management as a system alongside embedding recent successes in review and redesign of key pathways e.g. discharge.

Going concern

The RUH continues to operate in a climate of financial uncertainty within the NHS in England. Whilst there are known risks including the substantial capital programme over the coming next five or six years, the continuing operational pressures, and financial challenges being faced by all organisations across the local health community, there is sufficient evidence to demonstrate that the Trust will remain financially viable for the next 12 months.

The key evidence in support of this is the balanced financial plan for 2018/19 which has been approved by the Board of Directors and submitted to NHS Improvement for review.

After making enquiries, the Directors have a reasonable expectation that the RUH has adequate plans and resources to continue in operational existence for the foreseeable future. For this reason the RUH continues to adopt the going concern basis in preparing the accounts.

Performance analysis

Overview of performance during 2017/18

Operational performance

The Trust produces an integrated balanced scorecard which outlines how it is performing under five domains: Caring, Effective, Responsive, Safe and Well-led. In November 2017, NHS Improvement published an update to the NHS Single Oversight Framework. The Single Oversight Framework does not give a performance assessment in its own right; it aims to help providers attain and maintain Care Quality Commission ratings of 'Good' or 'Outstanding'. The Framework looks at providers across five themes, Quality of care (safe, effective, caring and responsive), Finance and use of resources, Operational performance, Strategic Change and Leadership and improvement capability (well-led). The Trust's integrated balanced scorecard has been reviewed against the Single Oversight Framework November 2017, to ensure that the Trust is focused on all areas affecting performance across these five themes. Using the Single Oversight Framework NHS Improvement in 2017/18 has assigned the RUH with a governance rating of 3 overall (out of 4 and where 1 reflects providers with maximum autonomy).

Within the framework Trusts are segmented to help NHS Improvement determine the level of support required. For operational performance Emergency Access standard of four hours the Trust has moved from segment 3 to segment 4 (out of 4 as outlined above). In response to this the RUH urgent and emergency care system receives improvement support for the four-hour standard.

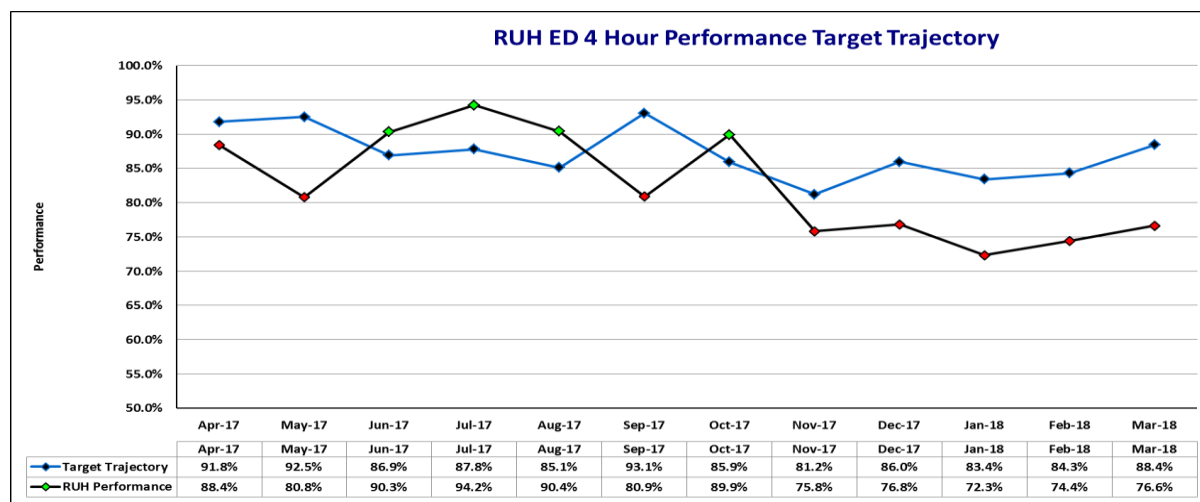
The Trust has a well embedded data quality assurance framework in order to ensure a high level of data integrity is maintained, which is led by the Trust's Quality Board.

Four-hour performance

This access standard has continued to be challenging for the RUH and the Trust is clear that support from the wider system will be required to further improve delivery. The RUH has continued to draw upon the expertise and experience from those urgent care and emergency systems coping more effectively in order to inform our improvements and planning. In addition, the National Emergency Care Intensive Programme (ECIP) has been working with the RUH since February 2018. In March 2018, the NHS Improvement National Urgent & Emergency Care Director and NHSE Director of Commissioning & Operations visited the RUH to understand the challenges faced by the Trust. The RUH urgent and emergency care system developed a system-wide improvement plan in February 2018 which is currently being implemented.

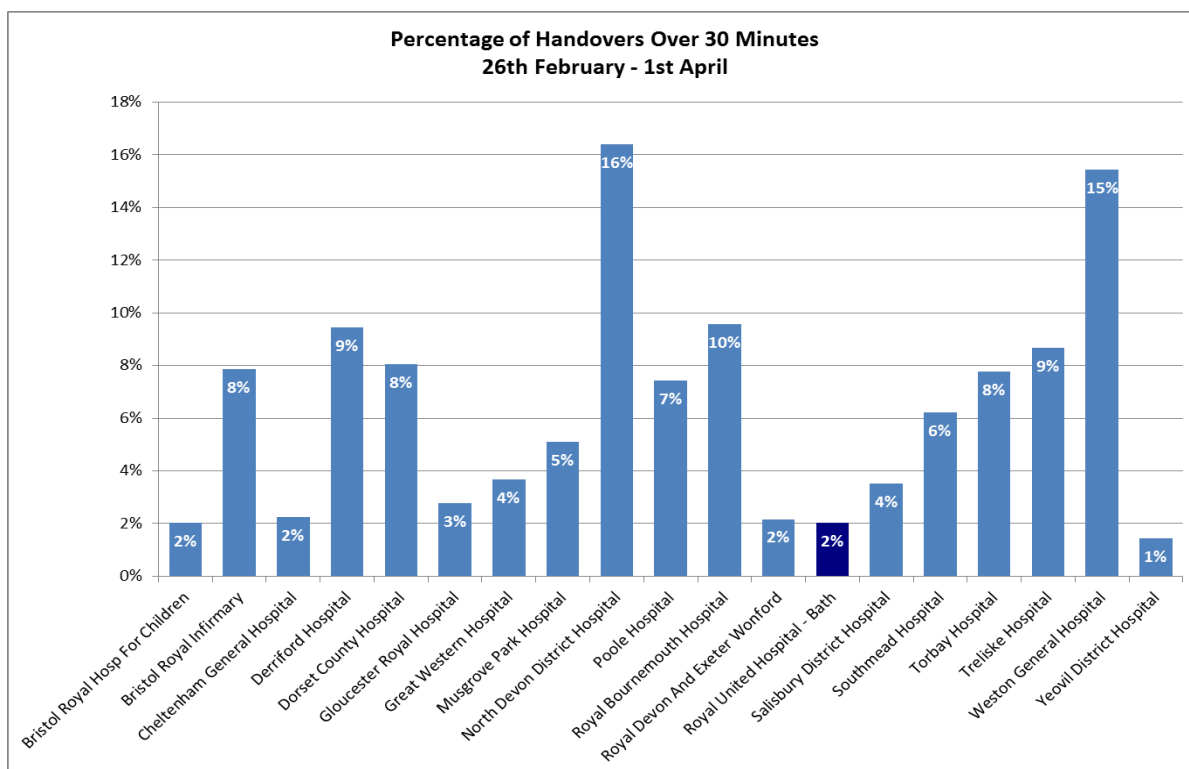
In November 2017 the RUH implemented a new Emergency Department Patient Information System to improve the quality and efficiency of patient activity recording. The 4 hour performance was temporarily affected as forecast taking into account the element of staff training required.

RUH performance during 2017/18 is outlined below:



We remain committed to delivering safe and high quality care to our patients, and in particular during the periods of heightened pressure within our emergency department. The RUH improvement programme is led by the Urgent Care Collaborative Board which oversees the actions required for further improvement across the system in this area.

Thanks to the hard work of our staff we continue to perform highly on quality aspects of our A&E services and we remain one of the top performing Trusts in the region in ensuring a swift handover between ambulance and A&E staff, meaning patients arriving by ambulance are brought in quickly and ambulance crews are freed up to respond to 999 calls. This performance was sustained during the most challenging period for the hospital during quarter 4.



Source: South Western Ambulance Service NHS Foundation Trust data

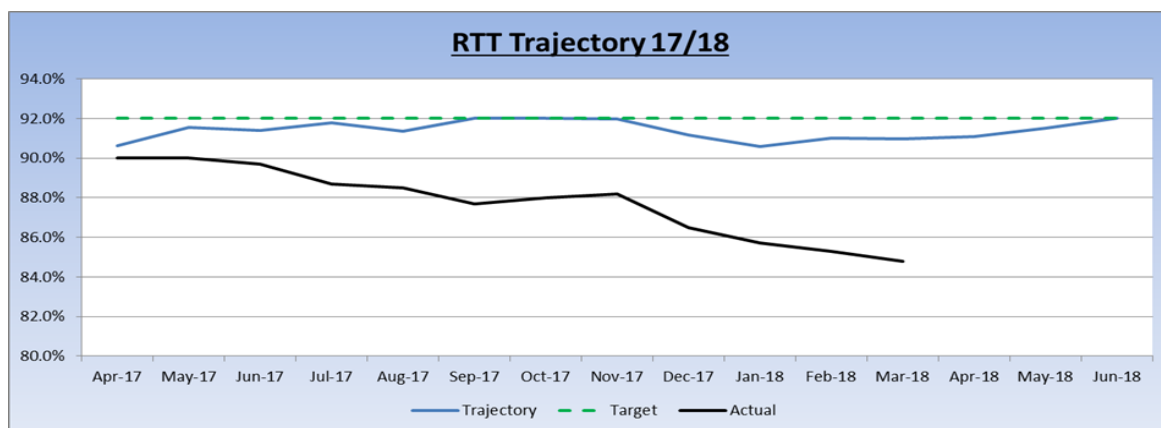
Patient satisfaction with regard to the care that they receive in our Emergency Department and front-door assessment areas remains high. Our emergency department also continues to perform well against the national Emergency Department clinical indicators and patient survey.

We are proud to be recognised as a pioneering organisation and, following the Trust's participation in a ground-breaking Flow Programme with the Academic Health Science Network, Health Foundation and Sheffield NHS Foundation Trust, completed in September 2016, we have hosted the Flow Programme for the South West during 2017/18. Learning from the Flow Programme has been used to launch a wider national programme addressing the quality improvement skillset gap across the NHS workforce.

The Trust has also been heavily involved the development of a new Home First initiative with a range of partners from across health and social care and charitable organisations. Home First supports those patients who no longer need an acute hospital bed but may need some support to enable them to return to their usual place of residence. People on the Home First pathway are then assessed in their own familiar environment to determine what level of support they might need to be able to remain independent in their own home.

18-week Referral to Treatment Time (RTT)

During 2017/18 we have been unable to sustain the delivery of the 18-week elective access standard, based on the trajectory agreed in March 2017. This has been due to the competing demands of emergency care and a sustained increase in elective demand, particularly for cancer activity. We are working closely with commissioners to manage elective activity, given the national focus on improving emergency access across the urgent and emergency care system.



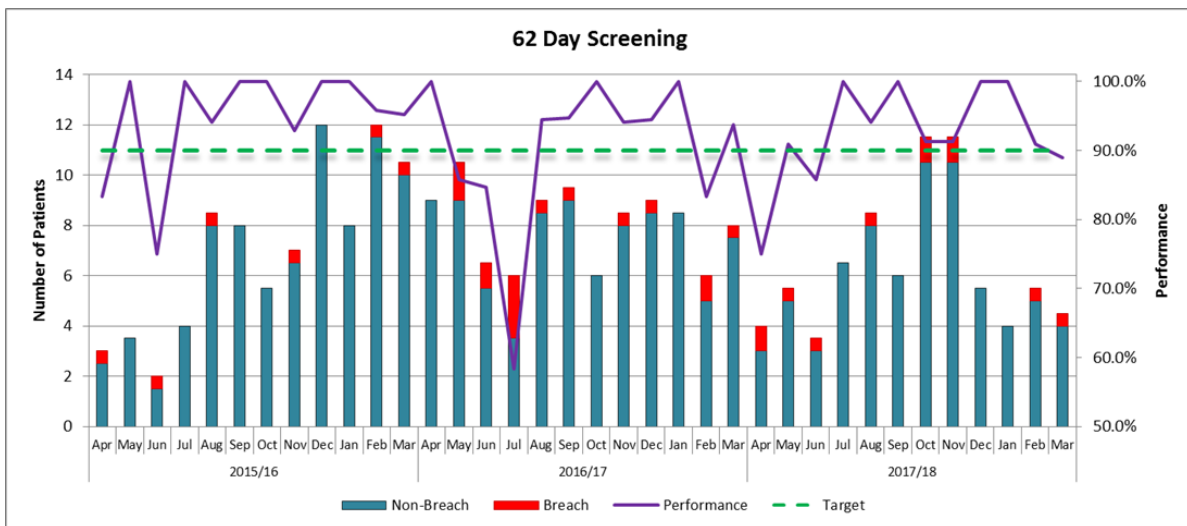
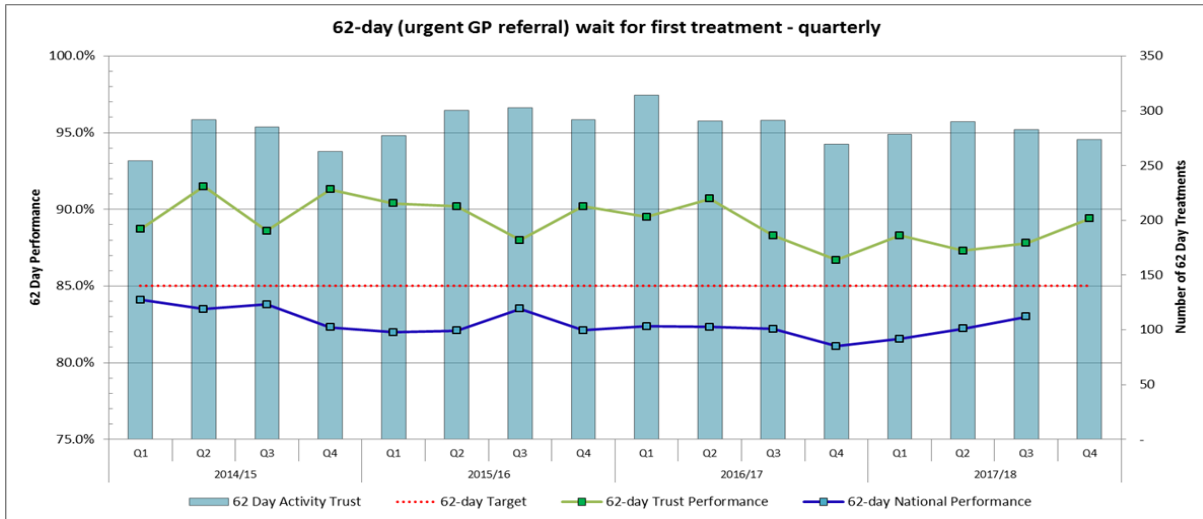
There has also been significant referral growth of patients with a suspected/diagnosed cancer, where urgency of appointment can significantly impact routine elective work, and as a consequence there has been an increase in our backlog outpatient routine activity beyond planned levels. We have maintained focus on ensuring those patients with the greatest clinical priority are treated first and have been able to levels of elective backlog for elective patients requiring admission have not increased.

In 2017/18 the Trust has continued to work on innovative ideas to support elective activity and this has resulted in the implementation of a surgical Chairport, where patients can be transferred to a dedicated area with reclining chairs to fully recover from day surgery before discharge. This has enabled the Trust to maintain elective surgery during periods when emergency pressure reduces the beds available.

During 2017/18 the Trust has detailed, by specialty, the actions that will be taken both internally to increase elective capacity and what is required by the wider system in order to manage demand more effectively. The Trust has seen improvements at a specialty level during the year for Dermatology, Cardiology, Gastroenterology and Trauma & Orthopaedics.

Cancer performance

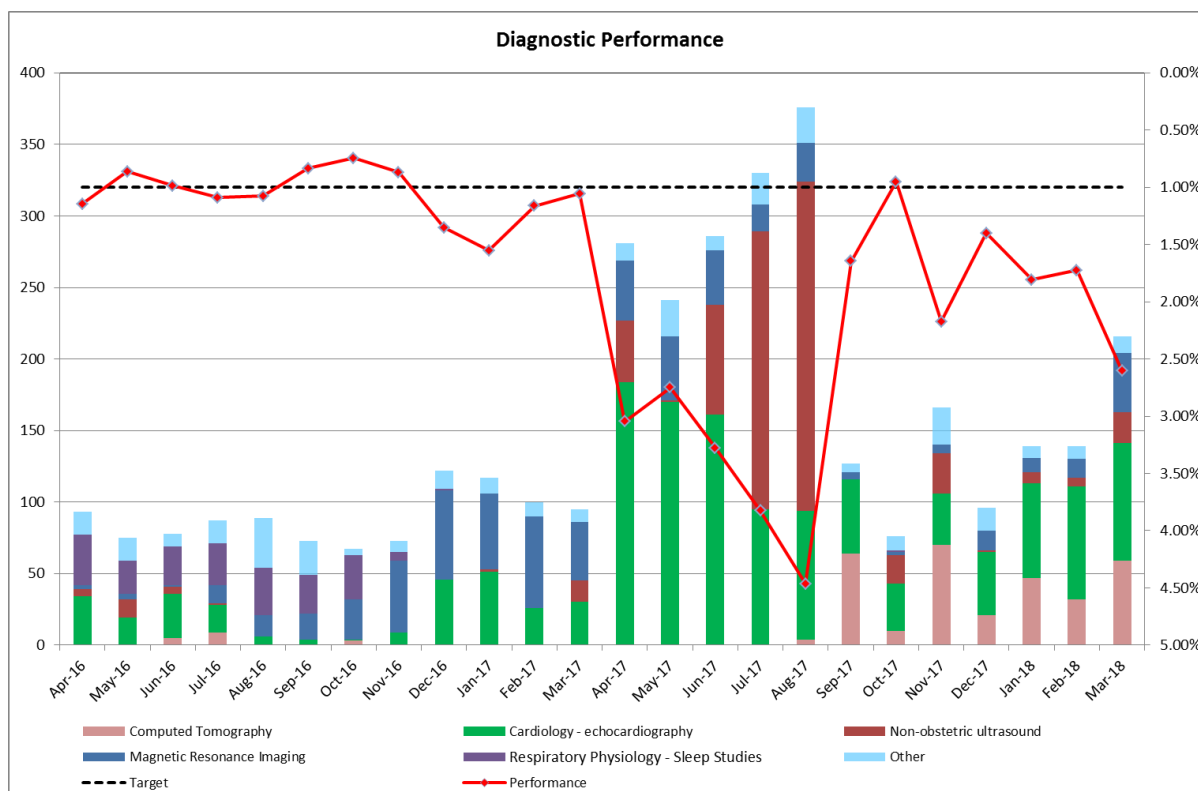
The Trust continues to perform well against all of the cancer standards, reflecting the Trusts focus on ensuring those patients with the greatest clinical priority are treated first. This includes the two Single Oversight Framework Cancer Standards; all cancers maximum of 62-day wait for first treatment from urgent GP referral of suspected cancer, and maximum of 62-day wait for first treatment from NHS cancer screening service referrals. Against both standards the Trusts performance remains above the national average for English NHS and Foundation Trusts.



In addition, the Trust’s performance continues for the most part above the national standards for 2-week wait from referral to first outpatient appointment for patients with suspected cancer, maximum of 31 day wait from diagnosis to first treatment for all cancers, maximum of a 31-day wait for second or subsequent treatment surgery or drug treatments. Performances against the 2-week wait from GP referral to first outpatient appointment for breast symptomatic patients is generally being maintained, although the service has long-term staff challenges due a national shortage of Consultant breast radiologists.

Diagnostics

Performance against the maximum 6-week wait for diagnostics has been challenging from March 2017, since the inclusion of specialist cardiac diagnostic tests within the diagnostic target reporting for the Trust. NHS Improvement and commissioners were advised on the reporting change and improvement plans have been agreed with commissioners. The Trust is focused on delivering a specific improvement plan within cardiology to recover performance. Performance improvements have been demonstrated during 2017/18 as demonstrated in the graph below and work will continue into 2018/19.



Maternity indicators

The integrated balanced scorecard incorporates the key maternity indicators including the Friends and Family Test, breastfeeding, smoking cessation and midwife to birth ratio. The Trust benchmarks well in the majority of aspects of performance and in particular those metrics relating to the quality and safety of our services.

Financial performance

Overview

2017/18 represented a significant financial challenge for the NHS as a whole with a focus on stabilising finances, particularly for acute hospitals. Alongside this the Trust has been working with its local health economy partners to instigate wider healthcare changes via the Sustainability and Transformation Plan (STP). Plans continue to be developed to help the Trust meet growing demand and the need to maintain and improve the quality of care delivered for patients.

The NHS recognised the challenges as a whole when it launched the Sustainability and Transformation Fund in 2016/17 and continued this for 2017/18. For the RUH this meant an allocation of funding of £7.8m towards delivering an overall surplus target of £12.8m (excluding exceptional items). The funding the Trust received was contingent on delivering an improvement in patient access performance. The RUH has performed well this year, and has delivered an overall surplus of £20.8m. Included within this surplus was £11.4m Sustainability and Transformation Funds, higher than the original allocation due to the Trust receiving a bonus for exceeding the financial control total.

The statement of comprehensive income shows an overall surplus; however, this position has been impacted by a number of exceptional items including:

- Change in valuation for building indexation of £2.6m;
- Proceeds from estates rationalisation programme of £15.3m;
- Depreciation on donated assets of £0.75m; and

- Charitable income of £3.3m donated from the RUH Charitable funds.

Adjusting for these exceptional items gives a total reported Trust surplus of £2.9m.

The Trust overall delivered a use of resource metric of a 3 at the year-end (out of 4, where 4 is high risk and 1 is low risk). This was disappointing for the Trust following several years of high performance in what is a challenging financial environment. The main issue behind the lower rating was however a technical measure and not a reflection of poor financial performance.

Overall the Trust received similar income from its commissioners to 2016/17 and saw a significant increase in non-elective activity levels. Like many hospitals, managing increases in patients admitted in an unplanned way represented the Trust's main operational and financial challenge during the year, including meeting the A&E four-hour emergency access target.

The table below shows the income and expenditure for the Group (includes NHS charitable funds) compared to previous year:

	2017/18 £m	2016/17 £m
Income	327.2	321.5
Expenditure	(316.6)	(312.8)
Financing Charges	(5.0)	(4.6)
Surplus before Gains	5.6	4.1
Other Gains	15.2	0.3
Surplus for the period	20.8	4.4

The delivery of cost and quality improvement programmes, which the Trust calls QIPP, was challenging; however the delivery required was lower than previous years and the Trust delivered £8.4m, which was an overachievement against a plan of £7.7m. The key schemes to deliver this year included:

- Improving patient pathways (£0.5m);
- Workforce redesign (£3.5m);
- Non-pay efficiency programme (£1.5m);
- More efficient use of Estate (£0.8m); and
- Improving non-clinical revenue streams (£0.4m).

Capital investment

The Trust invested £21.4m in infrastructure and equipment during 2017/18, (£18.7m in 2016/17). This was funded internally, through sale proceeds for the RNHRD, donations and a loan from the Department of Health for the investment in the electronic patient record programme (£1.5m). The programme has sought to achieve a balance between maintaining and replenishing the asset infrastructure, reducing risk and improving patient experience.

Significant in-year programmes included expenditure of:

- £3.7m on the commencement of works for the new RNHRD & Therapies build;
- £2.0m on improvements within the Radiology department to provide additional scanning facilities and upgrade waiting areas;
- £6.5m on the digital programme, including implementation of e-prescribing, order communications and Firstnet systems as part of development to the electronic patient record,

along with deployment of mobile devices and investment in IM&T infrastructure and cyber security;

- £0.4m on a new Spiritual Care Centre;
- £4.0m on medical equipment, including a new CT scanner, fluoroscopy X-Ray equipment, patient monitors and an extensive bed replacement programme.

In conclusion, 2017/18 has been a very difficult year for the NHS. Despite this challenging financial environment the Trust's financial results are good. The Trust remains committed to delivering high quality services efficiently. However, the overall financial pressure in the NHS means the Trust will continue to face many challenges to ensure that it remains financially, clinically and operationally sustainable going forward.

Environmental matters: Sustainability Report

Sustainable Development is an important objective for society and also represents an opportunity to reduce costs at the Trust. For example, expenditure on energy, waste and water was £2.4m in 2017/18. The Trust's 'Sustainable Development Management Plan' (SDMP) addresses the themes set by the NHS Sustainable Development Unit¹.

Our **Sustainability Vision** is to act as a national pilot site, driving positive change within the NHS by:

- Exceeding Government sustainability targets;
- Dramatically improving efficiency and reducing costs;
- Delivering excellent staff and patient comfort through better control of the built environment.

Our **2020 Sustainability Performance Targets** have been set with reference to Government legislation and are summarised below with comments on performance to date:

	Energy and carbon management:	Water:	Waste:
Expenditure in 17/18	£1.55m	£487k	£397k
2020 performance target	28%, reduction in CO _{2e} emissions against 2013 baseline by 2020 ² .	25% reduction in water use against 2004/05 baseline by 2020 ³ .	10% saving against 2016/17 expenditure ⁴ : - reduce and reuse £15k worth of waste each year - save £30k per year from better segregation of residual waste.
Progress by end of 17/18	During 2017/18, CO _{2e} emissions at the RUH have increased by 1.31%.	During 2017/18 water consumption at the RUH was reduced by a further 2.8%.	A saving of ~10% has been achieved against 2016/17 waste disposal costs.

This work on target setting has been presented to the 'Health Estates and Facilities Management Association' as an example of best practice.

¹ 'Technical Briefing 9: Measuring Sustainable Development'; published by the Association of Public Health Observatories (APHO)

² Department of Health: 'HTM 07-02 (Part A), Making energy work in healthcare'

³ Department of Health: 'HTM 07-04: Water management and water efficiency'

⁴ Note, no specific waste target is set by the Department of Health, hence this target results from the waste hierarchy of: prevent, reuse, recycling, dispose); plus industry best practice performance on health care waste segregation.

Sustainability successes to date

A reference point with regard to the sustainability leadership demonstrated by the Trust is that in February 2016 the Carter Report on '*Operational productivity and performance in [the] NHS*' suggested that Trusts should implement 'LED lighting', utilise 'Combined Heat and Power' (CHP), and set up 'Smart Energy Management Systems'. We have already implemented the first two recommendations and are partway through the third.

Examples of successes in 2017/18 include:

- We were Highly Commended at the **2017 NHS Sustainability Awards**, in the category of Water for achieving an absolute reduction of 18% on the RUH site.
- We continue to work with the Bath and North East Somerset (BaNES) Council team to promote **sustainable transport**, inviting them to engage with our staff via their transport road shows.
- We have recruited a Sustainable Travel Planner into the Estates team, providing the much needed resource to support the development and implementation of a Travel Plan.
- We have started monitoring Nitrogen Oxide (NOx) emissions on the main site, to understand **air quality** and consider if any mitigating actions are required.
- The salary sacrifice **Cycle Scheme** processed 61 bicycles in 2017/18, saving staff an average of £260 each and the RUH £6,842 in National Insurance costs.
- We continue to utilise the '**Next Bikes**' scheme, siting a station outside our main entrance that allows for better cycling connectivity with town and the train station.
- There has been increased usage of our **Park & Ride scheme** from Odd Down, which is subsidised by the RUH.
- **Demand side response** has been in place at the Trust since 2012, saving the Trust an estimated £143k per annum in 2017/18 by using standby electricity generation capacity to help balance the National Grid.

2017/18 performance

Energy and CO₂ performance

		2015/16	2016/17	2017/18
Non-financial indicators (tonnes CO ₂ e)	Total gross emissions	12,611	11,994	12,153
	Electricity *	1,151	1,338	603
	Natural gas	11,279	10,431	11,359
	Fuel oil	76	123	150
	Waste	105	102	41
Related site energy consumption (millions kWh)	Total	63.3	60.2	62.4
	Electricity *	2.1	3.5	1.4
	Natural gas	61.2	56.7	61
Financial indicator (£k)	Total	2,347	1,967	1,962
	Electricity	360	419	201
	Natural gas	1,558	1,090	1,339
	Fuel oil	12	26	25
	Waste	418	433	397

* Note: Electricity consumed refers to the net consumption of electricity from the National Grid and is calculated as electricity imports–exports. In order to avoid double counting, electricity generated onsite is not included in this figure, as it is supplied from the CHP engine which is ultimately powered from the gas consumption reported above.

During 2017/18, CO₂e emissions have risen by 1.31% in comparison with 2016/17. Although to date we have still reduced our emissions by 12% against the 2013 baseline year for our 2020 target. This leaves a 19% saving to be achieved between now and 2020.

Through working closely with the operational estates team, the CHP availability has been improved significantly, from 70% to 82%. This has resulted in greater gas consumption, and reduced the electricity consumption of the site, which is evident in the data.

In line with the Estates Strategy, the floor area the energy centre has supplied in 2017/18 has increased. For example, the new Pharmacy building is larger and more energy intensive than the previous Pharmacy building, resulting in increased energy consumption. These changes in the Trusts buildings are the likely cause for the increase in CO₂e emissions.

Water performance

		2015/16	2016/17	2017/18
Non-financial indicators	Water Consumption ('000m3)	223	184	179
Financial indicator (£k)	Water Supply Costs	352	308	301
	Sewerage Costs	206	185	186

Total cost: 557 494 487

We announced the launch of a 'leak busting' campaign in the 2014/15 annual report. This was in response to annual increases in water consumption of 18% in 2013/14 and 7% in 2014/15. 2015/16 saw this trend reversed and we achieved a 1% reduction in water consumption. In 2016/17 we achieved an 18% absolute reduction, meaning that we have already achieved our 2020 target. Throughout 2017/18 we have worked to reduce the water consumption further, and have achieved a further reduction of 2.8%.

Waste performance

		2015/16	2016/17	2017/18
Non-financial indicators (tonnes)	Total Waste	1,660	1,543	1,445
	Incinerated Clinical Waste	172	155	153
	Alternative Treatment Clinical Waste	345	387	375
	Recycled	518	485	371
	Landfill	625	570	176
	Energy from Waste	N/A	N/A	371
Financial indicator (£k)	Total Waste Disposal Cost	418	433	382
	Incinerated	70	62	63
	Alternative Treatment	140	156	154
	Recycled	81	87	49
	Landfill	126	127	68
	Energy from Waste	N/A	N/A	49

The waste team has seen significant change over the past three years and a lot of work has gone into improving the systems and data collection. In 2016/17 we went out to tender for the landfill and recycling streams of waste from the RUH site (contract value ~£150k). Through close work with the procurement team and our Waste Authorising Engineer, we managed to achieve a cost reduction with a saving of £30k. This has also resulted in a shift with our waste going to an Energy from Waste plant rather than to landfill. Overall a saving of around 10% has been achieved on the waste contracts in 2017/18.

Working with our Waste Authorising Engineer who was formally appointed in May 2017, we are looking at ensuring best practice is rolled out to all areas of the waste system. For example, looking to roll out coloured lids for burns bins and increasing the use of the offensive waste stream throughout the Trust.

Social, community, anti-bribery and human rights issues

All Trust policies and procedures are based on national employment legislation, adhere to NHS constitution staff pledges and contain an equality and diversity impact assessment – to ensure upholding of social, community, anti-bribery and human rights principles. In addition, our implementation of the Equality Delivery System², Gender Pay Gap and the Workplace Race Equality Standard ensures that we have a transparent governance and accountability structure to build on the work in these two areas. During 2016/17 the Trust had no social, community or human rights violation issues.

Important events since the end of the financial year affecting the Trust

In May 2018, the Trust will take responsibility for a new contract to operate the Urgent Care Centre at the front door of its Emergency Department alongside the local GP federation BEMS+.

The Trust received requests for information from the CQC in March as preparation for an inspection which we anticipate to take place within the next six months.

No other events to add as at the date of signing.

Details of overseas operations

The Trust has no branches outside the UK.

Signed



James Scott

Chief Executive (Accounting Officer)

22 May 2018

Accountability report

Directors' report

This report is prepared in accordance with the NHS Foundation Trust Code of Governance and the NHS Foundation Trust Annual Reporting Manual (NHS FT ARM) 2017/18 published in January 2018.

Directors' responsibility for the annual report and accounts

The Directors are responsible for preparing the annual report and accounts. The Directors consider that the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the Trust's performance and strategy.

Directors of the Trust

Directors of the Royal United Hospitals Bath NHS Foundation Trust during 2017/18:

Brian Stables	Chairman
Joanna Hole	Non-Executive Director Vice Chairman and Senior Independent Director
Moira Brennan	Non-Executive Director
Nigel Sullivan	Non-Executive Director
Jane Scadding	Non-Executive Director
Jeremy Boss	Non-Executive Director
James Scott	Chief Executive
Sarah Truelove	Deputy Chief Executive & Director of Finance (to 31 January 2018)
Peter Hollinshead	Interim Director of Finance (from 1 February 2018)
Tim Craft	Medical Director Additional role as Director of Research & Development (from November 2017)
Bernie Marden	Acting Medical Director (from November 2017)
Francesca Thompson	Chief Operating Officer
Helen Blanchard	Director of Nursing & Midwifery (3 month secondment October 2017-January 2018)
Lisa Cheek	Acting Director of Nursing & Midwifery (from October 2017-January 2018 to cover secondment)
Claire Buchanan	Director of Human Resources* (to October 2017)
Victoria Downing-Burn	Acting Director of People* (from October 2017)
Jocelyn Foster	Commercial Director*

*Non-voting members

The Trust considers each of the listed Non-Executive Directors to be independent.

Any Director who no longer meets the requirements of the Fit and Proper Persons Test will have their membership of the Board of Directors terminated.

The Board of Directors

Chair and Non-Executive Directors

Brian Stables, Chairman (Appointed: 1 April 2010)

Brian was previously a Foundation Trust Network Board Member and Trustee, and prior to this held the position of Non-Executive Director and Vice Chairman of NHS Wiltshire. He has an MBA and is a Fellow of the Chartered Institute of Management Accountants (FCMA). Brian is the sole Director of RUH Solutions Limited which is a subsidiary company of the RUH (not currently trading), and is also a Director of Profex Associates Ltd Management Consultancy, an Associate Lecturer on the Open University Chartered Manager Degree Apprenticeship programme, a tutor with HFMA on postgraduate programmes, a Trustee of Wiltshire Air Ambulance Charitable Trust, and a Trustee of Wiltshire Mind.

Moira Brennan, Non-Executive Director (Appointed: 1 February 2008 – 31 March 2018)

Moira served on the Trust's Board of Directors' Nominations and Remuneration Committee, and Commercial Transactions Steering Group. She is Chair of the Trust's Audit Committee, and Charity Committee, and was the Whistle Blowing contact and Sustainability Champion. Moira has a BSc (Hons) in Business Administration and is a Fellow of the Institute of Chartered Accountants in England and Wales. She has experience of working in finance gained over 20 years in the private sector. Outside the Trust Moira is Chair of Bathampton Parish Council, Treasurer of Bathampton Village Hall, a Trustee of St John's Foundation and a Member Nominated Trustee of the Royal Mail Senior Executive Pension Plan.

Joanna Hole, Non-Executive Director, Vice Chairman and Senior Independent Director* (Appointed: 1 April 2011) *Vice-Chairman and Senior Independent Director from 1 November 2015

Joanna is Chairman of the Non-Clinical Governance Committee, Co-Chairman of the Joint Non-Clinical and Clinical Committee, a member of the Audit Committee, and on the Board of Directors' Nominations and Remuneration Committee. She is also the Board lead for the Physical Environment and Complaints, and Champion for Adult and Children's Safeguarding, Resilience Planning and Freedom to Speak Up. She previously held a number of Senior Civil Service positions within the Ministry of Defence which include: Head of Safety, Sustainable Development and Business Continuity (civilian and military), Director of Business Continuity and Deputy Director of HR Development Framework (Civilian). Her earlier career was in HR, Estate Strategy, Procurement and Corporate Governance.

Nigel Sullivan, Non-Executive Director (Appointed: 1 August 2012)

Nigel serves on the Non-Clinical Governance Committee, the Board of Directors' Nominations and Remuneration Committee and the Fit for the Future Board. Nigel has a BSc (Hons) and a Post Graduate Diploma in Personnel Management. He has held senior positions in a range of private sector organisations, and his current role is Chief People Officer for Bupa. He is a Director of West Four Apartments Company Limited.

Jane Scadding, Non-Executive Director (Appointed: 1 November 2015)

Jane serves on the Clinical Governance Committee (becoming Chair in March 2017, following Nicholas Hood's retirement), the Board of Directors' Nominations and Remunerations Committee, and Fit for the Future Board. She has a BA (Hons) in French and Management Studies, and is MCIPS qualified and Fellow of Chartered Institute of Procurement and Supply. Jane's previous appointments included Chief Procurement Officer for Wincanton plc, Global Procurement Director for capital and construction in Glaxo Smithkline and European Procurement Director for Pharmaceuticals in

Smithkline Beecham. Until May 2017 Jane was a Trustee for Bath and Wiltshire School Sports Trust. Jane is also currently Chief Procurement Officer at TalkTalk.

Jeremy Boss, Non-Executive Director (Appointed: 6 March 2017)

Jeremy serves on the Clinical Governance Committee, the Commercial Transactions Steering Group and the Audit Committee. He has a BSc (Hons) in Economics from the University of Warwick and is a Fellow of the British Computer Society and a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), also serving on the ICAEW governing council. Jeremy's previous appointments include Chief Information Officer for both the Department of Energy and Climate Change and the Audit Commission. He is also a current Non-Executive Director and Audit Chair at the Driver and Vehicle Licensing Agency (DVLA).

Executive Directors (voting)

James Scott, Chief Executive (Appointed: 1 June 2007)

James was previously Chief Executive of Yeovil Hospital, a wave 1A NHS Foundation Trust, Director of Operations at Chase Farm Hospital and held a number of senior roles in London hospitals such as St Mary's Paddington and Hammersmith. He has a BA (Hons) in History and a Diploma in Health Services Management. James is Vice Chair of the West of England Academic Health Science Network.

Sarah Truelove, Deputy Chief Executive & Director of Finance (Appointed: June 2013 – January 2018)

Sarah was previously Director of Finance and Deputy Chief Executive of Gloucestershire Hospitals NHS Foundation Trust, Director of Finance at Gloucestershire PCT, and held a number of senior roles in commissioning and acute hospitals. Sarah was the Trust representative on the partnership board for Wiltshire Health & Care LLP. She has a BA (Hons) in politics and is a Member of the Chartered Institute of Public Finance and Accountancy. Sarah is married to the Director of Finance at Avon and Wiltshire Mental Health Partnership (who prior to this was the Chief Finance Officer for Wiltshire Clinical Commissioning Group). She is a School Governor at The Corsham School.

Peter Hollinshead, Interim Director of Finance (Appointed: February 2018)

Peter has over 25 years as a Board level Director of Finance including being an Interim Director of Finance of 15 different Acute NHS Trusts including: United Lincolnshire Hospitals, University Hospital of Leicester, University Hospital of North Staffordshire. Peter has a BA (Hons.) in Economics and is a member of the Chartered Institute of Public Finance and Accountancy. Peter has no declared conflict of interest.

Dr Tim Craft, Medical Director (Appointed: August 2010)

Tim's previous roles at the RUH were as Deputy Medical Director, Chair of the Specialty Division, Clinical Director of Anaesthesia and Critical Care Medicine, Clinical Director of Operations and Director of Operations. He qualified as a doctor with MBBS (London), is a fellow of the Royal College of Anaesthetists and an alumnus of a Health Foundation Leadership programme. Tim is Director and shareholder of Anaesthetic Medical Systems (AMS) Ltd., Director and shareholder of 10 Bar Ltd and a partner of Bath Anaesthetic Group LLP.

Bernie Marden, Acting Medical Director (From: November 2017)

Bernie has been a Consultant Paediatrician and Neonatologist at the RUH for 14 years where he has previously been Head of Women and Children's Division and Paediatric Clinical Lead. He is a Chief Clinical Information Officer leading on the Trust's clinical IT transformation strategy and serves as Caldicott Guardian. He holds a Masters in Medical Law and Ethics and is an Honorary Clinical Senior

Lecturer with the University of Bristol. Bernie undertakes private practice in Paediatrics at the RUH, is a Paediatric advisor to Circle Reading and his brother is a Consultant Gastroenterologist at the RUH.

Francesca Thompson, Chief Operating Officer (Appointed: September 2006)

Francesca was previously the Trust's Director of Nursing and was appointed to the role of Chief Operating Officer in 2014. Francesca is the Trust representative on the partnership board for Wiltshire Health & Care LLP. She is a Registered Nurse with an MSc in Social Sciences. Francesca is also a Trustee for Dorothy House due to her clinical background in specialist palliative care. Francesca has a keen interest in quality improvement and leading change.

Helen Blanchard, Director of Nursing & Midwifery (Appointed: August 2013)

Helen was previously Chief Nursing Officer and Director of Infection Prevention and Control at Worcestershire Acute Hospitals NHS Trust, Director of Nursing and Quality at Hereford County Hospitals NHS Trust, and held a number of senior nursing and midwifery roles in Acute Trusts. She is a Registered General Nurse and District Nurse, a lecturer/practice educator and has an MSc in Nursing Studies. Helen has no declared interests.

Lisa Cheek, Acting Director of Nursing & Midwifery (From: October 2017)

Lisa is an experienced registered general nurse and has held a number of senior nursing roles across acute Trusts. Lisa took up post as Deputy Director of Nursing and Midwifery in July 2016. Previously to this Lisa was Deputy Director of Nursing at Kingston Hospital NHS Foundation Trust. Lisa gained her MSc in Health Service Management at South Bank University. Lisa has no declared interests.

Executive Directors (non-voting)

Claire Buchanan, Director of Human Resources (Appointed: October 2013 to October 2017)

Claire was previously Acting Director, and Deputy Director of Workforce and OD at University Hospitals Bristol NHS Foundation Trust, and held various senior HR positions at United Bristol Healthcare NHS Trust. She has an MA in Human Resource Management and is a Chartered Fellow of the Institute of Personnel and Development. Claire became a Trustee of St Peters Hospice in April 2017.

Victoria Downing-Burn, Acting Director of People (From: October 2017)

Victoria is the substantive Deputy Director of HR at the Trust having previously held Director roles in Strategy, Engagement and Change within commissioning and provider organisations, and Deputy Director roles in HR in community and acute services. She has a PhD in Human Resources Management and is a Chartered Fellow of the Chartered Institute of Personnel and Development.

Jocelyn Foster, Commercial Director (Appointed: July 2012)

Jocelyn was previously Director of Business Strategy for Kent County Council, Strategy Director at (Parcelforce) Royal Mail, Strategic and Corporate Development Director at Leicestershire Partnership NHS Trust, and has previous public and private sector experience in business strategy, planning, transformation and new business development. Jocelyn has an MBA, DPhil, and BSc (Hons) in Biological Sciences. Jocelyn's declared interests for 2017/18 were as follows: Complaints Panellist - Dental Complaints Service and a financial interest in Veloscient Ltd (facilitating structured data capture for a range of markets, including healthcare).

Contact with the Directors

Information on how to contact the Chairman and the Chief Executive is available on the Trust's website. In addition, all Directors can be contacted at ruh-tr.trustboard@nhs.net

Register of interests

The Trust's Chair, Non-Executive Directors, Executive Directors and Governors are required to comply with the Trust's Code of Conduct and Declarations of Interests Policy and declare any interests that may result in a potential conflict of interest in their role at the Trust; they do this during each of their public meetings. The register of interests of Governors can be obtained by writing to the membership office at RUHmembership@nhs.net. The Directors' declared interests are listed on the Trust's website.

Additional Directors' report disclosures

Cost Allocation and Charging Requirements

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

Political Donations

The Trust has made no political donations over the course of the year.

Better Payment Practice Code

The Trust is required, by the national "better payment practice code", to aim to pay all valid invoices within 30 days of receipt, or the due date, whichever is the later. Over the 12 months to 31 March 2018, the Trust achieved the following performance:

Better payment practice code	Actual Foundation Trust Number	Actual Foundation Trust £'000
Non NHS		
Total bills paid in the year	87,134	194,622
Total bills paid within target	81,168	186,376
Percentage of bills paid within target	93.2%	95.8%
NHS		
Total bills paid in the year	1,880	14,332
Total bills paid within target	1,542	11,961
Percentage of bills paid within target	82.0%	83.5%
Total		
Total bills paid in the year	89,014	208,954
Total bills paid within target	82,710	198,337
Percentage of bills paid within target	92.9%	94.9%

Total interest paid to suppliers under the Late Payment of Commercial Debts Act 1998 was £0 (£1.342 in 2016/17).

Disclosures relating to NHS Improvement's well-led framework

The Trust has had regard to NHS Improvement's well-led framework (which together with the Care Quality Commission's revised well-led assessment framework, updated in June 2017) when arriving at its evaluation of the organisation's performance, internal control and assurance framework.

The Board of Directors and Senior Divisional Management teams undertook a self-assessment against the well-led framework in quarter 3 of 2017 and the Trust commissioned an external well-led developmental review which took place in January 2018. Each core clinical service within the Trust has also undertaken a self-assessment to ensure that the services are well-led and to identify any areas where additional support may be required.

The outcomes of the self-assessments and the recommendations of the external review will form the basis of action plans in 2018/19 to embed good practice and focus on any areas where improvement is required. Further information on the Trust's approach to ensuring that services are well-led is set out in the Annual Governance Statement and Performance Report sections of this Annual Report.

Enhanced quality governance reporting

Patient care and stakeholder relations

During 2017/18 a number of developments and initiatives introduced by the Trust have further improved patient experience and quality of care. As the direction of travel for health services continues to move towards providing more integrated care, the Trust has continued to work with other organisations and build relationships, strengthening partnership working, stakeholder relations and staff involvement. Highlights are outlined below and further detail can be found in the quality report and performance report sections of this annual report.

Patient care

Information about how we are using our foundation trust status to develop services and improve patient care can be found in the membership section of this report. Performance against key healthcare targets and progress towards targets, as agreed with commissioners, together with details of other key quality improvements can be found in the Quality Accounts.

Monitoring improvements in the quality of care

Since April 2010, all health and adult social care providers who provide regulated services are required by law to be registered with the Care Quality Commission (CQC). The Trust is registered with the CQC with no conditions applied. The last CQC inspection of the Trust took place in March 2016 at both the Combe Park and Mineral Water Hospital sites. The inspection report highlighted many areas of good practice. The CQC rated our surgical, maternity and children's services and outpatients as good. End of life care and the kindness and compassion of staff overall was recognised by the CQC as outstanding.

Urgent and Emergency Services, Medical Care and Critical Care were given a rating of 'requires improvement'. An improvement plan was developed to address the compliance actions detailed in the inspection report. Following completion of the improvement plan, mock inspections and an internal audit review by KPMG were undertaken in the three core services rated as 'requires improvement'. These were carried out to assess progress made in response to the issues highlighted by the CQC and they found that significant improvements had been made following the CQC inspection.

The Trust is due to receive its next inspection from the CQC in 2018. The Trust was issued with the Provider Information Request in March 2018. This is a standard list of information that must be returned to the CQC and signals the start of the inspection process.

Quality Governance

The Board of Directors takes clear responsibility for ensuring the quality and safety of services provided by the Trust and has in place robust structures and reporting mechanisms to ensure that quality priorities are identified and monitored. Where our performance is below what we expect, the Board of Directors will ensure that remedial action is taken to improve services.

It is the role of the Clinical and Non-Clinical Governance Committees to “test” our systems and processes in order to assure the Board of Directors that we have robust systems in place for monitoring quality and safety.

The Trust has developed a Ward and Outpatient Accreditation programme to recognise and incentivise high standards of care and reduce variation in practice. It also provides assurance that the CQC fundamental standards are being met and is used to identify where any improvements in practice are required. The programme uses Performance Indicators to measure the quality and safety of the services provided at individual ward and outpatient level, and has expanded to include Maternity, Paediatrics, Critical Care and Emergency department. Assessment of the Performance Indicators is undertaken through analysis of data and observations of care.

The programme takes a tiered approach from Foundation to Gold level, and wards and departments will progress through each of the levels in recognition of the increasing quality of care provided.

Progress to date: A total of 27 clinical areas including 23 adult wards, Maternity ward (Mary), Children’s ward and Emergency department have achieved Foundation level and we have seen excellent examples of high quality patient care. These wards are now eligible to be assessed for Bronze level and a total of 13 clinical areas including 12 adult wards and Children’s ward have achieved Bronze level with a further 7 adult wards, Mary ward, Critical Care Unit and Emergency department under assessment.

18 Outpatient areas have achieved Foundation level, and are now eligible to be assessed at Bronze level for which indicators are being developed. A further accreditation programme has been developed for the Birthing centres, NICU and Admission suite.

Development of Silver level indicators has commenced, this will broaden the programme to include assessment of the Multidisciplinary team within wards and departments.

A programme of visits by the CCG’s and Healthwatch representatives provide an external perspective of the quality of care we provide. During 2017/18 Healthwatch representatives have participated in the patient and carer experience group and have had the opportunity to participate in visits in a variety of areas within the Trust.

The CCG’s have undertaken several quality visits into clinical areas including the Emergency Department and William Budd ward. Quality visits have also been undertaken to review specific pathways and these have included the Referral to Treatment pathway and the Venous Thromboembolism (VTE) pathway.

Each year we ask our members to let us know the topics they would like us to include in our programme of Caring for You events. This year’s sessions included:

- Forever Friends Appeal
- Falls Prevention
- Healthy Minds
- Restart a Heart
- Let’s Talk About End of Life Care
- Food and Nutrition
- Age Related Macular Degeneration

Our Trust's integrated balanced scorecard is based on the Care Quality Commission domains and our ward dashboards allow for the triangulation of data and information flows from ward to Board.

Patient and public involvement activities

The Trust's Patient and Carer Experience Strategy 2017-20 was launched in May 2017. It was developed to support staff to seek and act on patient and carer feedback, and ensure that patients, families and their carers using our services have the best possible experience. The Strategy describes the importance of staff and patients working together to make improvements, and was developed with the involvement of patients, families and carers, public Trust members and staff.

The strategy sets out how we will continue to put patients and carers at the heart of everything we do and is centred around **three key ambitions**:

- To **listen to patients and carers** – supporting staff to actively engage with patients and carers, encouraging all feedback and learning from listening to their experiences and making improvements, where necessary, as a result of their feedback.
- To **communicate clearly and effectively** - ensuring that we meet the emotional needs of patients/carers by communicating effectively with them and providing information in a way that they can understand
- To **involve patients and carers in improving services** – to involve patients in the design of new services and making improvements to existing services, providing toolkits/guides.

Using patient feedback to improve services

The Trust is committed to using patient/family/carer feedback to improve the care provided and share with the relevant clinical teams. Some of the areas where we have made improvements this year are shown below:

- We know that many of our patients travel quite a distance to attend outpatient clinics at the RUH and as a result, in some specialties we have introduced telephone follow-up clinics. This has both saved travel costs and time for patients and reduced the need for clinic rooms and administration. In a number of areas, we also have 'patient initiated follow-up's' which are open appointments giving patients choice in whether they want to be seen in clinic.
- In many of our outpatient waiting areas patients told us that there was a lack of communication and information about whether clinics were on time or running late. As a result and following investment from Charitable Funds, we now have information screens. We are progressing rollout of clinic waiting times and other patient information on them to improve the patient experience.
- Feedback from inpatients on the wards was that sometimes they found it difficult to sleep at night due to the noise from other patients and the bright lights. The Friends of the RUH, one of our hospital charities is now selling earplugs and eye masks on the Friends hospital trolley and in the hospital shop.
- We are aware of the importance of a smooth and timely discharge and this has been a Trust priority as patients tell us that waiting for medicines has caused delays in leaving hospital. The scores in our inpatient survey have improved following this piece of work.

Patient Experience Matters Toolkit

The Patient and Carer Experience Strategy is supported by a toolkit of resources that staff can use to assist them to listen and learn from what our patients and their carers are telling us. Our focus is that collecting patient experience data doesn't have to be time-consuming and complex in order to be rewarding. The Patient Experience Team has supported 43 projects with teams across the Trust to

collect and analyse patient and carer experience as part of service reviews and service improvement projects.

During this year over 32,000 patients and their carers and families have shared their experiences of the services we provide. This information has been collected through a variety of ways, for example:

- Friends and Family Test (FFT)
- Patient Advice and Liaison Service (PALS) Concerns and Complaints
- Patient Stories
- Hospital questionnaires
- Social media – NHS Choices website/Twitter/Facebook
- Executive walk arounds
- 15-Steps Challenge
- PLACE (Patient-Led Assessment of the Care Environment)
- Annual and bi-annual National Patient Experience Surveys – Inpatient/Maternity/Emergency Department/Cancer

Patient and Carer Experience Group (PCEG)

The PCEG is responsible for the delivery of the Patient and Carer Experience Strategy and the annual work plan. During the year members of the PCEG (which includes patients and representatives from Healthwatch, undertook a number of reviews of Trust services, in particular they assessed the following:

- Review of car park payment machines
- Review of ward quiet rooms used in end of life care
- Review of information posters and leaflets on inpatient ward corridors

Patient Stories

Each month a patient/carers story is heard at the Board of Directors. This is the first item on the Board agenda and staff involved in the care of the patient attend the Board meeting to share what has changed as a result of the patient/carers story. All the stories are available on the Trust Intranet for staff to use in training and education.

See It My Way

This year, we have held three 'See it my Way' events where patients and carers share with staff their experiences of a condition and/or care at the hospital. The events have covered a number of important areas:

- 'See it my Way – losing a loved one' May 2017
- 'See it my Way – living with Dementia' October 2017
- 'See it my Way – living with a long term health condition' February 2018

The events are open to all staff across the hospital and are well attended. A short film is produced following each event which is available on the Intranet for staff to use in education and training.

Improvements in patient/carers information

The Trust policy 'Writing and Producing Written Patient and Carer Information' was refreshed in 2017/18 and supports staff to write and provide written information to patients and carers. We also have a legal responsibility to provide written information in a format that is accessible to patients and carers with sensory impairments or/ and learning disabilities. There is an identified Trust Lead responsible for responding to requests for information in an accessible format.

Patient and Carer information is reviewed by a Readers' Panel which ensures that any 'new' written information is understandable to patients and their carers.

The Trust encourages the use of electronic information where possible to reduce the costs of printing. Information will be stored on the RUH website and can be emailed to patients and carers.

Each Department Manager, Clinical Lead and/or Matron is responsible for ensuring the department hold an accurate and up to date inventory that lists the titles of archived patient information, together with document owner/author.

Information on complaints handling

Our complaints resolution process has focused on resolving patients' and carers' concerns at an early stage through the Patient Advice and Liaison Service (PALS). The Trust views complaints constructively and is committed to having effective procedures in place to handle all issues brought to the attention of staff. The organisation takes an active approach to asking for people's views, dealing with complaints more effectively and using the information received to learn and improve.

This year, we have seen a reduction in the number of formal complaints (219) compared to the previous year (303) despite an increase in activity levels. Our focus is on resolving queries or concerns at an early stage at departmental level, where possible.

Staff treat all complaints seriously and are able to provide assistance and advice on the process. It may be that the concerns can be dealt with by PALS without the need to escalate to the formal complaint route.

Complaints are logged and tracked on DATIX, the Trust's reporting system also used for incident reporting. This allows staff to receive regular updates when responses are due.

Since August 2016, the Trust has reported its performance against a 35-day local target for response to all formal complaints it receives. This target was previously 25 days but has been changed to allow thorough investigation of complaints received with the aim of a more detailed and thorough outcome letter. This information is included in the quarterly Patient Experience report to Quality Board and the Board of Directors.

Clinical leads and managers are responsible for investigating and responding to complaints made in their respective areas. Heads of Nursing and Midwifery have oversight of all complaints, the investigations and the Trust's responses. All formal complaints are reviewed by the Head of Nursing and Midwifery and signed by the Chief Executive. Complaints are discussed at nursing and governance meetings and the learning from complaints is included in the quarterly Patient Experience report to Quality Board and the Board of Directors.

Stakeholder relations –

West of England Academic Health Science Network (AHSN)

The RUH hosts and continues to work in partnership with the West of England AHSN to explore new opportunities for collaboration and innovation to further improve patient safety and quality of care, and share best practice across the South West. RUH staff have progressed through both the AHSN Health Innovators programme and the AHSN West of England Academy training for Improvement Coaches and are now taking forward their innovations and service improvements within the Trust. A number of our clinical teams have been undertaking specific work streams to support the rapid implementation of innovation and service improvement and share best practice across the NHS. For example, the RUH has worked with partners funded by the West of England AHSN to establish the UK's second FLOW training Academy which provides health and social care staff with key skills and tools to undertake a comprehensive diagnosis of how their local healthcare system is working and where to focus improvement efforts. This methodology, deployed across the local system, has been

invaluable across the past year in securing successful transformation of the Home First discharge pathway. In addition, during Quarter 4 an NHS Leadership award secured an intensive FLOW training programme for 20 staff involved in the Home First pathways, across seven local organisations.

Undergraduate and postgraduate medical training

Undergraduate medical students: The RUH hosts Bath Academy as a teaching hub for Bristol University Medical School, supporting the education and training of nearly 400 medical students, equating to 9000 student weeks, per year. Around 25 Consultants act as Coordinators and Tutors providing and organising the teaching of medical students, they work alongside eight Clinical Teaching Fellows (Junior Doctors) as the keystone to providing the teaching both on the wards and in the classroom.

The Bath Academy goes from strength-to-strength as our reputation as the most popular Academy for Bristol medical students continues to grow. This reputation is enhanced by further improving our Simulation Suite where we can teach medical students how to deal with a multitude of clinical situations in a controlled environment. The challenge next year will be the introduction of a new Bristol medical school curriculum which will involve some changes to the way of teaching, but one that we are looking forward to delivering.

Postgraduate Doctors: Despite a challenging year of immense change in Post-Graduate Medical Education precipitated by the 2016 Junior Doctors Contract, results from the National Training Survey and Quality Panels have shown the RUH continues to offer excellent training. The pioneering Local Trainee Support Faculty run by the Associate Director of Medical Education for Support is in place to help those trainees who need additional advice and guidance.

The General Medical Council and Health Education England are moving forward on a multi-professional education agenda. At the RUH, we continue to explore non-medical workforce options, such as Physician Associates and Advanced Nurse and Physiotherapy Practitioners. A new Educational Governance structure, Trust Education Group, has been established and successful multi-professional skills days to further integrate those groups in clinical practice have taken place. We welcomed our first four Physician Associate students to the RUH on placement in 2017/18.

RUH Estates redevelopment

The Trust, working together with Kier under a P21+ contract, continues its exciting programme of redevelopment to transform our site and further improve the services we provide. We have worked, and continue to work, closely with patients, clinicians, staff, healthcare stakeholders, the local planning authority and the wider community in developing our plans to ensure any new buildings best meet the needs of patients and staff, fit within the existing infrastructure and improve the overall layout of the RUH site.

This year we have commenced the building work on our new RNHRD & Therapies Centre which will provide improvements in the environment, facilities and colocation of skills for patients accessing these services.

Our capital programme is funded from a variety of sources including our cost savings programme, charitable fundraising and disposal of assets which are no longer required. Funding for the re-provision of the RNHRD and Therapies Centre specifically includes the proceeds from the sale of the Mineral Hospital Building which was realised in 2017/18.

Primary care services

In 2017/18 the Trust working in partnership with the local GP federation BEMS+, was successful in being awarded a contract from B&NES clinical commissioning group to operate the Urgent Care Centre at the front door of the Emergency Department. This service will commence in May 2018 and will provide a more resilient and seamless patient experience for all those with urgent care needs. Its IT systems will be fully integrated with those of the Emergency Department and improvements to signage, communications and staffing will also be enabled.

Consultation with local groups and organisations

Focused clinical and patient and public engagement on the proposal to relocate the RNHRD Rheumatology and Rheumatological Therapies services and the Bath Centre for Fatigue Services from the Mineral Hospital site to a new purpose built centre on the RUH site concluded in January and September 2017 respectively. There were many positive benefits to patients identified for the move to new purpose-built facilities and reassurances provided around continuity of service, expertise and access. The relocations were supported by the Bath and North East Somerset (BaNES) Health and Wellbeing Select Committee.

In addition, during the financial year the Trust has undertaken informal engagement to better understand what matters most to those who use or work in our maternity service, to help us in planning what our maternity service could look like in the future. Over 800 people shared their thoughts and experiences with us. We have used this feedback, and other information to draw up a range of possible options for change. We are working through this with our Local Maternity System as part of the overall Maternity Transformation Plan for our STP.

Clinicians continue to be integral to planning the future of their services to ensure the delivery of high quality effective care, and the RUH continues to work with CCG and NHS England Engagement leads and patients to ensure Patient and Public Engagement is carried out in line with the Government's Consultation Principles for Public Bodies (October 2013).

Community services

In July 2016, Wiltshire Health and Care (a Limited Liability Partnership (LLP) created between Great Western Hospitals Foundation Trust, Salisbury Foundation Trust and the RUH) commenced its £40m/yr contract from the CCG to deliver seamless and improved community services across Wiltshire. Since launch our relationships with partners across Wiltshire and opportunities for improved community pathway development have been considerably strengthened including rolling out our Home First pathway with Wiltshire Health and Care. Home First builds on a very successful active rehabilitation pilot project run and funded by the RUH therapies team in 2016/17, helping patients with therapy requirements to return home from hospital at an earlier stage. This is funded at scale through Wiltshire Health and Care via the Wiltshire CCG contract going forward. The partnership has further strengthened our ability to work jointly on Wiltshire inpatient delays and particularly in the area of the more complex cases, where delayed transfers of care (DTC) are being seen to reduce year on year. In Quarter 4 an inaugural "winter room" was set up with good effect achieving a far greater level of integration and co-ordination on activity and capacity across Wiltshire.

In November 2016, BaNES CCG awarded its contract for a prime provider of community services across BaNES to Virgin Care. The RUH has been working closely with Virgin Care since the award to understand its plans for community services and the impact of this upon patients, RUH activity and pathways. From 1 April 2017, we took on the provision of an integrated community sexual health service for BaNES under subcontract to Virgin Care and have also improved the integration of our

RUH therapy services through bringing speech and language resources in-house. We expect to continue to develop our collaborative working relationship across the period of the contract in order to ensure delivery of the most effective pathways and best experience for patients.

Research

The RUH has a well-established and strong research portfolio and performs well, both in terms of the number of research studies open and key national metrics, when compared to Trusts of similar size. The wide range of research undertaken involves a number of collaborations with other NHS centres, universities and charities. All research activity is funded externally through research grants, National Institute for Health Research (NIHR) funding and income generated by working with the life sciences industry. Recent years have seen RUH researchers achieve success in leading and developing clinical research, with two major grant awards of over £2million each being made to RUH, alongside a number of others. Grant awards made in 2017/18 total almost £3.5million making it the most successful year to date.

It is well evidenced that research active hospitals have better outcomes for all patients, regardless of whether or not they are directly involved in research. All research undertaken at RUH has the aim of bringing access to new treatments to our patients earlier, leading the way in understanding of conditions and better care for all patients.

The RUH also contributes to the South West's Genomics Medicine Centre based near Bristol. This is part of a network of 13 centres nationally which will assist in the delivery of the unique, innovative and world-leading 100,000 Genomes project aiming to improve diagnosis and treatment of a range of conditions.

NHS Quest

The RUH is a member of NHS Quest. This is a member-convened network for Foundation Trusts who are committed to a relentless focus on improving quality and safety. Members work together to share challenges, benchmark, peer review and design innovative solutions to provide the best care possible for patients and staff. A small annual membership fee is invested by the Trust towards the administration costs of the network.

Volunteer Dementia Programme

In March 2017, the RUH launched a new three year collaborative project aimed at improving the experience of our many patients who also suffer from dementia. The project in total will cost £200k of which the Medlock Charitable Trust generously donated £100,000 and the Forever Friends Appeal has committed to raise the additional funds. Volunteers already make an enormous difference to dementia patients on our specialist older people's wards, spending time with them and helping them engage in meaningful activities. Over three years the Volunteer Dementia Project will provide an estimated 160 volunteer placements and 4,800 hours of care to patients with dementia.

A co-ordinator employed by the Alzheimer's Society will organise a volunteer befriending service and a number of activities to increase mental and physical stimulation to improve patient wellbeing. Colleagues from the Research Institute for the care of older people (RICE) will be supporting the evaluation of the programme with a view to establishing both the quality impacts and a sustainability business case at the end of the three-year period.

Interactive reminiscence room pods, set up in familiar environments such as a traditional 1950s sitting room and a retro-kitchen, will be used to engage with dementia patients as they have a calming and

relaxing effect. Bedside personalisation such as photos and ornaments placed on patients' bedsides will be provided and a programme of creative activities such as knitting, reading and drawing will be included by the hospital's arts charity, Art at the Heart.

Combining our knowledge and expertise with our project partners will help develop this programme and really test out its value in caring for patients with dementia. The three-year Volunteer Dementia Project will help us pilot and research the need for longer-term work in this area, and hopefully also provide a blueprint for a future national model of care.

Sustainability and Transformation Planning (STP)

We continue working closely with commissioning and provider partners across the BaNES, Swindon and Wiltshire area to jointly develop sustainability and transformation plans to improve our local population's health and wellbeing, to improve service quality and deliver financial stability. Funding for the administration of this has been shared between partners. The joint plans were published publicly at the end of 2016 and included the following priorities:

- Transforming primary care;
- More focus on prevention and proactive care;
- Making best use of technology and our public estates;
- Developing a modern workforce;
- Improved collaboration across hospital trusts.

The latter, in particular, involved benchmarking and consideration of the efficiency of our models for back-office and work to improve the resilience of our key clinical services.

We also continue to engage with stakeholders of the Somerset STP, through which we hope to share further learnings and ideas across systems.

In addition to this work our local A&E delivery board has also been focused together with partners on plans to improve the resilience of our urgent care systems.

Across 2018/19 we will be looking to continue our work together to deliver against all of these priorities and to deepen relationships at a locality level with plans for an integrated care system in development for both Wiltshire and B&NES areas.

Friends of the RUH and Friends of the RNHRD

The RUH and its patients are in the very fortunate position of receiving support from two very passionate charitable groups of Friends. Their volunteers contribute a huge amount of value to our organisation in their direct activities on wards for patient benefit and also in their activities which generate funds which are used to enhance patient experience. In 2017/18 they have continued to support our much-loved Arts programme and exhibitions. We were delighted have celebrated the 60th anniversary of the Friends of the RUH in 2017.

Statement as to disclosure to the auditor

The Trust Board of Directors can confirm that each individual who was a Director at the time this report was approved has certified that:

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

Accounting Policies

NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (GAM) agreed with HM Treasury. Consequently the Trust's financial statements have been prepared in accordance with the 2017/18 DH GAM issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

Income Disclosures

Income from the provision of goods and services for the purposes of health services in England is greater than the income from the provision of goods and services for any other purpose for Royal United Hospitals Bath NHS Foundation Trust. Income was received from other sources including private patients and catering. Any net surplus generated from these additional activities serves to enhance patient care and further knowledge and understanding of the conditions treated at the Trust.

Investments

The Trust has a one-third controlling interest in Wiltshire Health and Care LLP, in partnership with Salisbury NHS Foundation Trust and Great Western Hospitals NHS Foundation Trust.

Wiltshire Health and Care LLP, from July 2016, became responsible for the delivery of adult community healthcare across Wiltshire for at least the next five years. The LLP has a separate Board but strategic control of the organisation remains with the partners as detailed in the Members' Agreement signed by the three NHS Foundation Trusts.

No financial assistance was given by the Trust.

Remuneration report

The remuneration report has been prepared in accordance with sections 420 to 422 of the Companies Act 2006; regulation 11, parts 3 and 5 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 (SE 2008/410); parts 2 and 4 of schedule 8 of the Regulations as adopted by NHS Improvement in the NHS Foundation Trust Annual Reporting Manual 2017/18; and relevant elements of the *NHS Foundation Trust Code of Governance*.

The following report details how the remuneration of senior managers is determined. A 'senior manager' is defined as 'those persons in senior positions having authority or responsibility for

directing or controlling the major activities of the NHS Foundation Trust'. The Trust deems this to be the Executive and Non-Executive members of the Board of Directors.

Annual Statement on Remuneration

Chairman of the Remuneration Committee's annual statement on remuneration

Upon authorisation as an NHS Foundation Trust on 1 November 2014, the Board of Directors established a Nominations and Remuneration Committee with responsibility for the nomination and selection of candidates for appointment as Chief Executive or Executive Directors, as well as issues concerning Executive remuneration.

The Nominations and Remuneration Committee is chaired by the Trust Chairman and has delegated responsibility for the remuneration and terms of service for the Chief Executive and Executive Directors of the Trust. Its responsibility includes all aspects of salary, provision of other benefits, and arrangements for termination of employment and other contractual terms. The membership of the Committee consists of all the Non-Executive Directors. The Chief Executive and the Director of HR and Organisational Development (new title Director of People) are in attendance at meetings of the Committee to provide advice, but are not present during any discussions relating to their own remuneration. Benchmarking data, taken from the 'NHSI Guidance on pay for very senior managers in NHS trusts and foundation trusts' (including Annex A), is adopted for comparisons.

Senior Managers' Remuneration Policy

With the exception of the Chief Executive and Executive Directors and apprentices, all non-medical employees of the Trust are remunerated in accordance with the national NHS Agenda for Change pay structure. Medical staff are remunerated in accordance with national terms and conditions of service for doctors and dentists.

The remuneration of the Chief Executive and Executive Directors (with the exception of the Medical Director*) is determined by the Board of Directors' Nominations and Remuneration Committee taking into account market levels, key skills, performance and responsibilities. In reviewing remuneration, including making decisions about whether to pay the Chief Executive and any of the individual Executive Directors more than £150,000 per annum, as outlined in the guidance issued by the Cabinet Office, the Committee has regard to the Trust's overall performance, delivery of agreed objectives, remuneration benchmarking data in relation to similar NHS Foundation Trusts and the wider NHS and the individual Director's level of experience and development of the role.

*The pay, terms and conditions for the Medical Director are determined by the national Consultant Contract and the associated Medical Terms and Conditions. An additional payment is made which reflects the additional responsibilities for the role of Medical Director. The Medical Director is eligible to apply for discretionary performance-related pay under Medical Terms and Conditions but is excluded from eligibility for the Directors' Bonus Payments Scheme.

Remuneration of Senior Managers

Pay component	Cost of Living uplift (annual)	Bonus payment (annual)	Relevant Senior Managers
Agreed through the Nominations and Remuneration Committee and benchmarked against the 'NHSI Guidance for pay for very senior managers'	1% uplift not automatically applied and determined by the Nominations and Remuneration Committee	Up to 10% (or 9% if a 1% cost of living uplift is awarded) of salary, non-consolidated, determined by the Nominations and Remuneration Committee. Awarded on satisfactory assessment of individual and Trust performance.	All Executive Directors of the Trust including the Chief Executive

Performance Assessment of Chief Executive and Executive Directors

Individual performance is reviewed through the Trust's appraisal process to evaluate the extent to which the Chief Executive and Executive Directors have met their objectives and contributed to the delivery of the Trust's strategic objectives. The annual review comprises, where applicable, a cost of living uplift and, at the Committee's discretion, a Directors'* non-consolidated bonus payments scheme of up to 10% of the individual Executive Director's salary for outstanding performance over the last 12 months. The maximum awarded is 10%, which may be made up of a cost of living award (consolidated) and a performance payment. The maximum performance payment possible is 10% with no cost of living uplift. The performance of the Chief Executive and Executive Directors is assessed on a continuing basis via formal appraisal and unsatisfactory performance may provide grounds for termination of contract. Any non-consolidated performance payment awarded are removed each year and then awarded where the performance measures have been achieved, and assessed through the appraisal process. The Nominations and Remuneration Committee receive a report identifying the achievement or otherwise of the performance measures.

Objectives for each Executive is set at the start of the financial year in order to deliver the strategic intentions (longer term) and the operational plans (short to medium term). These SMART objectives are the performance measures for the individual Executives. The objectives / performance measures are reviewed during the year and progress recorded.

The provision of a non-consolidated performance payment for senior managers, as described in this report, is not replicated for other groups although Medical and Dental staff do have the opportunity to apply for national or local Clinical Excellence Awards which are consolidated.

The pay and conditions of trust employees were considered during the development of the trust's senior manager's payment scheme, with specific reference to the annual assessment of the cost of living allowance and whether this is to be awarded and / or consolidated. The development of the senior manager payment scheme was developed through engagement with other trusts, and local staff were not consulted.

**with the exception of the Medical Director who was paid under the terms of the national Consultant contract and was therefore eligible to apply for national or local Clinical Excellence Awards and was excluded from any other bonus payment arrangements.*

The Board of Directors' Nominations and Remuneration Committee met on 31 May 2017 to consider the Chief Executive and Executive Directors' remuneration and performance bonus for 2016/17. The meeting was chaired by Brian Stables, Chairman, and was attended by Joanna Hole, Non-Executive Director, Moira Brennan, Non-Executive Director, Nigel Sullivan, Non-Executive Director, Jane Scadding, Non-Executive Director and Jeremy Boss, Non-Executive Director.

The Chief Executive and the Director of HR and Organisational Development attended the meeting but withdrew during the discussion about their pay and performance bonus. The Senior Executive Assistant was in attendance and recorded the Committee's discussions and decisions.

Remuneration of the Chairman and Non-Executive Directors

Upon authorisation as an NHS Foundation Trust, the Council of Governors established a Nominations and Remuneration Committee. This Committee is responsible for the appointment, remuneration and appraisal of the Trust Chairman and Non-Executive Directors.

The Committee first met on 6 November 2014 to consider the remuneration of the Trust Chairman and other Non-Executive Directors. The Committee reviewed national NHS Trust Chairman and Non-Executive Directors' remuneration benchmarking data and agreed to recommend to the Council of Governors that the level of remuneration for the Trust Chairman and the Non-Executive Directors should be in line with similar-sized NHS Foundation Trusts in the South West region. The Committee recommended the following remuneration for Non-Executive Directors outlined below:

Non-Executive Director Remuneration

	Per annum
Basic pay	£12,500
Allowances (payable to the Chair of Non-Clinical and Clinical Governance Committees)	£1,000
Chair of Audit Committee	£14,000
Senior Independent Director	£14,000
Chair	£47,500

The Committee's recommendation was approved by the Council of Governors on 6 November 2014.

The Council of Governors' Nominations and Remuneration Committee did not review the Chairman and Non-Executive Directors' allowances in 2017/18.

Annual Report on Remuneration

Service Contracts

None of the current substantive Executive Directors is subject to an employment contract that stipulates a length of appointment. The appointment of the Chief Executive is made by the Non-Executive Directors and approved by the Council of Governors. The Chief Executive and Executive Directors have a permanent employment contract and the contract can be terminated by either party with six months' notice. The contract is subject to normal employment legislation. Executive Directors are appointed by a committee consisting of the Chairman, Chief Executive and Non-Executive Directors. The Trust's Constitution sets out the circumstances in which a Director will be disqualified from office and employment terminated.

The Service Contract for Non-Executive Directors is not an employment contract. Non-Executive Directors are appointed for an initial term of up to three years and are eligible for further terms of appointment up to three terms or nine years. The Council of Governors is responsible for appointing, suspending and dismissing the Chairman and Non-Executive Directors as set out in the Trust's Constitution.

Name	NHS FT terms of office*	Current term of Office	Notice period
Brian Stables Chairman	01-Nov-2014-31-Mar-2016	1-Apr-2016-31-Mar-2019	3 months
Joanna Hole Non-Executive Director	01-Nov-2014-31-Oct-2015	01-Nov-2015-31-Oct-2018	3 months
Moira Brennan Non-Executive Director	01-Nov-2014-31-Jan-2016	01-Feb-2016-31-Jan-2018 extended for further 2 months to 31 March 2018.	3 months
Nigel Sullivan Non-Executive Director	01-Nov-2014-31-Jul-2016	01-Aug-16-31-Jul-2019	3 months
Jane Scadding Non-Executive Director	01-Nov-2015-31-Oct-2018	01-Nov-2015-31-Oct-2018	3 months
Jeremy Boss, Non-Executive Director	6 March 2017–28 February 2020	6 March 2017–28 February 2020	3 months
James Scott Chief Executive Director	01-Jun-2007	N/A	6 months
Sarah Truelove Deputy Chief Executive & Director of Finance	24-Jun-2013	31-Jan-2018	6 months
Tim Craft Medical Director (From November 2017 additional role of Director of Research and Development)	01-Aug-2010	1-April-2018	6 months
Francesca Thompson Chief Operating Officer	25-Sep-2006	N/A	6 months
Helen Blanchard Director of Nursing & Midwifery	27-Aug-2013	N/A	6 months
Claire Buchanan Director of Human Resources**	07-Oct-2013	04-Oct-2017	6 months
Jocelyn Foster Commercial Director**	30-Jul-2012	N/A	6 months
Victoria Downing-Burn Acting Director of People**	01-Oct-2017	31-March-2018	N/A
Lisa Cheek Acting Director of Nursing	23-Oct-2017	21-Jan-2018	N/A
Bernie Marden Acting Medical Director	13-Nov-2017	30-April-2018	N/A
Peter Hollinshead Interim Director of Finance	01-Feb-2018	01-June-2018	N/A

**Upon authorisation as an NHS Foundation Trust on 1 November 2014, the Council of Governors appointed the existing Chairman and Non-Executive Directors in accordance with the requirements of the NHS Foundation Trust's Constitution.*

***indicates non-voting members of the Board of Directors*

Disclosures in accordance with the Health and Social Care Act

Director and governor expenses

Information regarding Director and governor expenses during the reporting period is outlined below:

Directors' expenses

No taxable expenses were paid to any Executive or Non-Executive Director during the reporting period or the previous financial year.

Governors' expenses

Governors are not remunerated, but are entitled to claim expenses for costs incurred whilst undertaking duties for the Trust as a Governor (for example, travel expenses to attend Council of Governors' meetings). A total of £2,185.50 was paid to 11 Governors (out of 21 Governors) in the period from 1 April 2017 to 31 March 2018.

Senior Managers' Remuneration

The definition of "Senior Managers" is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the Royal United Hospitals Bath NHS Foundation Trust.' This is exclusive to the Chair, Non-Executive Directors and Executive Directors.

Remuneration for Senior Managers for 2017-18:

	Salary and Fees (bands of £5,000) £'000	Salary and Fees for Clinical Duties (bands of £5,000) £'000	Start (s) or Leave (l) Date	Annual Performance Related Bonuses (bands of £5,000) £'000	Pension Related Benefits (bands of £2,500) £'000	Total (bands of £5,000) £'000
James Scott Chief Executive	180-185	-	-	20-25	-	200-205
Sarah Truelove Deputy Chief Executive & Director of Finance	115-120	-	31/01/18 (l)-	10-15	-	125-130
Peter Hollinshead Interim Director of Finance	20-25	-	01/02/18 (s)	-	-	20-25
Francesca Thompson Chief Operating Officer	115-120	-	-	10-15	32.5-35	160-165
Helen Blanchard* Director of Nursing	110-115	-	-	10-15	32.5-35	155-160
Lisa Cheek Acting Director of Nursing & Midwifery	25-30	-	23/10/17 (s) 31/01/18 (l)	-	2.5-5	25-30
Tim Craft Medical Director	50--55	135-140	-	-	-	190-195
Bernie Marden Acting Medical Director	55-60	-	13/11/17	-	17.5-20	75-80
Claire Buchanan Director of Human Resources	50-55	-	04/10/17 (l)	5-10	10-12.5	75-80
Victoria Downing-Burn Acting Director of People	45-50	-	05/10/17 (s)	-	50-52.5	95-100
Jocelyn Foster Commercial Director	105-110	-	-	5-10	42.5-45	160-165
Brian Stables Chairman	45-50	-	-	-	-	45-50
Moira Brennan	10-15	-	-	-	-	10-15

Non-Executive Director						
Jane Scadding Non-Executive Director	10-15	-	-	-	-	10-15
Joanna Hole Non-Executive Director	10-15	-	-	-	-	10-15
Nigel Sullivan Non-Executive Director	10-15	-	-	-	-	10-15
Jeremy Boss Non-Executive Director	10-15	-	-	-	-	10-15

*Note: Earnings retained whilst on secondment

Remuneration for Senior Managers for 2016-17 (restated):

	Salary and Fees (bands of £5,000)	Salary and Fees for Clinical Duties (bands of £5,000)	Start (s) or Leave (l) Date	Annual Performance-Related Bonuses (bands of £5,000)	Pension - Related Benefits (bands of £2,500)	Total (bands of £5,000)
	£'000	£'000	£'000	£'000	£'000	£'000
James Scott Chief Executive	180-185	0	-	15-20	-	195-200
Sarah Truelove Deputy Chief Executive & Director of Finance	135-140	0	-	10-15	-	150-155
Francesca Thompson Chief Operating Officer	115-120	0	-	10-15	40-42.5	165-170
Helen Blanchard Director of Nursing & Midwifery	110-115	0	-	10-15	40-42.5	160-165
Tim Craft Medical Director	45-50	135-140	-	0	10-12.5	195-200
Howard Jones Director of Facilities	90-95	0	10/02/17 (l)	5-10	-	100-105
Claire Buchanan Director of Human Resources	100-105	0	-	5-10	87.5-90	195-200
Jocelyn Foster Commercial Director	105-110	0	-	5-10	37.5-40	150-155
Brian Stables Chairman	45-50	0	-	-	-	45-50
Moira Brennan Non-Executive Director	10-15	0	-	-	-	10-15
Jane Scadding Non-Executive Director	10-15	0	-	-	-	10-15
Joanna Hole Non-Executive Director	10-15	0	-	-	-	10-15
Nicholas Hood Non-Executive Director	10-15	0	28/02/17 (l)	-	-	10-15
Nigel Sullivan Non-Executive Director	10-15	0	-	-	-	10-15
Jeremy Boss Non-Executive Director	0-5	0	06/03/17(s)	-	-	0-5

No Senior Manager received any payments in respect of taxable benefits or long term performance related bonuses in either 2017/18 or 2016/17.

Total Pension Entitlement

	Real Increase in Pension at Pension Age (bands of £2,500) £'000	Real Increase in Pension Lump Sum at Pension Age (bands of £2,500) £'000	Total Accrued Pension at Pension Age at 31 March 2018 (bands of £5,000) £'000	Lump Sum at Pension Age, Related to Accrued Pension at 31 March 2018 (bands of £5,000) £'000	Cash Equivalent Transfer Value at 1 April 2017 £'000	Real Increase in Cash Equivalent Value Transfer £'000	Cash Equivalent Transfer Value at 31 March 2018 £'000	Employer's Contribution to Stakeholder Pension £'000
Francesca Thompson Chief Operating Officer	0-2.5	2.5-5	35-40	115-120	860	0	0	17
Helen Blanchard** Director of Nursing & Midwifery	0-2.5	2.5-5	35-40	115-120	744	70	814	16
Claire Buchanan*** Director of Human Resources	0-2.5	0-2.5	35-40	90-95	519	66	648	7
Jocelyn Foster Commercial Director	0-2.5	0-2.5	10-15	15-20	155	30	185	15
Victoria Downing-Burn**** Acting Director of People	0-2.5	5-7.5	15-20	40-45	190	35	261	6
Bernard Marden***** Acting Medical Director	0-2.5	0-2.5	40-45	105-110	684	16	726	7
Lisa Cheek***** Interim Director of Nursing	0-2.5	5-7.5	30-35	100-105	604	17	666	4

*Note: The Chief Executive is no longer in the NHS Pensions Scheme

** Note: Earnings were retained. No additional remuneration was received while on secondment.

***Note: Pro rata as left 04.10.17 187/365 days

****Note: Pro rata as carried out role for 6 months & figures for 16/17 provided by PA 182/365 days

***** Note: Pro rata as carried out role for 101/365 days

***** Note: Pro rata 139/365 days

Fair Pay Multiple

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. This is calculated on a whole time equivalent basis.

The banded remuneration for the highest paid Director in the Royal United Hospitals Bath NHS Foundation Trust for the year to 31 March 2018 was £200,000-£205,000 (to 31 March 2017: £195,000-£200,000). This was 7.4 times the median remuneration of the workforce (31 March 2017: 7.1), which was £27,727 (31 March 2017: £27,740).

In 2017-18, overall two employees received remuneration in excess of the highest paid Director (31 March 2017: three). Remuneration ranged from £15,422 to £213,280 (31 March 2017: £15,251 to £227,344).

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

Payments for loss of office

There have been no payments made to any senior manager during 2017-18 and 2016-17 for loss of office. Any compensation payable for loss of office is conducted under the terms and conditions of the appropriate contract of employment.

Payments to past senior managers

No payments or awards were made to past senior managers during the reporting period.

Signed



James Scott

Chief Executive (Accounting Officer)

22 May 2018

Staff report

Analysis of staff numbers

An analysis of average staff numbers across the Trust is outlined in the table below:

Average number of employees (WTE basis)	2017/18	2016/17
Medical and dental	556	519
Administration and estates	692	732
Healthcare assistants and other support staff	1369	1221
Nursing, midwifery and health visiting staff	1204	1208
Scientific, therapeutic and technical staff	381	347
Healthcare science staff	144	147
Agency, Bank and other contract staff	279	310
Total average numbers	4625	4484
Of which		
Number of employees (WTE) engaged on capital projects	22	21

Analysis of staff costs for 2017/18

	Permanently Employed £000	Other £000	Total £000
Salaries and wages	153,342	9,171	162,513
Social security costs	15,133	799	15,932
Apprenticeship levy	794	0	794
Pension cost - employer contributions to NHS pension scheme	18,700	745	19,445
Temporary staff - agency/contract staff	0	3,684	3,684
Total Staff Costs	187,969	14,399	202,368

Gender analysis

The number of male and female, senior managers and employees as at 31 March 2018:

Staff Group	Female	Male	Total
Directors	4	4	8
Other Senior Managers*	40	22	62
Other employees	3,965	1,157	5,122
Total	4,009	1,183	5,192

*A review of coding of non-clinical Senior Managers for the purposes of national reporting has been undertaken. This figure now relates to Senior Managers Agenda for Change band 8 and above only.

Sickness absence data

The Trust has robust procedures in place for the management of sickness absence with regular reporting at departmental, divisional and Board of Directors' level.

Total days lost for the year ended 31st December 2017 was 41,790 with Total staff years loss of 4,412, giving average working days lost (WTE) of 9.5.

Staff policies and actions applied during the financial year:

The Trust's Equality and Diversity policy and a variety of other supporting policies are the cornerstone of its approach to equality of employment opportunity. We recognise our responsibility to provide (as far as is reasonably practicable) job security of all employees.

Our policies ensure full and fair consideration of applications for employment made by any individual with a protected characteristic; and for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period; and for the training, career development and promotion of disabled employees.

Our policies aim to ensure that no job applicant or employee receives less favourable treatment where it cannot be shown to be justifiable on the grounds of:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation

Engaging and consulting our employees

The Trust is committed to engaging with all employees and to provide staff with information on a systematic basis on matters of concern to them. The Trust engages and consults both directly with employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests, encourage the involvement of employees in the Trust's performance, and achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the Trust.

The Trust has formal consultation arrangements through the joint staff consultative and negotiating committee to provide information to staff, consult them through their designated local representatives and take their views into account. The Trust also uses a variety of regular forms of communication to secure engagement with staff which include:

- Face-to-face meetings and briefing sessions
- Pay-slip bulletin – information pertinent to everyone (corporate development, employment issues etc) circulated to every member of staff with their monthly pay-slip
- Intranet – staff can access policies and procedures, patient information, an on-line telephone directory and up-to-date news about the Trust, including finance reports, performance reports and minutes from key meetings such as the Council of Governors and Board of Directors

- Email briefings – Intheweek, an email newsletter sent to all staff every Monday via their individual NHS email accounts, on a variety of subjects affecting the Trust – from departmental moves to briefings on clinical issues
- All-staff email – used to share critical information
- Staff magazine – @RUHBath is a colourful newspaper published once a month, packed full of news from around the Trust and with a focus on staff and the roles they play in the organisation
- Posters, leaflets, reports – produced specifically for staff
- Twitter – the Trust has its own private Twitter account which all staff can join
- Membership magazine – Insight Magazine is distributed to members, and our local community and is available across the Trust every quarter and updates the Trust’s membership on service developments, proposals and plans
- The Innovation panel to support and empower staff to put forward and implement ideas for innovation and service improvement.

Our Workforce Strategy sets out how we will attract, recruit and retain appropriately skilled, qualified and experienced staff who share our values, demonstrate our agreed behaviours and who will deliver safe, compassionate, excellent care. It continues to be reviewed to ensure that it reflects the Trust’s needs.

Health and safety performance and health and wellbeing

Since 1 April 2017 the Trust has not received a health and safety Improvement Notice. The Health and Safety Executive has initiated a prosecution under the Health & Safety At Work, Etc. Act 1974, for failure to manage a health and safety risk in relation to legionella.

The Trust is currently involved in a civil litigation case around a health & safety claim. This is a historic case, dating back to 2011. The costs incurred for this case are covered by NHS Resolution, the matter remains subject to legal proceedings.

During the financial year the Trust has seen a significant increase in the number of RIDDOR reportable incidents. The Trust reviews the incidents for any trends and reports through the existing governance committees to ensure that lessons are learned and implemented.

The Trust has reviewed its health and safety arrangements and governance structure this year. As part of the Trust’s arrangements for Health and Safety compliance under the Health and Safety at Work, etc. Act 1974, the Trust has in place a Health and Safety governance framework including a Health and Safety Committee. The Committee receives assurance in line with legislation on Management of Health and Safety at Work Regulations 1999, Water safety (L8), Fire safety (RR(FS)O), as well as the CQC Standards including the CQC regulations 2009 and the Health and Social Care Act 2008, regulation 2014. The Committee oversees the work of several sub committees, such as the safer staff group and safer environment group, which each have devolved responsibilities for various aspects of health and safety across the Trust. When monitoring and reporting on health and safety the Trust uses the Health and Safety Executive’s Reporting of Incidents, Diseases and Dangerous Occurrences Regulations (RIDDOR) system to report as per the regulations.

All staff have access to an Occupational Health service including an Employee Assistance scheme providing confidential counselling services for employees and their families, and progress against the 2016 Health and Wellbeing Strategy is monitored through the Health and Wellbeing Steering Group which reports to the Strategic Workforce Committee.

We support staff to maintain their health and wellbeing through activities including:

- Provision of a comprehensive Occupational Health Service
- Access to dedicated psychological support services

- Access to a Staff Physio Acute Assessment & Self-Management Service
- Spiritual and pastoral care through the Hospital Chaplaincy service
- Schwartz rounds and Trauma Risk Management (TRiM)
- On-site gym, squash courts, cycle schemes
- Open-air swimming pool
- Programme of health and wellbeing campaigns.

The Trust has further demonstrated its commitment to delivering improved health and wellbeing to its employees in the following areas:

- Leadership
- Absence management
- Health & Safety
- Mental health
- Smoking & tobacco
- Physical activity
- Healthy eating
- Alcohol & substance abuse

Information on policies and procedures with respect to countering fraud and corruption

The Trust has policies in place with respect to countering fraud, bribery and corruption. We take a proactive approach to raising awareness of the potential for fraud, bribery and corruption amongst our staff and work closely with the counter-fraud service to ensure preventative measures are in place. The Trust has an annual work plan in place which reflects activity relevant to the Trust and the NHS Protect Standards for Providers: Fraud, Bribery and Corruption, and engages an accredited Counter Fraud Specialist to support the activity detailed within the counter-fraud work plan.

Additional mandatory disclosures – Disclosures on Trade Union Facility Time

Relevant union officials

The total number of employees who were relevant union officials during 2017/18 was:

Number of employees who were relevant union officials 17/18	Full-time equivalent employee number
54	4,382

Percentage of time spent on facility time during 17/18

Percentage of time	Number of employees
0%	-
1-50%	53
51%-99%	1
100%	-

Percentage of time spent on facility time during 17/18

Total cost of facility time	£27,639.00
Total pay bill	£191,845.00
% of total pay bill spent on facility time	0.014%

Paid trade union activities during 17/18

Time spent on paid trade union activities as a percentage of total paid facility time hours	100%
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Staff survey

Staff engagement

The Trust monitors staff engagement using the key indicators in the annual NHS Staff Survey, and the Friends and Family Test (FFT) for Staff results. Over the past six years the Trust engagement score, as evidenced in the NHS Staff Survey, has improved from 3.63 in 2012 to 3.81 in 2017. The national average score for acute trusts in 2017 was 3.79, which means that the RUH score was slightly above average when compared with similar Trusts.

The Trust's focus for staff engagement in the year 2017/18 was to respond to concerns raised about staffing levels, particularly within nursing. A Nursing, Midwifery and Care Staff strategy has been developed, regular nursing open days take place, a Spring Apprenticeship Conference takes place annually to encourage young people to consider a career in the NHS, the Trust runs a number of programmes designed to increase the nursing workforce including Return to Practice, Nursing Associate, Trainee Nursing Associates, an internal transfer process established to enable staff to move areas, and the Trust is actively recruiting registered nurses through international recruitment.

In response to concerns raised by staff about the levels of violence and aggression from patients, families and visitors the Trust commissioned Prevention and Management of Violence and Aggression training from mental health specialists. An evaluation indicates the training provides staff with the skills needed to manage situations of physical violence at work.

Feedback about plans to address issues raised in the staff survey are shared with staff in the Trust's corporate publications, @RUH and the weekly email bulletin sent to all staff.

We continue to embed the values co-created with staff, patients, carers and their families. To enable this, our values are introduced to all new staff at induction, all staff discuss how they put the values into practice in their work at their annual appraisal and the values underpin key people management policies. When asked if the values were discussed as part of appraisal, 81% of staff said 'yes definitely' or 'yes to some extent'.

The importance of appreciation is important at the RUH. Our web-enabled engagement tool launched two years ago continues to be used by managers and colleagues to thank each other. Since the tool's launch over 5,000 messages of thanks have been sent and the behaviours most recognised in colleagues are associated with the value 'making a difference'.

Summary of performance – NHS Staff Survey

All staff across the Trust were invited to complete the annual NHS Staff Survey and a total of 2,279 responses were received, a response rate of 45%, which is a slightly higher rate than the average for acute trusts (44%) in England and reflects the hard work and effort that has been put in place throughout 2017 to engage with staff, during what has been another year of significant organisational change and operational challenges.

Areas of particular success and challenge are outlined below:

Summary of Performance	2017/18		2016/17	
Response rate	RUH	National Average	RUH	National Average
	45%	44%	46%	43%

Top Five Ranking Scores:	2017		2016		
	RUH 2017	Avrg 2017	RUH 2016	Avrg 2016	
KF21 Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	89%	85%	89%	87%	No Change
KF18 Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves	49%	52%	48%	56%	Improvement
KF17 Percentage of staff feeling unwell due to work related stress in the last 12 months	34%	36%	35%	35%	Improvement
KF11. Percentage of staff appraised in last 12 months	89%	86%	89%	87%	No Change
KF12. Quality of appraisals	3.16	3.11	3.17	3.11	Deterioration

Bottom Five Ranking Scores	2017		2016		
	RUH 2017	Avrg 2017	RUH 2016	Avrg 2016	
KF2 Staff satisfaction with the quality of work and care they are able to deliver	3.77	3.91	3.86	3.96	Deterioration
KF15 Percentage of staff satisfied with the opportunities for flexible working patterns	47%	51%	50%	51%	Deterioration
KF31 Staff confidence and security in reporting unsafe clinical practice	3.55	3.65	3.57	3.65	No Change
KF13. Quality of non-mandatory training, learning or development	4.00	4.05	4.00	4.05	No Change
KF29 Percentage of staff reporting errors, near misses or incidents witnessed in the last month	89%	90%	89%	90%	No Change

Addressing our key priorities and targets

Our staff survey results offer us a framework upon which to further improve staff experience and engagement - addressing areas of concern and further building on areas in which we are performing well. Action plans include a corporate plan and divisional plans enabling tailored actions to be put in place and to monitor improvements.

Reporting of errors, unsafe clinical practice and experience of violence are being addressed through the corporate plan. We also have a keen focus on 'everyone matters' and have committed to a programme of "Managing Challenging Behaviour and Restraint Training" to more staff to ensure that staff in clinical divisions, working on wards and departments (particularly Registered Nurses, Healthcare Assistants and Physiotherapists), are supported and have effective systems in place to address abuse, harassment, bullying and violence against staff from patients, their relatives and carers.

We have continued our Staff Engagement/Values Embedding Programme during 2017/18. Areas of priority have included consolidation of the values into our day-to-day activities and behaviours, further improving recognition of the achievements of our employees and ensuring staff at all levels have the opportunities to make improvements to further enhance staff experience and patient care. The Staff Experience Steering Group provides strategic leadership to the staff engagement programme of work. Monitoring arrangements for the Trust's staff engagement work is through the Trust's governance committees, Strategic Workforce Committee, Management Board and the Trust Board of Directors. The Trust is developing an organisation wide intervention to engage staff in delivering its strategy and this will be the focus for staff engagement activity in the year ahead.

The development and monitoring of the plans is co-ordinated by the Deputy Director of People through a Staff Survey Working Group reporting to the Strategic Workforce Committee, and through the Safe-Staffing Group reporting to the Health and Safety Committee. Both committees report into the Trust Board of Directors. Progress against key priority areas of the programme will be kept under

regular review via the Executive Performance Reviews and monitored bi-annually by the Board of Directors.

Expenditure on consultancy

Expenditure on consultancy, as defined in the Department of Health's Group Accounting Manual 2017/18, during 2017/18 was £ 413k (£959k in 2016/17).

Off-payroll engagements

Engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months:

Table 1: For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months:

No. of existing engagements as of 31 March 2017	6
Of which...	
No. that have existed for less than one year at time of reporting.	3
No. that have existed for between one and two years at time of reporting.	3
No. that have existed for between two and three years at time of reporting.	-
No. that have existed for between three and four years at time of reporting.	-
No. that have existed for four or more years at time of reporting.	-

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months:

Number of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	3
Of which:	
Number assessed as within the scope of IR35	-
Number assessed as not within the scope of IR35	3
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	-
Number of engagements reassessed for consistency/ assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review.	-

There were no off-payroll engagements of board member and/or senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018.

Exit packages

Details of exit packages for 2017-18:

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	12	12
£10,000 - £25,000	-	2	2
£25,001 - £50,000	-	-	-
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
>£150,000	-	-	-
Total number of exit packages by type	-	14	14
Total resource cost (£'000)	-	82	82

Details of exit packages for 2016-17:

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	8	8
£10,000 - £25,000	1	-	1
£25,001 - £50,000	-	1	1
£50,001 - £100,000	-	-	-
£100,001 - £150,000	-	-	-
>£150,000	-	-	-
Total number of exit packages by type	1	9	10
Total resource cost (£'000)	14	49	63

Details of other departures payments 2017-18 and 2016-2017:

	2017-2018		2016-2017	
	Agreements Number	Total Value of Agreements £000	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs.	-	-	1	28
Mutually agreed resignations (MARS) contractual costs.	-	-	-	-
Early retirements in the efficiency of the service contractual costs.	-	-	-	-
Contractual payments in lieu of notice.	14	82	8	21
Exit payments following Employment Tribunals or court orders.	-	-	-	-
Non-contractual payments requiring MHT approval.	-	-	-	-
Total	14	82	9	49

Governance of the Trust

Role of the Board of Directors

The Board of Directors is collectively responsible for the exercise of powers and the performance of the Trust. It is legally responsible for the delivery of high quality, effective services and for making decisions relating to the strategic direction, financial control and performance of the Trust. The Board of Directors attaches great importance to ensuring that the Trust operates to high ethical and compliance standards. In addition, it seeks to adhere to the principles of good corporate practice as set out in the *NHS Foundation Trust Code of Governance*.

The Board of Directors is responsible for:

- Determining the strategic direction of the Trust in consultation with the Council of Governors;
- Setting targets, monitoring performance and ensuring the resources are used in the most appropriate way;
- Providing leadership of the Trust within a framework of prudent and effective controls, which enables risk to be assessed and managed;
- Making sure the Trust performs in the best interests of the public, within legal and statutory requirements;
- Ensuring the quality and safety of healthcare services delivered by the Trust and applying principles and standards of quality governance set out by the Department of Health, the Care Quality Commission and other relevant NHS bodies;
- Being accountable for the services provided and how public funds are spent and exercising those functions effectively, efficiently and economically;
- Effective governance measures;
- Specific duties relating to audit, remuneration, clinical governance, charitable funds and risk assurance;
- Compliance with the Trust's provider licence; and
- Compliance with the Trust's Constitution.

The Board of Directors meets monthly (with the exception of August) with provision to hold extraordinary meetings as and when required. The Board of Directors has a formal schedule of matters specifically reserved for its decisions. This includes approving strategy, business plans and budgets, regulations and control, annual report and monitoring how the strategy is implemented at an operational level. The Board of Directors delegates other matters to its sub-committees and to the Executive Directors and senior management.

Board of Directors focus

Annually, the content of agendas for the following twelve months is agreed to ensure there is a good order and appropriate timing to the management of the above responsibilities and functions.

Board meetings follow a formal agenda which is ordered under the headings of:

- Quality, patient safety, effectiveness and experience
- Operational performance and use of resources
- Corporate governance, risk and regulatory, and
- Strategy and business planning and improvement.

The Board of Directors has timely access to all relevant operational, financial, regulatory and quality information. Upon appointment to the Board of Directors, all Directors (Executive and Non-Executive)

are fully briefed about their roles and responsibilities. Ongoing development is provided collectively by the monthly Board Seminars and Away Days and individual training needs are assessed through the appraisal process. All Directors attend regional and national events.

The Board of Directors develops its understanding of the views of governors and members/stakeholders through a variety of mechanisms. This includes Executive and Non-Executive Director attendance at meetings of the Council of Governors and its working groups; attendance at joint Board and Council away day events; participation in meetings involving members, such as at the Annual Members' Meeting, at the Members' *Caring for You* events; and Executive Director attendance at Governor Constituency meetings.

Appointment of a New Non-Executive Director

The Council of Governors Nominations and Remuneration Committee met on 28 September 2017 to discuss the recruitment process to appoint a new Non-Executive Director to replace Moira Brennan, Non-Executive Director when her term of office ended on 31 March 2018. The Committee approved the appointment of an external recruitment agency to assist the Trust with the recruitment and selection process.

Chairman

The Chairman is responsible for ensuring that the Board of Directors focuses on the strategic development of the Trust and for ensuring robust governance and accountability arrangements are in place, as well as evaluating the performance of the Board of Directors, its committees and individual Non-Executive Directors.

Non-Executive Directors

Non-Executive Directors share the corporate responsibility for ensuring that the Trust is run efficiently, economically and effectively. Non-Executive Directors use their expertise to scrutinise the performance of management, monitor the reporting of performance and satisfy themselves as to the integrity of financial, clinical and other information. The Non-Executive Directors also fulfil their responsibility for determining appropriate levels of remuneration for Executive Directors.

Non-Executive Directors are appointed for a three-year term of office. A Non-Executive Director can be reappointed for a second three-year term subject to the recommendation of the Council of Governors' Nominations and Remuneration Committee and approval by the Council of Governors. A Non-Executive Directors' term of office can be extended beyond a second term on an annual case-by-case basis by the Council of Governors, subject to a formal recommendation from the Chairman, satisfactory performance and the needs of the Board of Directors. In any event, no Non-Executive Director will serve more than nine years. Removal of the Chairman or another Non-Executive Director shall require the approval of three quarters of the members of the Council of Governors.

The Chairman and other Non-Executive Directors and the Chief Executive (except in the case of the appointment of a new Chief Executive) are responsible for deciding the appointment of Executive Directors. The Chairman and other Non-Executive Directors are responsible for the appointment and removal of the Chief Executive, whose appointment requires approval by the Council of Governors.

Board of Directors Completeness

The Directors' summary biographies describe the skills, experience and expertise of each Director. There is a clear separation of the roles of the Chairman and the Chief Executive.

All of the Non-Executive Directors of the Trust are considered to be independent in accordance with NHS Foundation Trust Code of Governance as published by NHS Improvement. The Board considers

that the Non-Executive Directors bring a wide range of business, commercial and financial knowledge required for the successful direction of the Trust.

The balance, completeness and appropriateness of the Board of Directors is reviewed at least annually to ensure its effectiveness. In 2017/18 this was undertaken by Non-Executive Directors, the Executive Team and the members of the Council of Governors' Nominations and Remuneration Committee as part of the discussions around the appointment of a new Non-Executive Director to replace Moira Brennan whose term of office ended on 31 March 2018. At the present time, the Board is satisfied as to its balance, completeness and appropriateness and will continue to keep these matters under review in consultation with the Council of Governors.

Board evaluation and development

Evaluation of the Chairman's performance is led by the Senior Independent Director under the auspices of the Council of Governors' Nominations and Remuneration Committee, which is also responsible for evaluating the performance of the Non-Executive Directors. The Chief Executive's performance is evaluated by the Chairman. The Chief Executive is responsible for undertaking an evaluation of the performance of individual Executive Directors, the outcome of which is reported to the Board of Directors' Nominations and Remuneration Committee. Each Committee of the Board of Directors undertakes an annual self-assessment and reports the outcome to the Board of Directors.

The Board of Directors undertakes an annual development review of its performance and its effectiveness as a unitary board. The Board of Directors holds a minimum of four away day sessions during the year, which provide an opportunity for the Board to debate strategic issues in an informal setting. The Board of Directors also has a programme of Board Seminars held after Board meetings on a range of topical issues. Individual Directors attend a range of formal and informal training and networking events as part of their ongoing development.

The Trust has undertaken an external Well-Led Governance Review during 2017/18 in line with NHS Improvement's guidance. The external review was undertaken by Ernst & Young management consultants who last supported the Trust during its application for Foundation Trust status in 2014/15.

Board Committees

The Board of Directors have delegated responsibilities to sub-committees to undertake specified activities and provide assurance to Board members. The Committees provide the Board of Directors with a written report of their proceedings. A summary of each committee's role is set out below:

Management Board

The Management Board consists of all the Executive Directors and is chaired by James Scott, Chief Executive. It has delegated powers from the Board of Directors to oversee the day-to-day management of an effective system of integrated governance, risk management and internal control across the whole organisation's activities (both clinical and non-clinical), which also supports the achievement of the organisation's objectives.

Audit Committee

The Audit Committee was chaired by Moira Brennan, Non-Executive Director. The Audit Committee is responsible for:

- Governance - reviewing the establishment and maintenance of an effective system of internal control and probity across the whole of the organisation's activities;

- Internal Audit - ensuring that there is an effective internal audit function established by the Trust that meets mandatory NHS Internal Audit Standards;
- External Audit - reviewing the work and findings of the External Auditor and considering the implications and management response to their work;
- Local Counter-Fraud - ensuring that there is an effective counter-fraud function established by management that meets NHS Counter-Fraud standards;
- Management - reviewing reports and positive assurances from Directors and managers on the overall arrangements for governance, probity and internal control; and
- Risk Management - assuring the Board of Directors that the Risk Management system operating within the Trust is robust and effective.

In addition to its standing items of business, which include debtor and creditor analysis, internal audit recommendation tracker, financial risks on the Board Assurance Framework, Internal Audit Reports, External Audit Reports and Counter-Fraud progress reports, the Audit Committee has reviewed risk management systems and processes.

There were no significant issues relating to the financial statements, operations or compliance considered by the Audit Committee during the year.

The Audit Committee is also responsible for monitoring the external auditor's independence and objectivity, including the effectiveness of the audit process. There is an annual review undertaken by the members of the Committee, assessing the performance of all the external audit providers against an agreed set of KPIs. These KPIs include verifying compliance with statutory requirements and deadlines, communication with key senior management personnel, satisfactory planning processes, and confirmation that the provision of staff to carry out work for the Trust are those named and qualified to do so.

The current external auditor, Deloitte, was appointed with effect from 1 April 2016; this followed an appropriate tender process as detailed in the Trust SFIs and was approved by the Council of Governors following recommendation by the Committee.

Deloitte has not provided any non-audit services for the Trust in 2017/18.

Non-Clinical Governance Committee (NCGC)

The Non-Clinical Governance Committee is chaired by Joanna Hole, Non-Executive Director. The NCGC focuses primarily on providing assurance to the Board that the Trust has a robust framework for the management of risks arising from or associated with: estates and facilities; environment and equipment; health and safety; workforce; reputation management; information governance; business continuity; business development and other non-clinical areas as may be identified.

Clinical Governance Committee

The Clinical Governance Committee is chaired by Jane Scadding, Non-Executive Director.. The Committee focuses primarily on providing assurance to the Board that the Trust has a robust framework for the management of risks arising from or associated with incident management and reporting, quality improvement, compliance with the Care Quality Commission's standards, medical records, patient experience, research and development, and maintaining clinical competence.

Joint Committee Meetings

The Non-Clinical Governance Committee and Clinical Governance Committee hold six-monthly joint meetings to seek assurance of key systems and processes which impact on both non-clinical and clinical areas.

Board of Directors' Nominations and Remuneration Committee

The Board of Directors' Nominations and Remuneration Committee is chaired by Brian Stables, Chairman. The Committee's key roles and responsibilities are to appoint the Chief Executive and the Executive Directors and to determine the appropriate employment and remuneration and terms of employment for the Chief Executive and Executive Directors.

The Charities Committee

From January 2016, the Charities Committee has been chaired by Moira Brennan, Non-Executive Director. The Royal United Hospital Charitable Fund was formed under a Deed dated 10 September 1996 as amended by a Supplemental Deed dated 9 December 2009. It is registered with the Charity Commission in England and Wales (Registered number 1058323) ("the Charity").

The Trust is the Corporate Trustee of the Charity, acting through its voting Board of Director members who are collectively referred to as the Trustee's Representatives ("Trustees") and their duties are those of trustees.

The main beneficiaries of the Charity are the Trust's patients and staff through the provision of grants to the Trust for purchasing and developing facilities; training and development of staff; and research and development.

The Charity's structure is diverse and reflects the breadth of variety of activities within the Trust. There are in excess of 70 separate funds.

The Charitable Fund has a significant and proactive fundraising operation in the form of The Forever Friends Appeal that is primarily, but not totally, focused on principal campaigns agreed with the Charities Committee and the Corporate Trustee.

Whilst the Charities Committee is a formal sub-committee of the Board of Directors, arrangements have been implemented to operate this group and the Full Corporate Trustee of the charity at arm's length from the Trust. These arrangements include: a formal service level agreement between the Trust and the charity outlining the support and associated costs to the charity, reporting to the Full Corporate Trustee of the Charity Annual Report and Accounts and a separate charity strategy.

Commercial Transactions Steering Group

The Commercial Transactions Steering Group is chaired by the Chief Executive. It meets to provide detailed scrutiny and assurance of aspects of tenders and other significant transactions as delegated by the Board of Directors.

Fit for the Future Board

The Fit for the Future Board is chaired by the Chief Executive and its members include two Non-Executive Directors. The primary objective of the Fit for the Future Board has been to shape, review and challenge the Trust-wide transformation programme across key themes including transformation, acute and community integration, productivity and implementing the recommendations from Lord Carter's review of NHS efficiency as well as to review, challenge and support the actions taken by the Trust to achieve its target for four-hour performance.

Board of Directors Membership and Attendance: 1 April 2017 to 31 March 2018

	Board of Directors (11 meetings)	Audit Committee (5 meetings)	Non-Clinical Governance Committee (6 meetings)	Clinical Governance Committee (5 meetings)	Joint Clinical and Non-Clinical Governance Committee (1 meetings)	Board of Directors' Nominations and Remuneration Committee (3 meetings)	Commercial Transactions Steering Group (6 meetings)	Charities Committee (4 meetings)	Fit for the Future Board (4 meetings)	Management Board (12 meetings)
Brian Stables Chairman	11/11	-	-	-	-	3/3	6/6	4/4	4/4	-
Joanna Hole Non-Executive Director, Vice Chairman and Senior Independent Director	10/11	5/5	6/6	-	1/1	3/3	-	-	-	-
Jane Scadding Non-Executive Director	8/11	-	-	4/5	-	2/3	-	-	1/4	-
Moira Brennan Non-Executive Director	11/11	5/5	-	-	-	3/3	5/6	4/4	-	-
Nigel Sullivan Non-Executive Director	07/11	-	6/6	-	1/1	2/3	-	-	-	-
Jeremy Boss Non-Executive Director	11/11	4/5	-	5/5	1/1	3/3	4/6	2/4	-	-
James Scott Chief Executive	11/11	-	-	-	-	3/3	4/6	-	1/4	9/12
Sarah Truelove Deputy Chief Executive & Director of Finance	7/8	4/4	4/5	-	1/1	-	3/5	3/3	3/4	6/12

	Management Board (12 meetings)	Fit for the Future Board (4 meetings)	Charities Committee (4 meetings)	Commercial Transactions Steering Group (6 meetings)	Board of Directors' Nominations and Remuneration Committee (3 meetings)	Joint Clinical and Non-Clinical Governance Committee (1 meetings)	Clinical Governance Committee (5 meetings)	Non-Clinical Governance Committee (6 meetings)	Audit Committee (5 meetings)	Board of Directors (11 meetings)
Peter Hollinshead Interim Director of Finance	2/2	-	1/1	1/1	-	-	-	-	1/1	2/2
Helen Blanchard Director of Nursing & Midwifery	6/8	1/3	-	-	-	2/3	1/1	-	-	6/9
Lisa Cheek Acting Director of Nursing & Midwifery	3/3	3/4	-	-	-	2/2	-	-	1/1	3/3
Claire Buchanan Director of Human Resources	5/5	2/3	-	-	1/1	-	3/3	-	-	5/6
Victoria Downing-Burn Acting Director of People	6/6	1/1	-	-	2/2	-	3/3	-	-	6/6
Tim Craft Medical Director	6/6	2/3	-	-	-	4/4	-	-	-	6/7
Bernie Marden Acting Medical Director	5/5	0/1	-	-	-	1/1	-	-	-	4/5
Jocelyn Foster Commercial Director	10/11	2/4	4/4	5/6	-	1/1	6/6	-	-	11/12
Francesca Thompson Chief Operating Officer	10/11	4/4	-	-	-	1/1	3/6	-	-	9/12

The Council of Governors

Composition, roles and responsibilities

The Council of Governors consists of 21 Governors:

- 11 Public Governors (elected by public members)
- 5 Staff Governors (elected by staff members)
- 5 Stakeholder Governors (appointed by their organisation)

The Council of Governors (CoG) is chaired by the Trust Chairman Brian Stables. Governors at the Royal United Hospitals Bath are the direct link between the NHS Foundation Trust's members and the Trust. The Council of Governors' prime role is to represent the interests and views of Trust members, the local community, other stakeholders and the public in general. The Council has a right to be consulted on the Trust's strategies and plans and any matter of significance affecting the Trust or the services it provides.

The Council of Governors' roles and responsibilities are set out in law and are detailed in the Trust's Constitution. The work of the Governors is divided between their statutory and non-statutory duties.

The statutory powers and duties of the Council of Governors include:

- Appoint and, if appropriate, remove the Chairman and other Non-Executive Directors;
- Determine the remuneration and allowances and other terms and conditions of office of the Chairman and other Non-Executive Directors;
- Approve the appointment of the Chief Executive;
- Approve and, if appropriate, remove the NHS Foundation Trust's Auditors;
- Receive the NHS Foundation Trust's annual accounts, any report from the auditor on them, and the annual report;
- Approve changes to the Trust's Constitution (a joint responsibility with the Board of Directors)
- Approve any proposal by the Trust to enter into a significant transaction;
- Approve any application by the Trust to enter into a merger, acquisition, separation or dissolution; and
- Approve any proposed increase of more than 5% of total income in the amount of the Trust's income attributable to activities other than the provision of goods and services for the purposes of the health service in England.

In preparing the NHS Foundation Trust's forward plan, the Board of Directors must have regard to the views of the Council of Governors.

2017 Governor Elections

During 2017 the Trust held an election to elect three staff governors and six public governors. This was the second constituency-wide election for new governors since becoming an NHS Foundation Trust hospital in 2014.

Six of the seven constituencies had a contested election which resulted in the Governors for City of Bath, North East Somerset and Mendip being re-elected. The Rest of England Governor was appointed following a by-election and the Governor for South Wiltshire was confirmed through an uncontested election.

The voting turnout was good. The full election report can be found on our website www.ruh.nhs.uk/membership.

Register of Governors

The register of Governors for the period 1 April 2017 to 31 March 2018 is:

Name	Constituency	Term of Office ends
Public Governors		
Amanda Buss*	City of Bath	31 October 2020
Mike Midgely	City of Bath	31 October 2019
Helen Rogers*	North East Somerset	31 October 2020
Nick Houlton	North East Somerset	31 October 2019
Michael Welton*	Somerset (Mendip)	31 October 2020
Anne Martin	Somerset (Mendip)	31 October 2019
Jan Taylor	North Wiltshire	31 October 2017
Chris Callow (Lead Governor)	North Wiltshire	31 October 2019
Jacek Kownacki*	North Wiltshire	31 October 2020
Jane Shaw	South Wiltshire	31 October 2017
James Colquhoun	South Wiltshire	31 October 2019
Chris Hardy*	South Wiltshire	31 October 2020
Bill Aiken	Rest of England & Wales	31 October 2017
Andrew Simkins*	Rest of England & Wales	31 October 2020
Staff Governors		
Phill Lunt	Staff	31 October 2017
Hassan El-Wakeel	Staff	31 October 2017
Julie Scriven	Staff	31 October 2019
David Chodkiewicz**	Staff	Stood down February
Mike Coupe	Staff	31 October 2020
Kate Fryer	Staff	31 October 2020
Darrin King	Staff	31 October 2020
Shaun Lomax***	Staff	31 October 2019
Stakeholder Governors (appointed)		
Dr Ian Orpen	BaNES CCG	31 October 2020
Cllr Vic Pritchard	BaNES Council	31 October 2020
Dr Andrew Girdher	Wiltshire CCG	31 October 2020
Cllr Keith Humphries	Wiltshire Council	31 October 2017
Cllr Johnny Kidney	Wiltshire Council	30 September 2020
Prf. Julian Hughes	University of Bristol	31 March 2019

*These governors were elected or re-elected in 2017.

**Dave Chodkiewicz, Staff Governor, stood down in February 2018. The Trust's Constitution allows the Trust to invite the next highest polling candidate from the most recent election to fill the Governor vacancy for the remainder of the term (until 31 October 2019).

***Shaun Lomax who stood in the 2017 election agreed to take up the position until 31 October 2019.

During the Council of Governors' meeting held on 6 December 2016, the Chairman asked all Governors to consider if they wished to put themselves forward for the role of Lead Governor and submit any expressions of interest and supporting statements to the Membership Office. An anonymous ballot took place and the Council of Governors confirmed the appointment of Chris Callow as Lead Governor on 6 March 2017.

Link with the Board of Directors

The Council of Governors holds the Non-Executive Directors to account for the performance of the Board. This increases the level of local accountability in public services. The Council of Governors is required to advise the Board of Directors regarding future plans and strategies and the monitoring of performance against the Trust's strategic direction. Through contact with members and the public at events such as constituency meetings, Caring for You, the Annual General Meeting and through other engagement activities, Governors have an opportunity to listen to members and the public and to represent their views on a wide range of matters relating to the Trust's forward plans, priorities and strategies.

Governors have been engaged in the development of the Trust's new three year Strategy via the Council of Governors Working Groups and via strategic engagement events. The opinions of the Trust's members and the public on the new Strategy have been canvased via information stands at the Annual Members Meeting, Governor constituency meetings, correspondence and circulars and Strategy Workshop Sessions.

The Board of Directors uses a variety of methods to ensure that they take account of, and understand, the views expressed by Governors and members. The Council of Governors is chaired by the Chairman and these meetings are attended by the Chief Executive. Non-Executive Directors are invited to attend meetings and other Directors attend to report on items relating to their responsibilities. Non-Executive Directors take part in Director-led presentations in order to provide further assurance. The Governors have the opportunity to question Executive and Non-Executive Directors. There is also a programme of seminars hosted by the Non-Executive Director Chairs of the Assurance Committees.

The Board of Directors and Council of Governors also hold an annual joint away day to provide an opportunity for informal discussions. Although meetings of the Board of Directors are held in public and Governors can and do attend, the Chairman writes to all Governors after every Board of Directors' meeting setting out a summary of the key items discussed at the meeting, and the decisions taken within both the public and the private meetings, and responds to any questions or concerns that Governors may have.

In the event of a dispute between the Council of Governors and the Board of Directors, in the first instance the Chairman would endeavour to resolve the dispute. If the Chairman was not able to resolve the dispute, the Senior Independent Director and Lead Governor would jointly attempt to resolve the dispute. Should the Senior Independent Director and Lead Governor not be able to resolve the dispute, the Board of Directors, pursuant to section 15(2) of Schedule 7 of the 2006 Act, would decide the disputed matter.

Board Monitoring Group

Each month a small group of Public Governors attend meetings of the Board of Directors (BoD). The aim of the Board Monitoring Group is to improve how the Council of Governors holds the Non-Executive Directors (NEDs) to account for the performance of the Board. Attendance at meetings and reading the Board papers has enabled Governors to see the Board in action and in particular the NEDs questioning Executive Directors. The Governors write a report to CoG with suggestions for the priority issues to be raised with Non-Executive Directors and Governor Working Groups.

Council of Governor Meetings

The Council of Governors has met on the following occasions:

- 8 June 2017 – scheduled meeting
- 5 September 2017 – scheduled meeting
- 5 December 2017 – scheduled meeting
- 6 March 2018 – scheduled meeting

The following table summarises Governor attendance at Council of Governor meetings 1 April 2017 to 31 March 2018:

Name	Constituency	Attendance
Public Governors		
Amanda Buss	City of Bath	4 of 4
Mike Midgley	City of Bath	4 of 4
Helen Rogers	North East Somerset	2 of 4
Nick Houlton	North East Somerset	4 of 4
Michael Welton	Somerset (Mendip)	4 of 4
Anne Martin	Somerset (Mendip)	4 of 4
Jan Taylor	North Wiltshire	1 of 2
Chris Callow	North Wiltshire	4 of 4
Jacek Kownacki	North Wiltshire	2 of 2
Jane Shaw	South Wiltshire	2 of 2
James Colquhoun	South Wiltshire	3 of 4
Chris Hardy	South Wiltshire	1 of 2
Bill Aiken	Rest of England & Wales	2 of 2
Andrew Simkins	Rest of England & Wales	1 of 1
Staff Governors		
Shaun Lomax	Staff	3 of 3
Phill Lunt	Staff	0 of 2
Hassan El-Wakeel	Staff	1 of 2
Michael Coupe	Staff	2 of 2
David Chodkiewicz	Staff	1 of 3
Julie Scriven	Staff	3 of 4
Darrin King	Staff	0 of 2
Kate Fryer	Staff	1 of 2
Stakeholder Governors (appointed)		
Dr Ian Orpen	BaNES CCG	3 of 4
Cllr Vic Pritchard	BaNES Council	4 of 4
Dr Andrew Girdher	Wiltshire CCG	1 of 4
Cllr Johnny Kidney	Wiltshire Council	2 of 2
Prof. Julian Hughes	University of Bristol	4 of 4

The Chief Executive attended 3 of 4 Council of Governor meetings with the Deputy Chief Executive deputising, other Directors attended as requested by the Governors.

Council of Governors' Nominations and Remuneration Committee

During 2017-18 the Nomination and Remuneration Committee has undertaken the following work:

- Participated in the appointment process for a new Non-Executive Director and made a recommendation on the appointment for the Council of Governors' approval;
- Approved the extension of Moira Brennan, Non-Executive Director's term until March 2018;
- Approved for Nigel Sullivan, Non-Executive Director to continue in his position having not attended two consecutive meetings of the Board of Directors as specified in his statutory duty

On 6 March 2018, the Council of Governors approved the recommendations of the committee in respect of the new Non-Executive Director appointment.

Governor working groups

Governors continue to fulfil both their statutory and non-statutory duties through their established working groups. Governor working groups are supported by the Membership & Governance Manager, and include an Executive Director lead. All working group agendas include an item for the Governors to develop assurance questions to ask the Non-Executive Directors should further assurance be required post-meeting.

The working groups which have been developed are:

- Governor Strategy & Business Planning Working Group
- Governor Quality Working Group
- Governor Membership & Outreach Working Group

The working groups do not have decision-making powers, but will make recommendations for the approval of the full Council of Governors. Each group is chaired by a Governor and has an Executive Lead.

There are a number of ways for members and the public to communicate with the Governors:

- Post: RUH Membership Office (D1) , Royal United Hospitals Bath NHS Foundation Trust, Combe Park, Bath, BA1 3NG
- Email: RUHmembership@nhs.net
- Telephone: 01225 821299, 01225 826288 or 01225 821262

Foundation Trust Membership

Being an NHS Foundation Trust means that we are a membership-led organisation that has a duty to be responsive to and meet the needs of our local community. We are accountable to our members who are represented by an elected Council of Governors. The Royal United Hospitals Bath NHS Foundation Trust is made of public and staff members.

Members are able to:

- Have a say over how services at the RUH are run;
- Provide feedback based on personal experiences as well as those of family and friends;
- Come to special Members' events to gain an insight into the hospital's activities;
- Vote for the public governors who will represent the members and hold the hospital to account;
- Take responsibility for shaping the services provided by the RUH now and in the future;
- Receive copies of Insight, the hospital's quarterly community magazine;
- Take part in focus groups and surveys to help improve patient experience.

Public members

Anyone who is aged 16 or over and lives in England and Wales can become a member of the RUH. We have six public member constituencies as follows:

- City of Bath
- North East Somerset
- Mendip
- North Wiltshire
- South Wiltshire
- Rest of England and Wales

Staff members

Staff who are permanently employed or hold a fixed term contract of at least 12 months are automatically registered as members unless they choose to opt out. Staff members are represented by five governors.

How many members do we have?

The table below highlights the Trust's actual and target public membership figures for 31 March 2018:

Category	Actual 31 March 2018	Target 31 March 2018
Public	11,772	12,350
Staff	5,589	5,500
Total	17,361	17,850

Constituency breakdown	As at 31 March 2018
City of Bath	2,546
North-East Somerset	2,019
Mendip	1,288
North Wiltshire	1,803
South Wiltshire	2,387
Rest of England and Wales	1,741
Staff	5,589

Membership size and movements		
Public constituency	Last year (2017/18)	Next year 2018/19 (predicted)
At 1 April	11,349	11,799
New members	900	1,601
Members leaving	477	400
At 31 March	11,772	13,000
Staff constituency	Last year (2017/18)	
At 1 April	5,063	5,589
At 31 March	5,589	-

Public Constituency	Number of members	Eligible membership
AGE		
0-16	69	153,545
17-21	1,031	48,667
22+	9,811	591,307
Not stated	884	0
ETHNICITY		
White	10,129	728,501
Mixed	84	9,462
Asian or Asian British	170	11,684
Black or Black British	118	4,764
Arab	4	688
Other	30	1,865
Unknown	1,240	0
SOCIO-ECONOMIC GROUPING		
AB	3,507	60,698
C1	3,457	69,365
C2	2,376	48,403
DE	2,411	45,242
GENDER		
Male	4,074	392,651
Female	7,659	400,865
Transgender	1	0
Unspecified	37	0

Developing a representative membership

The Board of Directors and the Council of Governors are committed to growing the Trust's membership and to ensuring that the membership is representative of the local community served by the Trust. The Council of Governors' Membership and Outreach Working Group reviews membership data on a quarterly basis and develops action plans for targeted membership recruitment activity to increase membership amongst particular groups or localities if membership is unrepresentative. Face-to-face recruitment campaigns take place throughout the year and the Trust aims to increase membership by 1,000 public members each year.

The Public & Staff Membership Development Strategy 2018/19 has been developed by the Membership & Governance Manager in conjunction with the Governor Membership and Outreach Working Group. The working group supports the Trust in growing and developing its membership, evolving methods of communication and engagement with the members and the local community including hard to reach and under-represented groups. It also ensures that the Council of Governors and the Trust take account of the views of its membership, particularly at the Annual Members' Meeting. The Public and Staff Membership Development Strategy sets out objectives to develop further an engaged membership.

The Trust's Membership aim is to ensure that the public is at the heart of everything we do by creating a representative membership and engaging them in the development and transformation of their health services.

The primary objectives are as follows:

- To create an engaged and supportive membership, representative of the public and stakeholders in our area
- To inform members of the health landscape and provide them with the information to access services and make the best health choices
- To enable members to influence the services the Trust offers them and hold the Board to account for the delivery of those services
- To develop the infrastructure and processes to enable efficient and effective dialogue between the Trust Board and its members

Engaging with members

The Trust has 11,772 local people registered as members of the Trust, and a further 5,589 staff members. This is an audience of 17,361 people to seek views and opinions from.

The Trust has a number of feedback mechanisms to ensure regular engagement and communication with members; these include:

- Members' quarterly newsletter and Insight magazine
- E-communications
- Caring for You events
- Governor Constituency meetings
- Online surveys
- Annual Members' Meeting

Throughout 2017/18 the Trust has run a number of engagement events with the public ranging from Caring for You events to Governor Constituency meetings. In 2017/18 there were nine constituency meetings across the region. Each constituency meeting aims to inform attendees about the Trust, but

also seek their views about what could be improved and what is going well. After each meeting every attendee receives an update incorporating “You Said, We Did” style feedback. Additional articles and information is also included in the quarterly members’ magazine Insight, which is disseminated to all public members.

Throughout 2017/18, the Staff Governors continued to engage with staff by attending team meetings to find out more about the experiences of staff and to also inform them about the role of a governor.

Our Caring for You events are designed exclusively for our members and give them and the public the opportunity to step behind the scenes and understand more about the work of the hospital and how it supports the health and wellbeing of local communities.

Each event attracts 80-150 members and events in 2017/18 included Forever Friends Appeal, Falls Prevention, Healthy Minds, a hands-on resuscitation event entitled “Restart the Heart”, End of Life Care, Food and Nutrition and Age Related Macular Degeneration. The aim of the events is to enable members to understand more about the work of the hospital and how it supports the health and wellbeing of the local communities, in order to help them connect more closely with our work.

NHS Foundation Trust Code of Governance

NHS Foundation Trusts in their annual reports are required to disclose information relating to the Code’s requirements. For each item below, the information, its reference in the Code of Governance and its location within the Annual Report are shown. The reference “ARM” indicates a requirement not of the Code of Governance, but of the NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement.

The Trust considers that it complies with the specific disclosure requirements as set out in the NHS Foundation Trust Code of Governance and NHS Foundation Trust Annual Reporting Manual (FT ARM).

Table 1 – Code of Governance sections included in the Annual Report

Ref No	Code Provision	Annual Report and Accounts Section
A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions taken by each of the Boards, and which are delegated to the Executive management of the Board of Directors.	Directors’ Report
A.1.2	The annual report should identify the Chairperson, the Deputy Chairperson, the Chief Executive, the Senior Independent Director and the chairperson and members of the Nominations, Audit and Remuneration Committees. It should also set out the number of meetings of the Board and those committees and individual attendance by Directors.	Directors’ Report
A.5.3	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated Lead Governor.	Directors’ Report

Ref No	Code Provision	Annual Report and Accounts Section
FT ARM	The annual report should include a statement about the number of meetings of the Council of Governors and individual attendance by governors and Directors.	Directors' Report
B.1.1.	The Board of Directors should identify in the annual report each Non-Executive Director it considers to be independent, with reasons where necessary.	Directors' Report
B.1.4	The Board of Directors should include in its annual report a description of each Director's skills, expertise and experience. Alongside this, in the annual report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS Foundation Trust.	Directors' Report
FT ARM	The annual report should include a brief description of the length of appointments of the Non-Executive Directors, and how they may be terminated.	Directors' Report & Remuneration Report
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to Board appointments.	Directors' Report & Remuneration Report
FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chair or Non-Executive Director.	Directors' Report
B.3.1	A Chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	Directors' Report
B.5.6	Governors should canvass the opinion of the Trust's members and the public, and for appointed Governors the body they represent, on the NHS Foundation Trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Governance of the Trust
FT ARM	<p>If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report.</p> <p>This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012.</p> <p>* Power to require one or more of the Directors to attend a Governors' meeting for the purpose of obtaining information about the Foundation Trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the Foundation Trust's or Directors' performance).</p> <p>** As inserted by section 151 (6) of the Health and Social Care Act (2012)</p>	This power has not been exercised.
B.6.1	The Board of Directors should state in the annual report how performance evaluation of the Board, its committees, and its Directors,	Directors' Report

Ref No	Code Provision	Annual Report and Accounts Section
	including the chairperson, has been conducted.	
B.6.2	Where there has been external evaluation of the Board and/or governance of the Trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the Trust.	Governance of the Trust
C.1.1	The Directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Annual Governance Statement
C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement
C.2.2	A trust should disclose in the annual report: a) If it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Annual Governance Statement
C.3.5	If the Council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	N/A
C.3.9	A separate section of the annual report should describe the work of the [Audit] committee in discharging its responsibilities. The report should include: <ul style="list-style-type: none"> the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded. 	Governance of the Trust – Audit Committee
D.1.3	Where an NHS Foundation Trust releases an executive Director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the Director will retain such earnings.	N/A

Ref No	Code Provision	Annual Report and Accounts Section
E.1.4	Contact procedures for members who wish to communicate with governors and/or Directors should be made clearly available to members on the NHS Foundation Trust's website and in the Annual Report.	Governance of the Trust
E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of governors and members about the NHS Foundation Trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	Governance of the Trust
E.1.6	The Board of Directors should monitor how representative the NHS Foundation Trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Governance of the Trust
FT ARM	<p>The annual report should include:</p> <ul style="list-style-type: none"> • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members. 	Governance of the Trust
FT ARM	<p>The annual report should disclose details of company Directorships or other material interests in companies held by governors and/or Directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS Foundation Trust. As each NHS Foundation Trust must have registers of governors' and Directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.</p> <p>See also ARM paragraph 7.33 as Directors' report requirement.</p>	Directors' Report

Table 2: “Comply or explain” assessment of compliance with the 2014 Code of Governance

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

Code Ref	Narrative in the Code	RUH Compliance
A.1.4	The Board should ensure that adequate systems and processes are maintained to measure and monitor the NHS Foundation Trust’s effectiveness, efficiency and economy as well as the quality of its health care delivery.	Confirmed: the Board of Directors receives detailed monthly reports on operational performance, quality and finance. There is a Board Assurance Framework and a system of internal controls in place as detailed in the Annual Governance Statement.
A.1.5	The Board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance.	Confirmed: the Board of Directors receives a monthly operational performance scorecard.
A.1.6	The Board should report on its approach to clinical governance.	Confirmed: the Trust undertook an internal review against the Quality Governance Assurance Framework. The outcome of the self-assessment was reported to the June 2015 Board of Directors’ meeting. The Trust also undertook an internal self-assessment against the Well-Led Governance Framework and commissioned an external assessment against the Well-Led Governance Framework. The outcome of the self-assessment was reported to the December 2017 Board of Directors’ meeting and the draft outcome of the external assessment was reported to the March 2018 Board of Directors meeting. The Annual Quality Accounts also provides details of the Trust’s approach to clinical governance.
A.1.7	The Chief Executive as the Accounting Officer should follow the procedure set out by NHS Improvement for advising the Board and the Council and for recording and submitting objections to decisions.	Confirmed: the Chief Executive is aware of this provision in the Accounting Officer Memorandum.
A.1.8	The Board should establish the constitution and standards of conduct for the NHS Foundation Trust and its staff in accordance with NHS values and accepted standards of behaviour in public life.	Confirmed: the Trust has a Constitution, which was last updated in December 2017. Staff are required to sign the Trust’s Code of Conduct. The Board of Directors annually confirms its adherence to the Nolan standards of public life and the Fit and Proper Person Requirements.
A.1.9	The Board should operate a code of conduct that builds on the values of the NHS Foundation Trust and reflect high standards of probity and responsibility.	Confirmed: The Trust has a Code of Conduct based on the Trust’s values. There are separate codes of conduct for the members of the Board of Directors and Council of Governors. The Board of Directors’ Code of Conduct reflects the

		requirements of the Fit and Proper Persons Test.
A.1.10	The NHS Foundation Trust should arrange appropriate insurance to cover the risk of legal action against its Directors.	Confirmed: the Trust is a member of NHS Resolution. The Trust's NHS Foundation Trust Constitution states that providing Directors act honestly and in good faith, any legal costs incurred in the execution of their functions will be met by the Trust.
A.3.1	The Chairperson should, on appointment by the council, meet the independence criteria set out in B.1.1. A Chief Executive should not go on to be the Chairperson of the same NHS Foundation Trust.	Confirmed: The Trust Chairman and Chief Executive are compliant with this provision. The Trust's Chairman meets the independence criteria.
A.4.1	In consultation with the Council, the Board should appoint one of the independent Directors to be the Senior Independent Director.	Confirmed: The Vice Chairman is the Senior Independent Director. The current Vice-Chairman and Senior Independent Director, Joanna Hole, took up office on 1 November 2015.
A.4.2	The Chairperson should hold meetings with the Non-Executive Directors.	Confirmed: The Trust Chairman holds regular meetings with Non-Executive Directors.
A.4.3	Where Directors have concerns that cannot be resolved about the running of the NHS Foundation Trust or a proposed action, they should ensure that their concerns are recorded in the Board minutes.	Confirmed: All discussions at the Board of Directors' meetings are contained in the minutes of each meeting.
A.5.1	The Council of Governors should meet sufficiently regularly to discharge its duties.	Confirmed: The Council of Governors meets quarterly which is in line with other NHS Foundation Trusts. There is provision to hold additional meetings if required.
A.5.2	The Council of Governors should not be so large as to be unwieldy.	Confirmed: The size of the Council of Governors is considered to be appropriate and is regularly reviewed.
A.5.4	The roles and responsibilities of the Council of Governors should be set out in a written document.	Confirmed: A document setting out the roles and responsibilities of the Council of Governors is available from the Trust's public website and is also set out in the NHS Foundation Trust's Constitution.
A.5.5	The Chairperson is responsible for leadership of both the Board and the Council but the Governors also have a responsibility to make the arrangements work and should take the lead in inviting the Chief Executive to their meetings and inviting attendance by other Executives and Non-Executives, as appropriate.	Confirmed: Members of the Board of Directors (both Executive and Non-Executive) are in attendance at Council of Governor meetings. The Trust holds joint away day sessions for governors and the Board of Directors.
A.5.6	The Council should establish a policy for engagement with the Board of Directors for those circumstances when they have concerns.	Confirmed: The Trust has a Board of Directors' and Council of Governors' engagement policy which sets out the process for governor(s) to raise concerns.
A.5.7	The Council should ensure its interaction and relationship with the Board of Directors is appropriate and effective.	Confirmed: The Board of Directors and Council of Governors keep this relationship under review.

A.5.8	The Council should only exercise its power to remove the Chairperson or any Non-Executive Directors after exhausting all means of engagement with the Board.	Confirmed: The process for removing the Chairman and Non-Executive Directors is set out in the Trust's NHS Foundation Trust's Constitution. Governors are aware of this provision and of the consequences of using this power.
A.5.9	The Council should receive and consider other appropriate information required to enable it to discharge its duties.	Confirmed: The Trust is compliant with this provision and provides extensive information to the Council of Governors via regular reports and through the Councils various working groups.
B.1.2	At least half the Board, excluding the Chairperson, should comprise Non-Executive Directors determined by the Board to be independent.	Confirmed: The Trust is compliant with this provision. All Non-Executives are considered to be independent.
B.1.3	No individual should hold, at the same time, positions of Director and governor of any NHS Foundation Trust.	Confirmed: The Trust is compliant with this provision, which is incorporated into its Constitution. Directors and governors are aware of this provision.
B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of Executive and Non-Executive Directors.	Confirmed: This provision is set out in Trust's Board of Directors/Council of Governors' Nominations and Remuneration Committees' Terms of Reference.
B.2.2	Directors on the Board of Directors and governors on the Council should meet the "fit and proper" persons test described in the provider licence.	Confirmed: The Trust has undertaken appropriate checks to assure itself that every member of the Board of Directors meets the "fit and proper persons" criteria as described in the provider licence. Governors have confirmed that they meet the requirements of the Fit and Proper Persons criteria and the Council of Governors' Nominations and Remuneration Committee Terms of Reference are clear that candidates must meet the criteria.
B.2.3	The Nominations Committee(s) should regularly review the structure, size and composition of the Board and make recommendations for changes where appropriate.	Confirmed: Both the Board of Directors' and Council of Governors' Nominations and Remuneration Committee's Terms of Reference include this requirement.
B.2.4	The Chairperson or an Independent Non-Executive Director should chair the Nominations Committee(s).	Confirmed: This provision is set out in the Nominations and Remuneration Committee's Terms of Reference.
B.2.5	The Governors should agree with the Nominations Committee a clear process for the nomination of a new Chairperson and Non-Executive Directors.	Confirmed: This is made explicit in the Terms of Reference for the Council of Governors' Nominations and Remuneration Committee.
B.2.6	Where an NHS Foundation Trust has two nominations committees, the nominations committee responsible for the appointment of Non-Executive Directors should consist of a majority of Governors.	Confirmed: The Council of Governors' Nominations and Remuneration Committee comprises a majority of Governors as set out in the Terms of Reference.
B.2.7	When considering the appointment of Non-Executive Directors, the Council should take into account the views of the Board and the Nominations Committee on the qualifications, skills and	Confirmed: The Council of Governors' Nominations and Remuneration Committee's Terms of Reference includes this requirement. The Council of Governors' Nominations and Remuneration Committee took account of the

	experience required for each position.	views of the Board of Directors when considering the skills, experience and qualifications for the new Non-Executive Director interviewed in January 2018 (appointed with effect from 1 April 2018).
B.2.8	The annual report should describe the process followed by the Council in relation to appointments of the Chairperson and Non-Executive Directors.	Confirmed: This is set out in the Annual Report.
B.2.9	An independent external adviser should not be a member of or have a vote on the Nominations Committee(s).	Confirmed: This provision is complied with via Trust's Nominations and Remuneration Committees' Terms of Reference.
B.3.3	The Board should not agree to a full-time Executive Director taking on more than one Non-Executive Directorship of an NHS Foundation Trust or another organisation of comparable size and complexity.	Confirmed: The Trust is compliant with this provision. This is monitored through the declaration of interests process.
B.5.1	The Board and the Council of Governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.	Confirmed: The Board of Directors and Council of Governors receive high quality information appropriate to their respective functions.
B.5.2	The Board, and in particular Non-Executive Directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the Board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis.	Confirmed: The Board of Directors' minutes provide evidence of executive and Non-Executive Directors' challenge. In addition, the Board of Directors' assurance committees provide the opportunity to test systems and processes in more detail and to confirm a level of assurance. Further, independent advice would be made available if required.
B.5.3	The Board should ensure that Directors, especially Non- Executive Directors, have access to the independent professional advice, at the NHS Foundation Trust's expense, where they judge it necessary to discharge their responsibilities as Directors.	Confirmed: The Chief Executive is aware of this provision and will make available independent professional advice as and when appropriate.
B.5.4	Committees should be provided with sufficient resources to undertake their duties.	Confirmed: This is considered as part of the Committees' annual reviews of their effectiveness.
B.6.3	The senior Independent Director should lead the performance evaluation of the Chairperson.	Confirmed: The Senior Independent Director leads the performance evaluation of the Trust's Chairman.
B.6.4	The Chairperson, with assistance of the Board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for Non-Executive Directors relevant to their duties as Board members.	Confirmed: The Board of Directors regularly discusses whether there are any development needs and these are addressed by the Board of Directors' programme of seminars, away days and external training events.

B.6.5	Led by the Chairperson, the Council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities.	Compliant: The Chair meets with governors on a one-to-one basis to discuss their performance. The Chair leads the assessment of the collective performance of the Council of Governors annually. Information on discharge of responsibilities is included in the Governors' Annual Report and the Lead Governor also reports on this topic at the Annual Member's Meeting.
B.6.6	There should be a clear policy and a fair process, agreed and adopted by the Council, for the removal from the Council of any Governor who consistently and unjustifiably fails to attend the meetings of the Council or has an actual or potential conflict of interest which prevents the proper exercise of their duties.	Confirmed: The Trust's NHS Foundation Trust Constitution sets out the criteria and process for removing a Governor.
B.8.1	The Remuneration Committee should not agree to an Executive member of the Board leaving the employment of an NHS Foundation Trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/or material reductions in their time commitment to the role, without the Board first having completed and approved a full risk assessment.	Confirmed: The Chairman (Chair of the Board of Directors' Nominations and Remuneration Committee) is aware of this requirement.
C.1.2	The Directors should report that the NHS Foundation Trust is a going concern with supporting assumptions or qualifications as necessary.	Confirmed: The monthly finance report to the Board of Directors confirms that the Trust is a going concern.
C.1.3	At least annually and in a timely manner, the Board should set out clearly its financial, quality and operating objectives for the NHS Foundation Trust and disclose sufficient information, both quantitative and qualitative, of the NHS Foundation Trust's business and operation, including clinical outcome data, to allow members and Governors to evaluate its performance.	Confirmed: The Trust's Annual Report and Annual Quality Accounts Reports are presented to the Annual Members' Meeting and are available from the Trust's website.
C.1.4	<p>a) The Board of Directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS Foundation Trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS Foundation Trust.</p> <p>b) The Board of Directors must notify NHS Improvement and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public</p>	Confirmed: The Board of Directors is aware of this requirement.

	<p>knowledge concerning a material change in:</p> <ul style="list-style-type: none"> • the NHS Foundation Trust's financial condition; • the performance of its business; and/or <p>the NHS Foundation Trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS Foundation Trust.</p>	
C.3.1	The Board should establish an Audit Committee composed of at least three members who are all independent Non-Executive Directors.	Confirmed: The Trust's Audit Committee comprises three independent Non-Executive Directors.
C.3.3	The Council should take the lead in agreeing with the Audit Committee the criteria for appointing, re-appointing and removing external auditors.	Confirmed: The Council of Governors agreed the tender process for appointing new external auditors in consultation with the Audit Committee.
C.3.6	The NHS Foundation Trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS Foundation Trust.	Confirmed: The Council of Governors approved the appointment of new external auditors for a three-year period (1 April 2016-31 March 2019).
C.3.7	When the Council ends an external auditor's appointment in disputed circumstances, the chairperson should write to NHS Improvement informing it of the reasons behind the decision.	Confirmed: The Trust's Chairman is aware of this requirement.
C.3.8	The Audit Committee should review arrangements that allow staff of the NHS Foundation Trust and other individuals, where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.	Confirmed: The Audit Committee receives regular reports from the Trust's Counter Fraud Service. The Non-Clinical Governance Committee provides assurance to the Board of Directors on the Trust's Raising Concerns Policy.
D.1.1	Any performance-related elements of the remuneration of Executive Directors should be designed to align their interests with those of patients, service users and taxpayers and to give these Directors keen incentives.	Confirmed: The Board of Directors' Nominations and Remuneration Committee is responsible for determining the eligibility for executive Directors to receive performance-related bonuses after a review of each executive Director's performance.
D.1.2	Levels of remuneration for the Chairperson and other Non- Executive Directors should reflect the time commitment and responsibilities of their roles.	Confirmed: The Council of Governors' Nominations and Remuneration Committee determine the remuneration of the Chairman and other Non-Executive Directors after taking account of the time commitment and responsibilities of their roles.
D.1.4	The Remuneration Committee should carefully consider what compensation commitments (including pension contributions and all other elements) their Directors' terms of appointments would give rise to in the event of early termination.	Confirmed: This will be undertaken if and when required.
D.2.2	The Remuneration Committee should have delegated responsibility for setting remuneration for all Executive Directors, including pension rights and	Confirmed: The Terms of Reference of the Board of Directors' Nominations and Remuneration Committee make it clear this responsibility rests

	any compensation payments.	with the Committee.
D.2.3	The Council should consult external professional advisers to market-test the remuneration levels of the Chairperson and other Non-Executives at least once every three years and when they intend to make a material change to the remuneration of a Non-Executive.	Confirmed: The Council of Governors' Nominations and Remuneration Committee took account of external benchmarking data as part of their work in determining the level of remuneration for the Chairman and other Non-Executive Directors. Chairman and Non-Executive Director remuneration has not changed since the Trust achieved Foundation Trust status in 2014.
E.1.2	The Board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between governors and any local consultative forums.	Confirmed: The Trust has a membership and engagement strategy.
E.1.3	The Chairperson should ensure that the views of governors and members are communicated to the Board as a whole.	Confirmed: Governors receive advance notice of the Board of Directors' agenda and papers and are invited to contact the Chairman if they have any comments and or questions. A number of Governors attend the public Board meeting as observers.
E.2.1	The Board should be clear as to the specific third party bodies in relation to which the NHS Foundation Trust has a duty to co-operate.	Confirmed: The Trust meets this requirement. Strong relationships are maintained with principal stakeholders.
E.2.2	The Board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each.	Confirmed: The Trust meets this requirement.

NHS Improvement's Single Oversight Framework

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

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

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

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

Segmentation

NHS Improvement has segmented trusts according to the level of support each trust needs across the five themes listed above to enable Trusts to deliver high quality, safe care for patients. In November 2017, following a period of higher than usual turn-over in the Executive team at the Trust, NHS Improvement determined that the Trust should be subject to mandated support to bring about leadership stability and placed in segment 3 under the Single Oversight Framework. As a consequence, the Trust has agreed a series of binding enforcement undertakings with NHS Improvement under section 106 of the Health & Social Care Act 2012 to address identified areas for improvement. This involves completing an external well-led developmental review (which commenced in January 2018) and consolidating the findings of this review into a comprehensive list of recommendations and actions, to be delivered to an agreed timetable.

This segmentation information is the Trust's position as published by NHS Improvement on 21 March 2018. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

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

Area	Metric	2017/18 Scores				2016/17 Scores	
		Q4	Q3	Q2	Q1	Q4	Q3
Financial sustainability	Capital Service Capacity	4	4	4	4	1	1
	Liquidity	1	1	1	1	1	1
Financial efficiency	I&E Margin	1	1	1	4	1	1
Financial controls	Distance from Financial Plan	1	2	1	1	2	1
	Agency Spend	1	1	1	1	1	1
Overall scoring		3	3	3	3	1	1

The Trust has consistently received an overall finance score of 3 despite scoring strongly across the majority of measures. This is due to a "trigger" mechanism within the rating system, which states that while any of the five measures has a score of 4 the best overall score the organisation can achieve is 3. The consistent score of 4 against the Capital Service Capacity and I&E Margin score of 4 in Q1 is due to lower than expected elective activity levels within the Trust and the Sustainability and Transformation Funding trajectory being weighted more heavily towards the end of the year.

Statement of the Chief Executive's responsibilities as the accounting officer of the Royal United Hospitals Bath NHS Foundation Trust

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

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

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

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

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

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

Signed



James Scott, Chief Executive

22 May 2018

Annual governance statement 2017/18

Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

I have the overall and final responsibility for all risk, health and safety issues and for providing the Trust with the necessary organisation and resources to produce, implement and manage effective policy and action to realistically minimise risk to the lowest possible level within available resources.

The Board of Directors has ultimate responsibility and accountability for the quality and safety of services provided by the Royal United Hospitals Bath NHS Foundation Trust. The Board of Directors has approved the Strategic Framework for Risk Management which provides a clear, systematic approach to the management of risks to ensure that risk assessment is an integral part of clinical, managerial and financial processes across the Trust. The Strategic Framework sets out the role of the Board of Directors, the Management Board, the Divisional Boards and the Assurance Committees, together with the individual responsibilities of the Chief Executive, Executive Directors and all staff in managing risks.

The Royal United Hospitals Bath NHS Foundation Trust uses a web-enabled electronic risk management system (Datix) to record, manage and monitor risks on the Trust-wide Risk Register. Significant risks are reviewed monthly by the Management Board. The Management Board then takes on oversight of the significant risks until they have been managed to an acceptable level of risk.

The Board of Directors reviews the top operational risks scoring 16 and above on a quarterly basis as well as a quarterly review of the complete Risk Register, alongside the Board Assurance Framework. The Board of Directors last reviewed the full Risk Register in January 2018. In addition, the monthly operational performance and finance reports highlight any key areas of risk and the Board of Directors' report template includes a section on risk. The Board of Directors also identifies risks as part of the self-certification documentation submitted to NHS Improvement.

Assurance Committees

The Board of Directors has established three Assurance Committees each chaired by a Non-Executive Director together with other Non-Executive Director members that ensure that there are effective monitoring and assurance arrangements in place to support the system of internal control. The key responsibilities in relation to risk management are set out below:

Audit Committee

- Provides assurance to the Board of Directors about the soundness of overall systems of governance and internal control
- Risk Management Systems and Processes
- Financial Risk Management
- Reviews allocated risks on the Board Assurance Framework.

Clinical Governance Committee

- Provides assurance that the key clinical systems and processes are effective and robust
- Reviews allocated risks on the Board Assurance Framework.

Non-Clinical Governance Committee

- Provides assurance that the non-clinical systems and processes are effective and robust.
- Reviews allocated risks on the Board Assurance Framework

After every meeting, the Committee Chair presents a report to the Board of Directors highlighting the key issues discussed, any risks identified, key decisions and recommendations.

The external well-led review commissioned by the Trust and carried out in January-February 2018 noted that the processes and structures for providing assurance to the Board of Directors are of particular strength, and the flow of assurance from Committees to the Board is clearly articulated and executed.

Charities Committee

The Board of Directors has also established a Charities Committee, which is responsible for reviewing and approving the use of the Trust's charitable funds.

Divisional Boards

The three clinical Divisions (Medicine, Surgery, and Women and Children's) have each established a Governance Committee, which is responsible for reviewing and managing risks within their respective divisions. The Operational Governance Committee, which is a sub-committee of the Trust's Management Board, acts as the operational committee for supporting the management of clinical risk issues. The Health and Safety Committee acts as the operational committee for supporting the management of health and safety risks.

Leadership of the Risk Management Process

As Accounting Officer I have overall responsibility for risk management across all organisational, financial and clinical activities. Other members of the Executive Team exercise lead responsibility for the specific types of risk as follows:

Director of Nursing and Midwifery

- Designated Director with responsibility for the implementation of governance frameworks and risk management.

Director of Finance

- Designated Director with responsibility and accountability for financial risk.
- Until February 2017, the Director of Finance was the Senior Information Risk Officer (SIRO) designated with the responsibility to ensure there is a framework in place for the management of information governance-related risks. This role is currently held by the Chief Executive, pending the commencement in post of the substantive Director of Finance in 2018/19.

Director of People

- Designated Director with responsibility for ensuring that there is a framework in place for the management of non-clinical risk across the organisation.

Medical Director

- Director Lead for medical risk for the Trust.

Estates and Facilities, whilst overall responsibility sits with the Chief Executive, there is an Interim Director of Estates and Facilities with designated responsibility for:

- Health and safety and ensuring effective physical and human precautions are in place to control health and safety risks.

The role of the Executive Directors is to ensure that appropriate arrangements and systems are in place to achieve:

- Identification and assessment of risks
- Elimination or reduction of risks to an acceptable level
- Compliance with internal policies and procedures, statutory and external requirements
- Effective management of risks.

These responsibilities are managed operationally through the Head of Risk and Assurance who has responsibility for ensuring that staff are trained and equipped to manage risk effectively and in accordance with the Strategic Framework for Risk Management. This is achieved through risk training programmes and supporting divisional teams.

Staff empowerment and risk management training

Risk management training is provided through the induction programme for all new staff. The corporate training programme ensures that all new staff are provided with details of the Trust's risk management systems and processes and understand their responsibilities for reporting incidents. The corporate induction is augmented by local induction programmes by managers. The Trust's mandatory training programme includes health and safety, manual handling, fire awareness, infection control, safeguarding patients, resuscitation and information governance. In addition, the Head of Risk and Assurance provides tailored training for individual roles and works closely with staff across the Trust to ensure they understand their responsibilities and accountabilities for managing risk in their areas. The approach is informed by various sources of information, including incident reports, key quality indicator reports, survey feedback and comments, risk analyses and national guidance and best practice.

The Risk and Control Framework

The Strategic Framework for Risk Management defines risk, the Trust's risk appetite, and identifies individual and collective responsibility for risk management within the organisation. It also sets out the Trust's approach to the identification, assessment, scoring, treatment and monitoring of risk. The strategic framework:

- Defines the objectives of risk management and process and structure by which it is undertaken
- Defines the Trust's risk appetite which articulates the content and range of risk(s) that the Trust might take
- Sets out the lead responsibilities and the organisational arrangements as to how these are discharged
- Sets out the key policies, procedures and protocols governing risk management.

The Trust uses a risk assessment matrix to score individual risks. The risk assessment matrix enables the Trust to assess the level of risk in a standardised way, using a 5x5 risk matrix methodology. This prioritisation tool is based on national guidance. Each risk is given a score for both the consequence/severity of the potential risk and its likelihood of occurring. The two scores are then multiplied together to give an overall risk impact score. The higher the final score the greater the risk. All risks are recorded and held on the Datix risk management system, which is used to produce reports for all levels of management.

The Trust has defined that in most circumstances, an acceptable risk is one which falls in the 'insignificant' (green) category. This covers all areas of business, but is easiest to define and quantify in financial terms, where the Trust is willing to risk the collective loss of budget of up to 0.25% of the total annual budget to achieve the Trust's Objectives. The Board of Directors has reviewed the Board Assurance Framework and identified a "target risk rating" for each risk, which represents the level of risk the Trust is willing to accept in relation to that specific issue.

The Board of Directors undertakes a quarterly review and discussion of the complete Trust risk register, to review the impact upon the Board Assurance Framework and review the organisation's risk appetite. Management Board must approve all risks added to the risk register with a score of >16 and undertakes a monthly review of all current risks on the risk register with a score of 10-15 in order to ensure that the lower scoring risks with the potential to have significant impact are not overlooked.

The Trust seeks to ensure that lessons learned from incident, complaint and other investigations are used to update and improve practice. These issues are regularly communicated to the Operational Governance Committee where Trust-wide representatives have the opportunity to discuss themes which may emerge from these investigations and make recommendations for, and implement, policy or procedural change. The Operational Governance Committee reports to the Management Board and escalates issues which require higher level scrutiny.

Incidents are dealt with in accordance with the Incident Reporting and Management Policy and Procedure. An anonymised summary of all new Serious Incidents is included in the monthly Board of Directors' Quality Report which is published on the Trust's website. The Board of Directors also receives a quarterly Incidents, Claims and Inquests report which contains more detailed analysis of trends and learning and is considered in the private Board of Directors' meeting.

The Trust's Internal Auditors conducted a Financial Risk Management Audit in October 2016. The Internal Auditors gave "significant assurance" and stated that: "there is a robust system in place for identifying risks and ensuring they are logged on Datix. Our benchmarking of the Trust's BAF against 38 other trusts showed it compares well with others".

The Audit Committee receive a report at least annually on the Risk Management Process and Embeddedness across the Trust. This report provides the Audit Committee with an update on the process for risk management across the organisation and the degree to which these are embedded in the practices of management teams. The report completed in February 2018 concluded that the most recent audits into risk management indicate that the organisation is complying with the systems and processes described in its Strategic Framework for Risk Management, and identified steps that will be taken to improve this further.

Board Assurance Framework

The Trust has a Board Assurance Framework. The Board Assurance Framework is a process by which the Trust gains assurance that it has a well-balanced set of objectives for the year and that there are controls and assurances in place to manage the key risks associated with achieving the objectives.

The Board Assurance Framework was reviewed quarterly by the Board of Directors with each risk assigned to a lead Executive Director and to the relevant assurance committee. The assurance committees review their respective risks at each meeting and their comments are reported to the Board of Directors, with the responsible Executive Director updating the controls and mitigations regularly. Strategic risks are also regularly reviewed at the Board of Directors' Away Days which are held quarterly.

Risks to data security

The Trust manages its risks to data security through a number of different approaches. The Trust has a Board-level senior information risk owner (SIRO). The SIRO chairs an information governance group (IGG) which is responsible for setting the framework for information governance standards in the Trust and ensuring delivery of action plans to improve compliance. The Trust's Caldicott Guardian role is held by the Medical Director who is a member of the Information Governance Group.

The Information Governance Group's purpose is to drive the broader information governance agenda and provide the Trust Board with assurance that effective information governance best practice mechanisms are in place within the Trust.

Risks to data security realised in year are detailed under the 'Information Governance' section.

Description of the principal risks facing the Trust

The Management Board identified the Trust's current top clinical and operational risks at its March 2018 meeting as including:

- **ED Performance, particularly capacity and flow:** This risk relates to the Trust's ability to manage within its bed base and maintain timely flow of patients out of the Emergency Department, Medical Assessment Unit and Surgical Assessment Unit, to ensure that the Trust is able to offer a high quality and safe service to non-elective patients. The Urgent Care Collaborative Board and A&E Delivery Board are leading the work to address this risk. This brings together support from ECIP, NHS Improvement, NHS England and local Clinical Commissioning Groups, and focuses on:
 - Providing alternatives to admission at the front door of the hospital
 - Minimising delays for inpatients
 - Whole system focus on those inpatients waiting the longest to be discharged
 - Robust discharge planning

- **Registered Nurse vacancies:** Recruiting to Registered Nurse vacancies has always been viewed as a high priority in the Trust. However, despite very proactive recruitment initiatives in place, the Trust like many other Trusts, is faced with a consistent 'gap' in its registered nursing workforce.

Some wards are finding this more of a challenge than others, but these 'hot spot' wards have been identified, and action plans are in place to support these areas and the majority of these wards have now appointed Registered Nurses.

To try and reduce the number of vacancies, the Trust is taking actions over and above the usual ongoing recruitment plans and use of bank/pool staff. For example, the Trust has recently commenced a recruitment drive targeting nurses in the Philippines, is piloting an incentivisation scheme focused on nursing staff, and has partnered with other local trusts to appoint a "neutral vendor" to oversee the provision of temporary nursing staff.

In 2017 there was period of higher than usual turn-over in the Executive team at the Trust, and the Board of Directors determined that this posed a potential risk to the Board and Executive team's capacity and capability. Consequently the Board has maintained oversight of this risk via its monthly meetings, and took steps to recruit to all vacancies as a priority. It also commissioned an external well-led developmental review, which identified that while capacity had been a concern; the acting directors had successfully filled all functional duties until Executive team capacity was enhanced with the commencement of interim and substantive appointees.

The Trust's top three risks to the delivery of its strategic and operational plans as tracked in the Board Assurance Framework are:

- Lacking the capacity to meet demands for local acute services due to a lack of planning and commissioner response to demographic changes in the local population;
- Failure to deliver performance on a sustainable basis, resulting in deteriorating quality of care and outcomes for patients; and
- The increasing financial pressures faced by the NHS and its impact on the Trust's delivery of a sustainable financial position.

The Trust's other key risks include:

- The risk of failing to deliver the planned financial surplus which could impact on the Trust's ability to deliver its Estates Strategy;
- Achievement of Sustainability and Transformation Funding and performance improvement trajectories;
- Health and Safety Executive Improvement Notice
- Scale of change across the NHS and increasing workforce pressures

These risks will continue to be managed throughout 2018/19.

Principal risks to compliance with the NHS Foundation Trust Provider Licence Condition 4 (FT governance) and actions identified to mitigate the risks

The NHS Foundation Trust Provider Licence requires NHS Foundation Trusts to meet the compliance standards for finance and governance as set out in NHS Improvements Single Oversight Framework. The Trust has complied with NHS Improvement's requirements for finance but due to a number of operational performance challenges, the Trust has failed to meet the four-hour standard with the Emergency Department, and 18-week referral to treatment performance and the diagnostics DM01 6-week target during 2017/18. In quarter 1 the Trust also failed to meet the cancer two-week wait to first outpatient appointment for breast symptomatic patients.

The Trust has been receiving targeted support in line with the Single Oversight Framework; however in November 2017, following a period of higher than usual turn-over in the Executive team at the Trust, NHS Improvement determined that the trust was in breach of its license conditions and should be subject to mandated support to bring about leadership stability. As a consequence, the Trust has agreed a series of binding enforcement undertakings with NHS Improvement under section 106 of the Health & Social Care Act 2012 to address identified areas for improvement and to secure that the breaches to its licence do not continue or recur.

The Trust has commissioned an external well-led developmental review which has identified that routine governance processes and systems are strong, and that the processes and structure for providing assurance to the Board and the focus on risk management are of particular strength. A number of recommendations and actions have been identified which will be consolidated into a comprehensive list of recommendations and actions, to be delivered in 2018/19 to a timetable agreed with NHS Improvement. Progress will be reported to the Board of Directors on a monthly basis.

The principal risks to compliance with the provider licence condition 4 (NHS Foundation Trust governance) are set out below. The Board of Directors reviews its performance against the requirements of NHS Improvement's Single Oversight Framework on a monthly basis. Where the Trust has not met the required standards, the Board assures itself that there are robust plans in place to improve performance.

The Board Assurance Framework and the Trust's risk management processes as set out in the Strategic Framework for Risk Management brings together the evidence to produce and support the Annual Governance Statement.

Four-Hour Wait Standard within the Emergency Department

Due to sustained operational pressures during 2017/18, including significant increases in ambulance conveyances, delayed transfers of care and patients with an extended length of stay, the Trust did not meet the four-hour wait standard within the Emergency Department. The Trust developed an Urgent Care Improvement Plan in response to recommendations made by the Emergency Care Intensive Support Team. The Urgent Care Improvement Plan has three work streams: front door; specialities; and back door. Each work stream is led by an Executive Director.

The Trust has worked with the local health and social care system and regulators, through the A&E Delivery Board, to develop and oversee a system-wide improvement plan. Performance against the system-wide urgent care improvement plan is reviewed weekly by Executive Directors and monthly by the A&E Delivery Board.

Progress on delivering the Urgent Care Improvement Plan and the System-wide plan is reported to the Board of Directors each month so progress and performance can be monitored. The Board of Directors receive information regarding the quality and safety of the care delivered within the Emergency Department in order to ensure that the Care Quality Commission safety domain is routinely addressed.

Cancer two-week wait to first outpatient appointment for breast symptomatic patients

The cancer standards have been largely met throughout the year, despite the operational pressures. This is a key organisational priority that the Trust strives to maintain at all times and has strengthened systems and processes in order to sustain delivery.

Referral to Treatment Target – Incomplete pathways

The Trust failed to meet the Referral to Treatment (incomplete pathways) target from April 2017 to March 2018. The failure was anticipated and an improvement trajectory was agreed with the Trust's Commissioners together with specialty level improvement plans. These plans balance the need to achieve performance targets with the managing of demand and affordability for commissioners.

Diagnostics – DM01 6-weeks to diagnostic target

The Trust failed to meet the diagnostics (6-weeks) target in 2017/18 other than in October 2017. This was as a result of changes to the way in which the Trust reported its diagnostic activity, and the identification of a number of specialist diagnostics which are required to be included within the diagnostics target. The Trust agreed a remedial action plan with its commissioners which is reviewed on a monthly basis and delivery is reported to the Board of Directors via the monthly operational performance report.

Governance

The Board has an established process to assure itself of the validity of its corporate Governance Statement required under NHS Foundation Trust Condition 4 (8) (b), with appropriate sources of assurance being provided to the Board, thereby allowing it to self-certify compliance or otherwise with the Statement.

Communication with stakeholders

Communication with stakeholders is central to ensuring risks identified by stakeholders that affect the Trust can be captured, assessed, discussed and, where appropriate, action plans can be developed to resolve any issues. A number of forums exist that allow communication with stakeholders including:

- **The Council of Governors** which has a formal role as a stakeholder body for the wider community in the governance of the Trust. This includes public governors' constituency meetings, regular member newsletters, and the Annual Members' Meeting.
- **Partner organisations**, including monthly commissioner contract review meetings and other meetings with Clinical Commissioning Groups (including quality and performance meetings and clinical commissioning reference board), Council representatives, voluntary sector and local universities.
- **STP partners**, including monthly meetings that bring together Chief Executives, Finance Directors and other key staff.
- **Staff** – staff engagement meetings, staff survey and team briefings.
- **Public and service users** – patient surveys, Patient and Carer Experience Group and Patient Advice and Liaison Service.

Compliance with the Care Quality Commission

The Trust is compliant with the registration requirements of the Care Quality Commission. The Trust was registered with no compliance conditions on 1 April 2010.

The Care Quality Commission conducted an announced inspection of the Trust in March 2016. The inspection report was published on 10 August 2016, giving the Trust an overall rating of 'Requires improvement'. Further detail on the findings can be found in the Quality Accounts section.

Compliance with NHS pension scheme regulations

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

Compliance with equality, diversity and human rights legislation

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

Compliance with obligations under the Climate Change Act

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

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

The Board of Directors has received regular reports about the economy, efficiency and effectiveness of the use of resources. The reports provide detail on the financial, clinical and performance of the Trust and highlight any areas through benchmarking or the traffic light system where there are concerns.

The Trust's reference cost index score for 2016/17 of 89.4 indicates that healthcare is provided at a cost 10.6 below the national average, this is supported by the cost per Weighted Activity Unit (WAU) within the Model Hospital which rates the Trust within the top 10 most efficient Trusts in the country.

Internal audit has reviewed various systems and processes in place during the year and has published reports setting out any required actions to ensure economy, efficiency, effectiveness and use of resources. The outcomes of these reports are graded as to the level of assurance and are reviewed by the respective assurance committees.

NHS Improvement assigns ratings based on its assessment of the Trust under its Single Oversight framework. The Trust's performance against the Single Oversight Framework targets is reported monthly to the Board. The Trust further obtains assurance of its systems and processes and tests its benchmarking by working with other NHS and external organisations, and also through organisations such as NHS Providers where foundation trusts share good practice.

The Trust's Fit for the Future Board is a delegated Board Committee with representation from two Non-Executive Directors. The Fit for the Future Board oversees the Trust's response to the Carter Efficiency Review recommendations and reports to the Board of Directors on progress.

Information governance

Information governance remains a high priority for the Trust. The Trust has a Caldicott Guardian (Medical Director) and a Senior Information Risk Officer (SIRO), the Deputy Chief Executive and Director of Finance until February 2018 and thereafter the Chief Executive.

All staff are governed by a Code of Confidentiality and access to data held on IT systems is restricted to authorised users. Information governance training is incorporated into a corporate induction programme for all new employees and all staff are required to undertake information governance training annually to national standards as part of the Trust's mandatory training package.

The annual information governance self-assessment exercise has taken place using the Information Governance Toolkit provided by Connecting for Health. The Information Governance Toolkit's requirements relate to the following areas:

- Information governance management;
- Confidentiality and Data Protection Assurance;
- Information Security Assurance;
- Clinical Information Assurance;
- Secondary Use Assurance;
- Corporate Information Assurance.

The Trust has achieved 92%, level 2 (satisfactory) for the Information Governance Toolkit submission in 2017/18.

In March 2018 an internal Audit, undertaken by KPMG, conducted a detailed review of elements of the current year's toolkit, as part of the assurance process. KPMG gave significant assurance with minor improvement opportunities.

From 1 April 2017 to 31 March 2018, the Trust had 10 serious information governance incidents requiring investigations involving personal data. The incidents were reported to the Information Commissioner's Office (ICO) and no fines or sanctions have been applied. There were 49 incidents whereby information was disclosed in error, 10 due to unauthorised access and 10 whereby information was lost in transit. During the same period, the Trust had 102 other personal data related incidents. The Trust has rigorous and robust processes and procedures in place to mitigate breaches of the Data Protection Act. When a breach occurs, the Trust ensures that remedial action has been taken to minimise the risk of a recurrence.

A programme of 43 proactive Information Risk Management audits take place across the year and staff are required to complete annual information Governance refresher training. This training includes any lessons learnt from incidents that have occurred.

During the year we have focused on root cause of patient correspondence breaches specifically regarding Discharge Summaries and a communications campaign was launched to further minimise risks and reinforce processes and procedures.

Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the *NHS Foundation Trust Annual Reporting Manual*. The Annual Quality Report 2017/18 has been developed in line with relevant national guidance.

Quality Governance Arrangements

The Trust has robust quality governance arrangements in place, which incorporate the monitoring and delivery of the Trust's ambitious patient safety priorities and the quality account priorities. The Board of Directors is responsible for ensuring the quality and safety of services provided by the Trust and has developed a robust quality governance structure and reporting mechanisms to ensure that quality objectives are identified, monitored and, where performance is below the expected standard, action is taken to address the issue. The Board of Directors and the Management Board have reviewed the annual quality account priorities and have considered the progress with the priorities through the monthly Quality Reports. A range of both internal and external groups has contributed to the 2017/18 Quality Accounts report, and to identifying the Quality Priorities for 2018/19, including staff, governors, members, Healthwatch and Clinical Commissioning Groups. The Trust's external auditor is responsible for reviewing the Quality Accounts against national requirements, and for testing a sample of the quality indicators disclosed in the Quality Accounts to ensure that the performance information contained in the Quality Accounts is accurate and robust.

The Management Board as the key operational delivery group in the Trust oversees operational performance against quality indicators and receives regular information on quality and patient safety work. The Quality Board, which is accountable to the Management Board, has responsibility to formulate the quality improvement strategic direction. The Quality Board ensures that the Board of Directors, via the Management Board, is aware of risks to the quality of care being delivered and plans to mitigate these risks, and poorly performing services and the actions being taken to improve them. In addition the Quality Board has oversight each month of progress with all the CQUIN schemes.

The Operational Governance Committee, chaired by the Director of Nursing and Midwifery, is the group which delivers risk management at an operational level. The Operational Governance Committee works closely with the Quality Board and the Quality Board's sub-groups: the Patient Safety Steering Group, the Patient and Carer Experience Group and the Clinical Outcomes Group – as well as the Divisional Clinical Governance Groups.

The Quality Board receives regular updates about clinical quality and was responsible for the development of the Quality Strategy 2014-16 which was approved by the Board of Directors in April 2014 and extended by the Board of Directors in October 2017.

The Trust's participation in national and regional patient safety initiatives sets the tone for the rest of the organisation and demonstrates that quality improvement is a top priority.

The Chief Executive is the Vice-Chair of the West of England Academic Health Science Network. The Trust is also a member of NHS Quest, a member network for NHS Foundation Trusts who wish to focus relentlessly on improving quality and safety.

It is the role of the Clinical and Non-Clinical Governance Committees to "test" our systems and processes in order to assure the Board of Directors that we have robust systems in place for monitoring quality and safety and ensure that there are appropriate controls in place to ensure the accuracy of data.

The Quality Accounts contain information that is subject to internal and external validation. The information has been made available to the public through the quality and operational performance reports that are provided to the public meeting of the Council of Governors.

The Trust's report on Quality Accounts is subject to review by its external auditor who will report on its review of the arrangements that the Trust has put in place to secure the data quality of information included in the Quality Accounts.

Disclosure on processes to gain assurance in relation to quality and accuracy of elective waiting time data

Effective Board of Directors' decision-making is reliant upon the quality of the data received to inform those decisions. It is therefore imperative that the Board of Directors receives regular assurances over sources of key data underpinning its performance and the integrity of its reporting against national targets. The Trust has an established system for data quality management which includes a team of Senior Business Analysts who provide support to the clinical teams / service lines in reviewing quality, activity and finance information. Analysts support investigation and correction of data errors. The development of user-friendly reporting formats (such as Business Objects, Scorecards and Dashboards) is aimed at displaying information in a format that drives greater engagement from teams. In turn, greater engagement creates more feedback on quality and drives accuracy.

The Trust has established a Data Quality Steering Group which reports into the Clinical Informatics Board (as a sub-group of the Management Board). The role of the Data Quality Steering Group is to ensure there is a central repository of data quality issues and risks and that remedial actions are being undertaken. The Group also ensures that the response to internal and external data quality audits is being progressed and the requisite governance improvements are being undertaken in line with Information Governance Toolkit standards.

Capabilities and culture

The Trust has established the Quality Improvement Centre under the leadership of the Director of Nursing and Midwifery which brings together staff responsible for patient safety, quality improvement and assurance, clinical audit, risk management and patient experience to support the delivery of the Quality Strategy throughout the Trust.

The Trust has changed the way it handles complaints and has adopted a more personal approach which involves meeting with complainants to discuss their concerns rather than responding in writing.

Systems and processes

Patient feedback is reviewed by the Board of Directors in a number of different ways:

- Monthly Board of Directors' Quality Report includes the friends and family test results which is triangulated with other performance data for each ward; feedback through complaints, patient surveys and Patient Advice Liaison Service contacts;
- Monthly Board of Directors' patient story at every meeting and matron presentations;
- Quarterly Patient Feedback and Incident, Claims and Inquest reports to the Board of Directors;
- Executive and Non-Executive Directors patient safety visits;
- Member and patient feedback at the Annual Members' Meeting and Governor Constituency meetings;
- Board of Directors' annual mortality review.
- National Patient Safety reports to Board

How we monitor data and report on quality

- The Trust reviews the implementation status of all National Institute for Clinical Excellence guidance and Central Alerting System guidance to risk-assess any development areas for the Trust and to take action to implement recommendations.
- The Board of Directors receives an annual mortality review report which compares the Trust's hospital standardised mortality rate (HSMR) with other comparable Trusts. The Trust uses clinical outcome data to assess and improve services with participation in national audits as well as undertaking local audits.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the Executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework

I have drawn on the content of the Quality Report attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditor in its management letter and other reports. I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board of Directors, Audit Committee, Clinical Governance Committee, Non-Clinical Governance Committee and the Management Board. When issues are identified, plans are put in place to address any weaknesses and ensure that any learning is embedded in the organisation. This ensures that the system is subject to continuous improvement.

The Trust's Assurance Framework provides me with evidence of the effectiveness of controls that manage the risks to the organisation achieving its strategic objectives, have been reviewed and are being actively managed. Internal Audit provides me with an opinion about the effectiveness of the assurance framework and the internal controls reviewed as part of the Internal Audit plan. Work undertaken by Internal Audit is reviewed by the Assurance Committees (Audit, Non-Clinical and Clinical Governance Committees). The Assurance Framework and the top risks on the Risk Register are reviewed by the Board of Directors four times a year. The Board of Directors reviews the full Risk Register annually. This provides me and the Board of Directors with evidence of the effectiveness of controls in place to manage risks to achieving the Trust's principal priorities.

Clinical Audit is one of a number of methods used by the Trust for assessing the quality and safety of care provided to patients. Clinical audit is an essential part of the Quality Improvement process and all audits undertaken within the Trust must demonstrate the potential to improve the standard of care delivered. The Trust has a Clinical Audit Policy which sets out how Clinical Audit should be conducted in the Trust.

The Trust's Clinical Audit Annual Programme of priority topics is approved by the Quality Board and includes topics identified from the National Clinical Audit and Patient Outcomes Programme, National Institute for Health and Clinical Excellence guidance, Central Alerting System Alerts and Serious Incidents. The Quality Board receives a quarterly progress report on the outcome of the clinical audit programme.

The Head of Internal Audit's opinion for the period based 1 April 2017 to 31 March 2018 is one of significant assurance with minor improvements:

“Our work has confirmed that there is generally a sound system of internal control which is designed to meet the Trust’s objectives and that controls in place are being consistently applied in all key areas reviewed.”

My review is also informed by External Audit opinion, inspections carried out by the Care Quality Commission and other external inspections and reviews.

The external well-led developmental review carried out by Ernst and Young in January-February 2018 found that the “governance processes and systems within the Trust are generally strong” and “of particular strength are the processes and structures for providing assurance to the Board and the focus on risk management by both management and Board members”.

The processes outlined below are well established and ensure the effectiveness of the systems of internal control and data quality through:

- Board of Directors’ review of the Board Assurance Framework, including the risk register and internal audit reports on its effectiveness
- Audit Committee and Clinical and Non-Clinical Governance Committees’ review of the effectiveness of the Trust’s systems and processes
- Review of serious incidents and learning by the Operational Governance Committee and internal audit report on its effectiveness
- Review of progress in meeting the Care Quality Commission’s essential standards by the Quality Board
- Clinical Audits
- National Patient and Staff Surveys
- Internal audits of effectiveness of systems of internal control
- Internal Audit of Committee Governance and Effectiveness
- Well-Led Framework Governance Self-Assessment
- External Well-Led Assessment.

Conclusion

In making its corporate governance statement, the Trust will have assured itself of the validity of the statement through identification of the information and evidence available to support each part of the statement, and testing the robustness of this with the Audit Committee prior to the Board of Directors approving the final statement.

No significant internal control issues have been identified. My review confirms that the Trust has a sound system of internal control that supports the achievement of its policies, aims and objectives.

Signed



James Scott, Chief Executive (Accounting Officer), 22 May 2018

Accountability report signed



James Scott, Chief Executive (Accounting Officer), 22 May 2018



Royal United Hospitals Bath
NHS Foundation Trust

Quality Account

2017-18

This Quality Account covers the period 1 April 2017 to 31
March 2018 2017-18

Part 1: Chief Executive's Statement

The Board of Directors is committed to providing services of the highest quality, that are patient centred, accessible, support recovery and maintain good health. We work closely with service users, their carers, our partners in other agencies and third sector colleagues to deliver integrated care in the right place and at the right time by staff with the right skills.

The Trust values: **Everyone Matters, Working Together, Making a Difference** are at the core of everything we do for our patients, and represent our aspiration for the type of hospital we strive to be.

The Trust identifies a series of quality priorities each year, and I am pleased to report that we made substantial progress against our quality priorities for 2017/18 as described in the accounts below.

The Trust is also proud to have been nominated for a number of awards in 2017/18 which reflect the commitment of our staff to the highest quality of care. This has included:

- The Eye Unit being nominated for the Macular Society Awards for Excellence in the Clinical Service of the Year category;
- The "Frailty Flying Squad"; a pioneering specialist team of doctors, nurses and therapists at the Trust, was shortlisted for a national nursing award in the Care of Older People Category;
- The Trust has been shortlisted in four categories for the finals of the Health Services Journal Patient Safety Awards 2017, recognising our work in patient safety improvement methodologies and innovative multidisciplinary training methods; and
- Three of our staffs' innovation projects made the final stages of the British Medical Journal Awards.

Technology will transform the way that care is delivered in the future. In 2017/18, we introduced several new elements to our electronic patient administration system, including new processes for prescribing medicines, ordering radiology and pathology tests and a new system for our Emergency Department which allows better integration with other systems across the Trust. These upgrades will allow our staff to work in a more seamless manner, and improve the quality of care experienced by our patients.

Like many other acute trusts this year, we have been facing huge pressures on our Emergency Department with increasing admissions and an aging population, as well as experiencing the impact of reduced capacity within local adult social care, which has meant many of our older patients have remained in hospital for longer while awaiting care packages in the community. We remain committed to delivering high quality safe care to our patients at all time, and we recognise the impact that periods of continued pressure have both on our patients and staff. I would like to take this opportunity to thank our staff for their dedication and support throughout the year.

I confirm that to the best of my knowledge the information in these quality accounts is accurate, and I hope that you find it interesting and informative. I would welcome any feedback you would like to share.

Signed:



James Scott

Chief Executive

22 May 2018

Part 2: Priorities for Improvement and statements of assurance from the Board of Directors

2.1 About Royal United Hospitals Bath NHS Foundation Trust

The Royal United Hospitals Bath NHS Foundation Trust (the Trust) primarily provides healthcare services to around 500,000 people across Bath and North East Somerset, Western Wiltshire, Mendip and South Gloucestershire. We deliver healthcare from a number of locations including operating a busy district general hospital on the north western side of the City of Bath and the Royal National Hospital for Rheumatic Diseases (RNHRD) in the centre of Bath, as well as services in multiple community locations.

The Trust provides around 760 beds, a comprehensive range of acute services, including medicine and surgery, services for women and children, accident and emergency services, and diagnostic and clinical support services. These services are provided by the approximately 5,200 staff employed by the Trust.

The Trust, in partnership with local Universities and Colleges, also plays a significant role in education and research. Doctors, nurses and many other healthcare professions have been with us as students and have stayed with us as qualified staff. This focus on learning supports innovation and improvement in the excellent care provided for our patients.

2.2 Why are we producing a Quality Account?

All NHS trusts are required to produce an annual Quality Account to provide information on the quality of services to service users and the public, as part of the drive across the NHS to be open and honest.

The Trust welcomes this opportunity to demonstrate how well we are performing, taking into account the views of service users, carers, staff and the public, and comparing our progress against the previous year and where we can, against national performance. We proactively use this information to make decisions about our services and use it as an opportunity to identify areas for improvement.

In this year's Quality Account we have set out how we have performed against The Trust's patient safety priorities as well as the national priorities, setting out plans for improvement where we have not met any of these priorities.

For 2017/2018 we set 4 quality account priorities under the categories of safe care, effective care and patient experience. This Quality Account will explain why we chose these priorities and will summarise how we have performed against them and any improvements we have made.

2.3 How do we improve Quality?

The Trust has a clear ambition to be recognised for delivering the highest quality of care. To achieve this patient safety and quality have to be at the heart of everything we do, with our staff able to provide safe and compassionate care to every patient, every time.

At the RUH we are developing our staff to have core quality improvement skills and knowledge through the use of practical tools in the delivery of service improvement and redesign. Our aim is to build an organisational culture of continuous quality improvement where we support all our staff to have the right skills and tools to support them to make changes. In order to achieve this, our goal is to become a learning organisation in which every member understands and is committed to the part they can play in delivering quality, every day.

We have continued to develop and build on our approach of how we support and develop our staff in spreading quality improvement and service improvement knowledge and skills across the organisation to support our quality strategy. We have two different systems to deliver this knowledge.

- Quality Service Improvement Redesign (QSIR) course which is a quality improvement training programme: designed and developed by NHS Improving Quality (NHSIQ) – Advancing Change and Transformation (ACT) Academy. A consultant and senior nurse, who are both quality improvement leads within the RUH, are accredited associate members of the NHS Improvement QSIR teaching faculty which enables them to deliver the QSIR training within the Trust. This course is available to any member of staff across the organisation that is involved in delivering quality or service improvements. It aims to develop core quality improvement skills and knowledge, which staff can practically use within their chosen projects. A comprehensive 4 day course or one day introductory course are available. To date the Trust has delivered the QSIR Practitioner training to over 100 staff and supported over 50 improvement projects. This has increased the capability within the trust to deliver successful change, and those staff members who are trained QSIR practitioners are now supporting other staff members with their projects.
- The second approach is Flow coaching, which teaches staff how to apply team coaching and improvement skills along one patient's journey in order to improve patient flow through a healthcare system. Following successful trials at Sheffield Teaching Hospitals NHS Foundation Trust and South Warwickshire NHS Foundation Trust, the Health Foundation has expanded the programme and established a Flow Coaching training centre at the RUH. This presents a unique opportunity for providers across the West of England to participate in the training programme being delivered during 2017. The Trust has six fully trained flow co-coaches and from January 2017 has been delivering training for a local cohort of staff each planning to undertake a programme of improvement across a patient journey.

To support these programmes and our aim of building an organisational culture of quality improvement, the RUH has established a Quality Improvement Centre (QIC), which brings together teams from Patient Experience, Audit, Risk and Litigation as well as Patient Safety and Quality Improvement. These teams offer a wide range of skills including leadership, stakeholder and staff engagement, clinical and nursing, training, research, education, clinical audit, project management, data analysis and administrative support. Individuals and teams from all parts of the trust are supported by the QIC. The teams within the QIC work with patients, carers and members of the public as well as staff from all parts of the hospital on specific projects to improve the quality of care provided to patients and their relatives / carers.

Finally, the work we are doing on our quality improvement journey is supported by our Trust values; Everyone Matters, Working Together, Making a Difference, which set out values and behaviours which truly make a difference to our patients, carers and staff and guide us as to how we can work together and how we can keep improving.

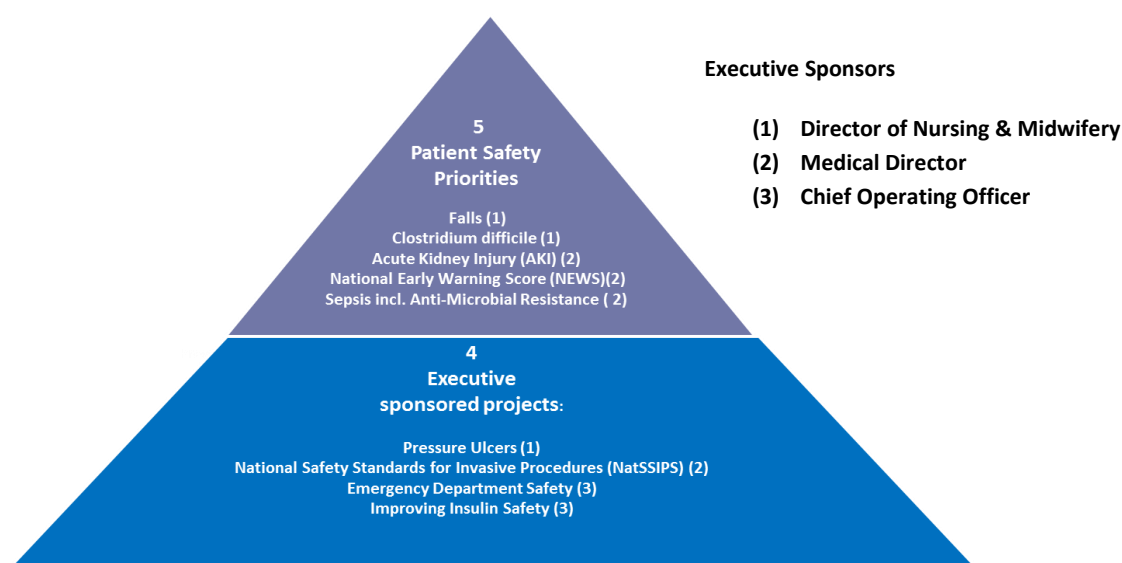
2.4 Patient Safety Priorities 2017/18

The Trust is committed to providing safe and compassionate care and we have established a culture of improving patient safety through our patient safety priorities. The Trust patient safety priorities are set out in our patient safety triangle and consist of our 5 top patient safety priorities and 4 executive sponsored patient safety priorities.

Each patient safety priority has an established clinical leader, and an executive sponsor, who are responsible for setting the work-plan with agreed process and outcome measures. These are reported to Quality Board, which is chaired by the Medical Director, and to the Board of Directors.

The Trust actively participates, contributes and is leading some of the work aligned to the West of England Academic Health Science Network (WEAHSN). The RUH is fortunate to host the WEAHSN Network. The WEAHSN is managed by a Partnership Board which includes representatives from the other AHSN member organisations. The WEAHSN patient safety collaborative is chaired by our Chief Executive and the Director of Nursing and Midwifery is the Trusts representative which helps to ensure we can align the Trust's patient safety priorities to national priorities and we benefit from collaborative working.

For 2017/18 the 5 Safety Priorities were:



- **Falls**

In June 2017 a multidisciplinary Trust wide falls improvement programme was launched, aimed to ensure staff implement the falls prevention pathway. The improvement programme included a revised electronic falls risk assessment, introduction of a post fall assessment including SWARM (a rapid multi-disciplinary review after a patient has a fall to ensure all interventions are in place, to keep the patient safe), introduction of Enhanced Observations and a standardised process to review cognitive impairment and record the patients lying and standing blood pressure.

The programme has achieved a 10% reduction in In-patient falls compared to 2016/17 as illustrated in table 1 and a 40% reduction in the number of patients who fall more than once as illustrated in table 2

Table 1.

Period	Number of patients who fell more than once	Reduction (%)
September 2016 – February 2017	58	-

September 2017 – February 2018	35	40%
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Table 2.

Period	Number of patients who fell more than once	Reduction (%)
September 2016 – February 2017	58	-
September 2017 – February 2018	35	40%

- **Clostridium difficile**

The Trust has been working to reduce the incidence of Clostridium difficile infection by using a number of strategies which are part of an overarching improvement plan. These strategies include improvement in antimicrobial stewardship, environmental cleanliness, prompt specimen collection and accurate documentation. The Infection Prevention and Control Team have also focused on increasing the number of staff who have received training in infection control over the last two years with an aim to reach the 90% attendance target. Progress against the improvement plan is monitored by the Trust Infection Prevention and Control Committee.

In January 2018 NHS Improvement were invited to revisit the Trust to support with the Clostridium difficile reduction work programme. The visiting team provided positive feedback and their recommendations will be used to further reduce infection rates.

The trajectory for Trust attributed Clostridium difficile infections was 22 cases in 2017/18. During the year there were a total of 31 cases reported however in 12 cases there was agreement by the Commissioners that these cases would not be counted within the trajectory as there were no lapses in care and are therefore not counted in the year-end total, resulting in 19 actual cases. At the time of writing this report there is another case awaiting agreement by Public Health England for removal from the trajectory.

- **Acute Kidney Injury (AKI)**

Over 2017/18, the AKI steering group have focused on decreasing the incidence of AKI occurring during a patient's hospital admission. The focus has been on increasing awareness through continued education, as well as active improvements to keep a close monitor of a patients urine output when patients are recovering from an acute illness, and if they require investigations and medications that increase the risk of an AKI when they are unwell. Several improvements have been implemented which are now established and have resulted in decrease from 48% to 36% in the incidence of patients developing AKI during their time in hospital.

Work has also been undertaken to ensure adequate information is relayed back to the GP following identification of an AKI.

- **National Early warning Score (NEWS)**

The aim of the National Early Warning Score (NEWS) work stream is to ensure that NEWS is reliably and accurately used when monitoring adult patients' vital signs, for example blood pressure, pulse and respiratory rate, that care is appropriately and reliably escalated and correct actions are taken to ensure optimal care for the patient.

The focus for the NEWS work stream has been on the completion and accuracy of NEWS reporting with the aim to achieve 95 per cent compliance in recording and accuracy of NEWS in all adult patients at the Trust. A key aspect has been developing the cascade trainer model and over 100 cascade trainers have trained over 80% of nursing and therapy staff. Measurement of recording and accuracy Trust wide demonstrates a sustained NEWS recorded 98 per cent and NEWS accuracy 90 per cent. A Deteriorating Patient proforma has been developed by joint working with the Sepsis and AKI working group under the umbrella of the Deteriorating Patient work plan. This will be launched as part of the Deteriorating Patient campaign, planned for April 2018, which will further align the work in these 3 areas. A NEWS e-learning package is being developed and a model for a combined Deteriorating Patient team/ Champion role in all wards and departments.

- **Sepsis**

This is also a CQUIN and Quality priority. See Part 3, review of services, clinical effectiveness and National CQUIN schemes for 2017/18 for details.

2.5 Quality Account Priorities 2017/2018 and 2018/2019

Choosing our Quality Account priorities is important to us and our aim is to ensure the chosen priorities are ones which will make a real difference to our patients.

We engage with our staff, the Governor Quality working group, the Trust's Council of Governors, the Patient and Carer Group, the Board of Directors, and our Clinical Commissioning Groups to determine the priorities. We agreed 4 priorities and for each priority, we outline below why it is important to us as a Trust and for our patients, and identify specific indicators we aim to achieve and how progress will be measured. Our priorities for 2018/19 focus on improving pathways of care and ensuring we are continuously listening and learning and making improvements as a result of our patient feedback. The Governors Quality working group and Patient and Carer group were particularly keen to endorse and support taking forward learning from patient feedback as a priority.

The next two sections will set out our progress against the 4 Quality Account priorities chosen for 2017/ 2018 and describe the 4 priorities agreed for 2018/2019. The Quality Account priorities and the progress will continue to be monitored through Quality Board, which is chaired by the Medical Director.

2.6 Priorities for improvement – looking back over last year

Overview 2017-18

Priority	Aim	Achieved	Part achieved
Priority 1	To further promote a system of identification and proactive management of patients who are identified as having the presence of frailty	✓	
Priority 2	Management of jaundice in babies	✓	

Priority 3	To continue to improve the experience of patients and carers at discharge	✓	
Priority 4	To continue to improve sepsis management		✓

Priority 1: To further promote a system of identification and proactive management of patients who are identified as having the presence of frailty

What: We said we would do:

- Launch the revised Medical Assessment Proforma incorporating frailty score and Comprehensive Geriatric Assessment (CGA).
- Roll out CGA documentation to all Older Persons wards.
- Ensure CGA is present on the letter that is sent to the patients' GP on discharge, from the wards where this has been implemented, if the score is 5 or more.
- Implement a direct admission pathway from the Emergency Department to the Assessment and Comprehensive Evaluation unit for individuals that need minor intervention and short-term rehabilitation.
- To reduce harm and improve the experience of frail people in the hospital setting.

By When: April 2018.

Outcome: Did we achieve what we said we would? **Yes**

As at the end of February 2018:

- 82% of patients aged 75 and over with a frailty syndrome admitted under Medicine are screened for frailty.
- 96% of patients with a frailty score of 5 or more had CGA completed on discharge summary.

Why is it important?

People who have frailty are at a much greater risk of falling, confusion, disability, admission to hospital and long-term care depending upon its severity. However frailty is not static, it can get worse, but it can also get better. This is one of the reasons that it is vitally important that frailty is assessed whenever an older person comes into contact with a health professional.

Identifying frailty and assessing the severity of the condition helps the health care professional to holistically plan the patient's immediate and ongoing care needs, and to promote the patient's independence wherever possible. There is also a need to treat frailty as a long term condition in its own right and ensure we take a more comprehensive approach to the geriatric assessment.

Although not an inevitable part of ageing, frailty is related to the ageing process and is a long term condition in the same sense as diabetes or asthma. It is a term used to describe how our bodies gradually lose their in-built reserves, leaving us weaker and more vulnerable to dramatic changes in our health and wellbeing from minor influences such as an infection.

The frailty pathway, which incorporates the Rockwood frailty score and the Comprehensive Geriatric Assessment (CGA) have the potential to reduce harm and improve the experience of older people. The Comprehensive Geriatric Assessment ensures individuals level of mobility and independence are assessed on admission to ensure a seamless and safe transfer back to community.

What we did?

The first step was to implement the recording of frailty score if above 5 and completion of CGA on each patient's discharge summary, across the Older Persons wards. During Quarter 1 (April – June) 2017/18 a roll out plan to implement the CGA across the Older Peoples Unit (OPU) was designed and led by a group of doctors, nurses, physio and occupational therapists, as demonstrated in the table below:

Table 1:

	Q1	Q2	Q3	Q4
Roll out plan for CGA & CGA on discharge summary	Embed practice on ACE and Combe Wards	Implement on Midford and Waterhouse wards	Focus audits on Cheselden ward – this is a marker of embedding practice across the Older peoples Unit	Implement on Forrester Brown Ward

To monitor progress retrospective case note audits were conducted by clinicians. A total of 117 case notes were audited in September, October and November 2017 and the results are presented in the table below:

Table 2:

Ward	Screened for Frailty Target 75%	CGA on discharge summary Target 75%	Compliance
ACE	100% (31/31)	70% (14/20)	Yellow
Midford	50% (15/30)	63% (5/8)	Red
Combe	97% (28/29)	89% (23/26)	Green
Waterhouse	78% (21/27)	65% (11/17)	Yellow
Combined	81% (95/117)	75% (53/71)	Green

Progress has been monitored on a monthly basis and reported to Quality Board on a quarterly basis.

Additionally a direct admission pathway has been established, between the Emergency Department (ED), Medical Assessment Unit and the Assessment and Comprehensive Evaluation Older peoples Unit (ACE). This reduces the number of transfers that each patient has whilst in hospital. The ACE co-ordinator actively seeks patients from ED and MAU transferring them back to ACE. Weekly performance is monitored through the Frailty Big Room meeting.

The implementation of the Frailty Flying Squad- a team of specialist therapists, nurse practitioners and a geriatrician has significantly increased ED to ACE transfers (bypassing MAU) from a median of 4 to 8 per week, since November 2017. This has peaked at 15 per week.

A further quality improvement project formulated by the Frailty Big Room, has resulted in the first patient directly admitted to ACE from a paramedic crew in March 2018.

How we will continue to work with this priority?

- Work will continue with the wards that are already using the comprehensive geriatric assessment to embed its use.
- We will also work with other adult wards to introduce the comprehensive geriatric assessment
- The Therapy team leads to monitor the use of the comprehensive geriatric assessment and increase its use
- The comprehensive geriatric assessment and frailty scoring tool (Rockwood Frailty Score) will be added to the RUH electronic patient record on 1st May 2018.
- We will continue to establish and embed the direct patient admission pathways to ACE.

What this priority means for patients?

The comprehensive geriatric assessment helps the doctors and therapist to produce a holistic plan of care for patients over the age 75, which can be tailor made to their individual requirements. This helps to promote the patient's independence whilst in hospital, it can help to reduce the time the patient stays in hospital and can support the patient where appropriate to be discharged to their own home.

Priority 2: Management of jaundice in babies

What: We said we would do

Support a change in practice in the jaundice pathway to improve quality and experience for our mothers and babies through the use of non-invasive subcutaneous bilirubinometer screening in the community in place of serum blood testing at the hospital.

By When: April 2018

Outcome: Did we achieve what we said we would? **Yes**

Of the 4800 babies born within RUH Maternity Services 502 were screened in the community for suspected jaundice with the transcutaneous bilirubinometer (TSB). 61 (10.45%) were subsequently readmitted and treated in the period between April 1st 2017 and March 31st 2018. On average for the years 2015-2017 the number of babies readmitted and treated for jaundice were 118. The time and cost implications for staff is thus immeasurable. The introduction of TSB has not only reduced the volume of ward attenders for screening but has also significantly reduced readmissions to the acute unit for medical treatment of jaundice; this is most likely due to earlier screening with the TSB which enabled midwives to closely monitor these babies and implement earlier feeding plans without medicalising babies.

The introduction of bilirubinometers has:

- Reduced the number of babies required to be seen on Mary ward by a Midwife and junior neonatal doctor demand on Mary ward and the neonatal unit
- Released staff to deliver care – midwives, doctors and nurses
- Reduced cost in laboratory testing - using the point-of-care device saves time compared to measuring a serum bilirubin and reduces costs.
- Provided a smoother pathway for families and avoided the stress, anxiety and costs associated with testing in the hospital setting
- Reduced unnecessary hospital readmissions.

Why is it important?

Jaundice is one of the most common conditions that can affect new-born babies. It is estimated six out of ten new-born babies develop jaundice, this increases to eight in ten babies if born prematurely.

Neonatal jaundice is a normal physiological transition and usually harmless, typically resolving on its own after 10–14 days. In some babies however, there can be excessive levels of unconjugated bilirubin which if left untreated can cause death in new-borns or lifelong neurological impairment. Early recognition of neonatal jaundice by clinicians is paramount so that if treatment is required, it can commence with immediate effect.

Prior to April 1st 2017 the only way to diagnose jaundice in the new-born was for the baby to attend hospital where serum bilirubin levels were tested from a blood sample taken from the new-born's heel. A family would spend up to 4-6 hours on the postnatal ward awaiting the result, either to be sent home with a feeding plan, or to be admitted for jaundice treatment.

NICE 2016 Neonatal Jaundice guideline states:

“Use a transcutaneous bilirubinometer (TSB) to measure the bilirubin level -

if a transcutaneous bilirubinometer is not available, measure the serum bilirubin”

All babies with suspected jaundice were temporarily hospitalised, with families spending up to 6 hours on Mary ward whilst awaiting blood test results, when only a proportion required medical intervention. As a trust with four standalone birth centres, set within a large geographical area, it was imperative to provide a test that was deliverable in an equitable manner to all parents. It was hoped that the TSB's would reduce emotional stress and extensive travel for parents and subsequently release clinical time in the acute unit.

What we did

The aim was to support a change in practice in the jaundice pathway to improve quality and experience for our mothers and babies through use of non-invasive subcutaneous bilirubinometer screening in the community in place of serum blood testing in the acute unit by April 2018.

A bilirubinometer is a handheld, portable and re-chargeable jaundice meter that is held against the forehead or sternum of the infant after a calibration with a 'reflectance checker' (colour pad). It allows a quick, non-invasive estimate of jaundice levels. It allows a single measurement of bilirubin or an average of up to 5 measurements.

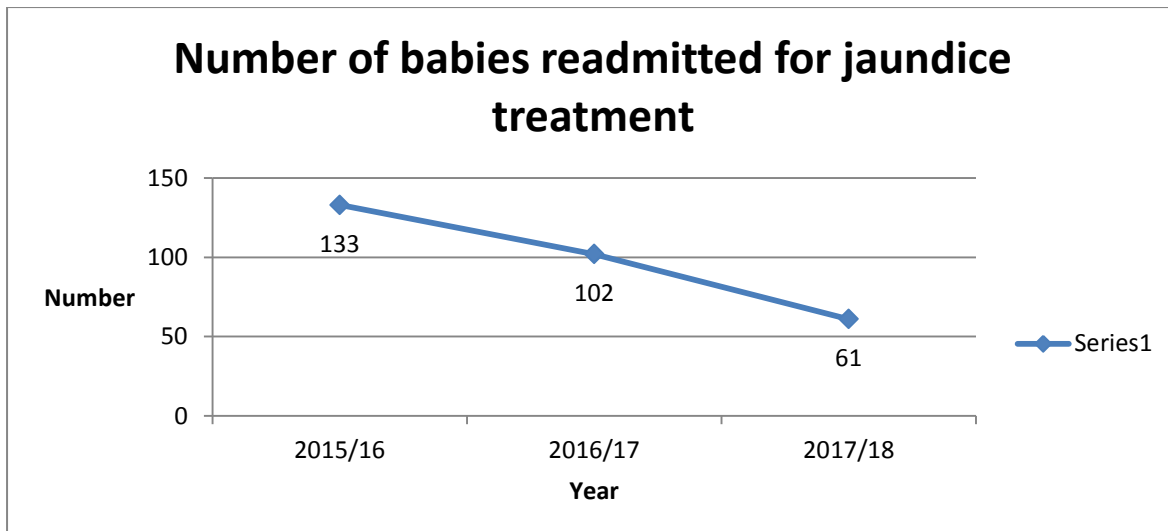
Our aims for 2017/18 were:

- To reduce the need for babies and families to attend the hospital
- To reduce unnecessary blood tests
- To be able to detect jaundice earlier
- To provide more appropriate clinical care more quickly
- To reduce unnecessary admissions to the post-natal ward or Neonatal Unit (occasionally babies were admitted to the neonatal unit as the jaundice diagnosis was delayed in the community)

Benefits:

- Earlier and more accurate detection and treatment of jaundiced babies.
- Appropriate clinical care. The right babies in the right place at the right time.
- Reduction of women and babies transferring to an acute unit for further investigations.
- Reduction in stress and anxiety for families.
- Associated cost savings for these care pathways to families and Trust

In line with NICE recommendations and as part of the CQUIN to reduce term admissions to the neonatal unit this quality improvement was taken to the RUH innovation panel by a senior midwifery sister undertaking the RUH 'Leading for Quality' in house training. Funding for 5 bilirubinometers was obtained from the Innovation Panel and charitable funds. These were implemented in all 4 stand-alone birthing centres and on Mary Ward.



What this priority means for families

Non-invasive testing reducing possible pain for the neonate and stress for the family. Testing performed at home or in a local stand-alone birth centre.

Immediate result:

- Reduction of stress, anxiety and costs associated with testing in the hospital setting.
- Eliminate unnecessary hospital attendance.

How we will continue to work with this priority

We will continue the work already in place based on reducing risk factors to neonatal jaundice and identifying which babies are at risk. This includes:

- Improving communication and support with early and regular feeding patterns
- Proactively encourage mothers to express milk, whose babies are in the at risk groups.
- Data collection and audit will continue to monitor new pathway and assess if there is a reduction in babies requiring treatment for jaundice.
- It will be important to obtain staff and family feedback to obtain a view on the service change and quality improvement. This is planned for 2018-19.
- Analysis of the financial savings achieved.

Priority 3: To continue to improve the experience of patients and carers at discharge

What: We said we would do

- Improve the overall discharge experience for patients;
- Reduce delays when patients are waiting to leave hospital by having clear guidelines and plans in place;
- Provide a more timely discharge from hospital for patients who have had certain medical interventions and procedures.

By When: April 2018

Outcome: Did we achieve what we said we would? **Yes**

- We reduced the amount of time that patients had to wait in hospital after simple day case surgery.
- We launched the Home First discharge pathway
- We supported the rapid discharge home of patients nearing the end of their life with the Enhanced Discharge Service

Why is it important?

Significant improvements had been made in the discharge processes at the Trust during the previous 12 months. It was therefore decided to continue with this focus on patient discharge to continue to embed and build upon the processes already established.

Delays in discharging patients from hospital prolonging their stay within the clinical environment, can impact on patient safety, the quality of care and the patient's experience. Criteria Led Discharge is a generic term which relates to criteria being agreed by the medical teams for the discharge of patients from hospital, which nurses, physiotherapists and occupational therapist can use to speed up the discharge process. There has been a national drive to implement Criteria Led Discharge within the NHS, in an attempt to reduce the time that patients wait to be discharged home. Reducing the patient's length of stay gives us an opportunity to improve the patients experience and their journey through the hospital whilst also ensuring a more timely discharge from hospital.

What we did:

Criteria Based Discharge

The introduction of the discharge planning checklist on the Millennium electronic patient record (computer system) has provided some structure around the discharge planning process. Additionally this has enabled the capture of data to inform areas to consider for inclusion within the programme of Criteria Led Discharge.

During the last 12 months we have introduced Criteria Led Discharge to our surgical short stay unit and the Chair Port (an area with reclining chairs for patients undergoing day case procedures). We have provided training for staff within the unit to enable them to confidently discharge patients, when a medical review is not required.

With executive sponsorship the team contributed to the national Criteria Led Discharge collaborative, initiated by NHSi. This allowed networking opportunities with other Trusts across the country, and the chance to showcase the work undertaken at the RUH.

We have worked with patients to collect their experience of being discharged from the Surgical Short Stay Unit and the chair port. This has informed our practice. The overall feedback has been positive as patients no longer have to wait for medication to be prescribed and dispensed or a final review by one of the medical teams.

Home First

Home First (HF) is a collaboration between the RUH and BaNES, Wiltshire, Somerset and South Gloucestershire community partners. It was launched in May 2017 and is becoming more embedded in the hospital discharge pathways. It is the name of the discharge pathway for patients who

- are medically fit but need additional support at home
- can go home to a usual place of residence (home/ residential home)
- are safe between visits and have no night needs

The aim is for patients to be discharged the following day and visited in their home within hours of discharge by a community therapist. The therapist will assess the patient's needs and set up a rehabilitation care plan for the patient. Examples of benefits are:

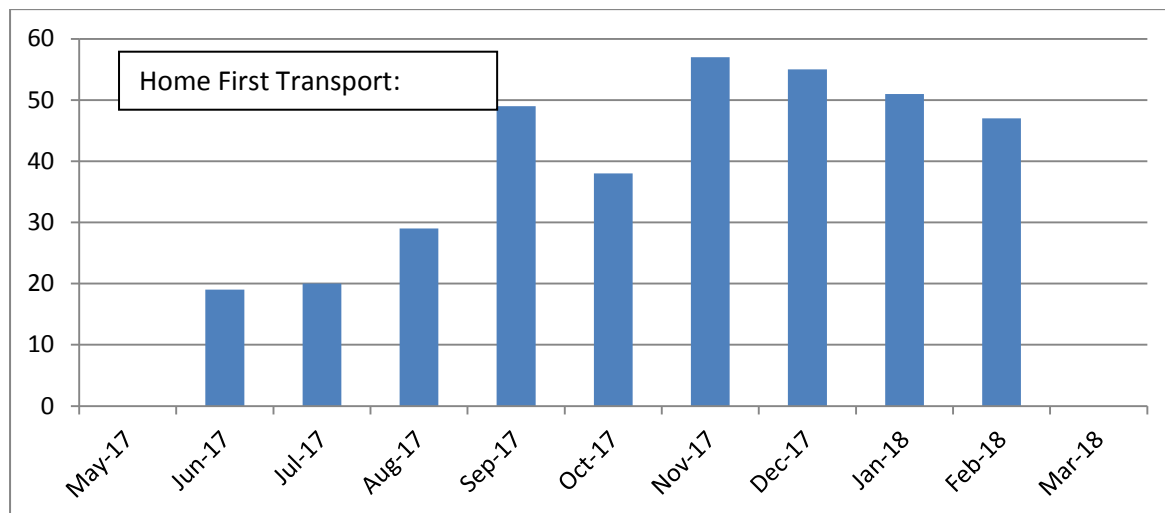
- Assessment of daily living activities in an environment familiar to the patient
- More accurate assessment of patients' long-term care needs
- Increased independence
- Improving patient flow through hospital aiming for a decrease in length of stay
- Reduction in risks associated with prolonged hospital stay
- Help to avoid patients having to make major life decisions about long-term residential or nursing care at a point of crisis in the acute hospital environment

This initiative recognises that for some patients whose clinical needs have been met and who need some extra support with their day to day living, the best place to undertake the assessment of those needs is within their own home environment. In order for this to work efficiently it is essential that patients are discharged as early in the day as possible and certainly before lunchtime.

Alongside the Home First pathway is Home First transport. It is a transport solution with capacity to support up to 20 of our weekly Home First patients discharged. Home First transport is to be used when friends and family or Age UK (BaNES) are not able to take a patient home. All Home First transport patients have left the ward by 11:00. Having access to Home First transport supports consistency and momentum for Home First discharge pathway and helps to deliver Home First to its maximum effect.

Table 1 below demonstrates the numbers of patient taken home each month with Home First transport.

Table 1:



CHC Fast Track and End of Life Care

Choice and preferences for care are integral to the service improvement around discharge planning. In the last year the Trust discharge project board workstream for Continuing Health Care (CHC) Fast Track and End of Life Care supported:

- Development of a guidance and electronic checklist to support patient centred discharge planning in end of life care
- Review of patient and carer information leaflet 'Discharge to Preferred Place of Care'
- Review of the bundles of information for each CCG on the Trust intranet, to support discharge through CHC Fast Track
- A Supportive Care Model, using the stages of decline for end of life care, to support proactive and coordinated patient centred care

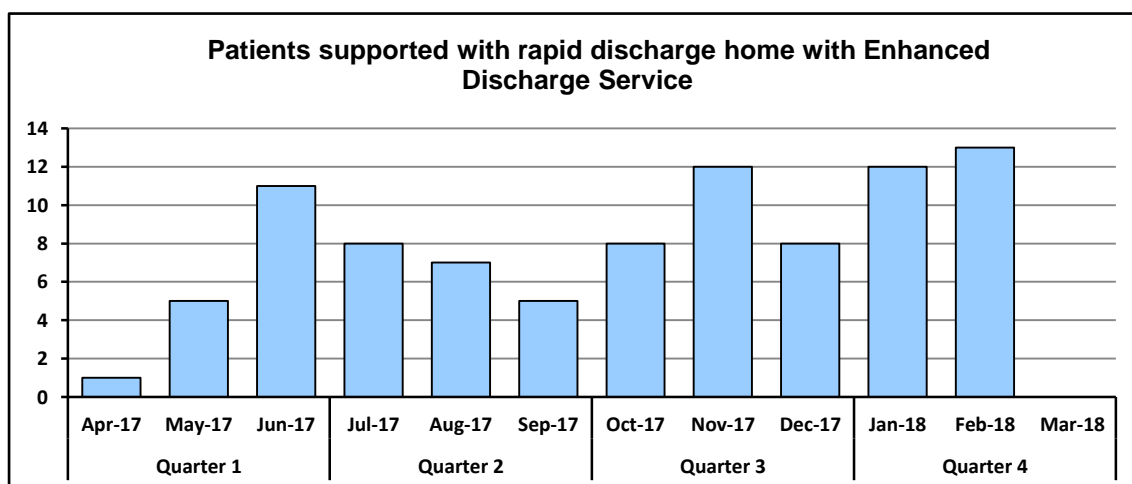
Developing new models to support discharge planning

The Trust has worked with partner CCGs to support improvements in discharge planning to preferred place of care at the end of life. An example is the Enhanced Discharge Service.

Enhanced Discharge Service (EDS) with Dorothy House Hospice Care (DHHC) supports patients from Wiltshire, BaNES (from June) and Somerset (from Nov). The EDS supports rapid discharge home to preferred place of care in the last 4 weeks of life, with a package of care through the DHHC hospice at home service. The care package can be for up to 24hours of care. The EDS initiative has supported 'same day' or 'next day' discharges for 93 patients, from April 2017 to February 2018. Average length of stay on EDS has been 14 days for these patients.

The EDS has enabled a discharge to assess model for patients nearing the end of life and requiring a package of care at home. In the last year EDS has supported patients to be discharged home rapidly for care at the end of life, without completion of CHC Fast Track application.

Table 3:



What these different discharge initiatives mean for our patients

Criteria Led Discharge

- The majority of patients leaving hospital post simple day surgery procedures, within 90 minutes of them returning to the ward without requiring admission to a bed.
- Those patients that have required a bed are able to be discharged on the same day once they have met the established criteria.

Home First

- Medically fit patients who are fit to go home but require some additional help at home, have been supported to go home and have their therapy assessments within their own environment, which provides a more accurate assessment of long term care needs.

Enhanced Discharge Service

- Through the Enhanced Discharge Service and Dorothy House Hospice, a number of patients approaching the end of their life have been supported to have a rapid discharge home to preferred place of care in the last 4 weeks of life, with a package of care provided for by Dorothy House Hospice.

How we will continue to work with this priority

- **Criteria Led Discharge:** We will continue to work with elective orthopaedics to introduce Criteria Led Discharge as part of their enhanced recovery program. Work is underway within cardiology and gynaecology to implement the principles of Criteria Led Discharge. Once these pathways have been established we plan to explore other opportunities to introduce Criteria Led Discharge.
- **Home First:** We will continue to increase the number of Home First referrals and discharges and consider widening criteria to include delirium and non-weight bearing/fracture patients. We also aim to promote weekend discharges for Home First.
- **End of Life Care and CHC Fast Track:** Continue to work with partner organisations to streamline the CHC Fast Track process

Priority 4: To continue to improve sepsis management

What: We said we would do

- Deliver new Sepsis teaching to 2000 clinical staff
- Spread improvement work trust wide
- Screen 90% of at risk patients for sepsis
- Administer antibiotics within an hour to 80% of patients with sepsis
- Implementation of electronic recording of patients observations
- Develop patient information leaflets which are readily accessible to the public
- Present patient stories to the board

By When: April 2018

Outcome: Did we achieve what we said we would? **Partially**

- 2000 clinical staff received the training
- 76% of at risk patient were screened for sepsis
- 89% of antibiotics within 60 minutes for patients with Sepsis
- The national sepsis patient information leaflet is being used however a local leaflet is being developed
- Trust Board have heard patient stories about sepsis

Why is it important?

Sepsis is a serious condition which is common. In 2017 data was published showing that it affects more than 260,000 people every year with 44,000 people dying each year.

The recognition and early treatment of sepsis therefore remains a key focus for all health care providers. It is a national priority being driven by NHS England and a national CQUIN for 2017/18 and 2018/19.

Sepsis remains a key trust objective and one of the top 5 Trust Patient Safety priorities.

Over the last 3 years significant improvements have been made in identification and management of patients with Sepsis admitted to the RUH and our aim is to spread this improvement trust-wide, to improve outcomes for all patients, including children and maternity patients.

What we did

Teaching

Over 2000 clinical staff have received updated Sepsis training about the new NICE guidelines in 2017/8, through a number of methods. These include routine face to face training on core skills, simulation training and taking the training to staff on the wards in the form of the 'Bath Tea-Trolley training'. The 'Bath Tea- Trolley training' methodology has been acknowledged nationally and the approach was shortlisted in the Patient Safety Care Awards and HSJ Awards as well as the BMJ Awards in 2018.

Spreading our improvement work

The Sepsis team has 2 specialist nurses, enabling support to be available over an increased period of time, including evening and some weekends. The nurses focus on education and raising awareness as well as the management of patients with sepsis. They play a vital role in embedding the screening and management tools and continually seek to develop processes to further improve our management.

Emergency Admission Screening:

By March 2018 85% of adult patients at risk of sepsis were screened on admission to the Emergency Department.

Screening for children admitted at risk of sepsis has been developed over 2017 and by March 2018 has become well established with 80% of these children screened.

Inpatient Screening for Sepsis

Screening has been spread across the trust and shown significant improvement from 20% of inpatients screened to 75% of inpatients over 2017, however this is under target. Screening has also been introduced into maternity and paediatric practice with similar improvements. Since November 2017 over 90% of at risk paediatric inpatients have been screened.

Deliver 80% of antibiotics within 60 minutes for patients with Sepsis

Overall in 2017, 89% of patients with Sepsis received antibiotics within an hour from diagnosis

Specific improvements over 2017/18 are:

- Antibiotics administered within an hour to inpatients with Sepsis has improved from 29% to 80% patients
- 100% of mothers with sepsis have received antibiotics within an hour since October 2017. All have recovered well and none have required admission to critical care.
- Development of the paediatric action profoma has improved management of children with sepsis and all notes are reviewed to identify areas for learning and improvement, which has resulted in improved processes.

Patient involvement and information

Patient information leaflets from the UK Sepsis Trust are available on all wards and over 2017/18 an RUH specific leaflet has been developed which is being finalised using patient support. The Trust Sepsis Lead has also supported development of a patient support group in Bath, which held its first meeting in February 2018

Patients were involved in the World Sepsis Day event in September, with one giving a presentation on their experiences of sepsis.

A patient story was played to the Trust Board and the staff involved attended and were thanked by the Board of Directors for their exceptional care.

The story was of a gentleman who had deteriorated on the ward, several days after abdominal surgery and the change in his condition was picked up very early by the staff who followed the sepsis protocol exactly.

What this priority means for our patients

The nationally reported mortality rate for patients with sepsis is 20-30%. At the RUH the mortality figure is 16% for inpatients diagnosed with sepsis, and 18% for those patients admitted with sepsis.

Earlier diagnosis and prompt management of sepsis will also have resulted in a significant decrease in serious side effects from Sepsis.

How we will continue to work with this priority

- Continue to embed the screening and management tools in all areas
- E learning is being developed and will be available from August 2018.

2.7 Priorities for Improvement 2018/19 – Looking forward to this year

Priority 1: Transitional Care:

What is the priority?

Keeping mothers and their babies together on the postnatal ward and avoiding separation caused by unnecessary admission of babies to the Neonatal Unit.

Why is it important?

Some babies born a few weeks before or after the date they were expected or who are smaller in weight, need to be admitted to the Neonatal unit where the necessary services and staffing models are in place and as such babies are able to stay with their mums on the postnatal ward which can reduce the risk of harm caused by separation, and at the same time support early bonding and feeding.

How are we going to achieve this?

By providing services, clinical pathways and staffing models that keep mothers and babies together.

How are we going to measure our achievements?

Reduce the percentage of babies born a few weeks before or after the expected date of delivery admitted to the neonatal unit from 11% to 9% by March 2019.

What it means for our patients?

- Improved patient experience for both mother and baby
- Reduced harm caused through the separation of mother and baby
- Promotes early bonding and establishes feeding.

Priority 2: Reducing the waiting time for diagnostic tests

What is the priority?

Reducing the time taken to get diagnostic invasive procedures for inpatients who are not on wards that specialise in those procedures. This priority will look specifically at patients who are waiting for cardiac angiograms – a procedure to look at the arteries of the heart and also those waiting for endoscopies – where a camera is placed into the stomach.

Why is it important?

Patients can wait a long time to have some invasive diagnostic tests; this is especially the case if they are not being cared for on a ward that specialises in that clinical condition. Concentrating on these patients, who are waiting for either an angiogram or an endoscopy, we will be able to improve the timeliness of the test and reduce the total time that the patients spends in hospital waiting for the test.

How are we going to achieve this?

Patients waiting for cardiology and gastroenterology procedures would be selected

- Patients would be moved to their specialty wards i.e. the cardiac ward or the gastroenterology ward as early as possible
- Consultants and Medical Nurse Practitioners would be proactive in the management of ensuring these patients were in the correct beds
- Treatment would begin in a more timely manner

How are we going to measure our achievements?

- Reduction in the number of cardiac and gastroenterology patients not on a ward of that speciality
- The pathway for patients waiting for an inpatient angiogram who are not waiting on the cardiac ward will be improved with 100% of patients transferred to the cardiac ward within 48hrs.
- Patients waiting for an inpatient endoscopy who are not on the gastroenterology ward will receive their scope within 24 hours of the request.

What it means for our patients?

- Improved patient experience
- Improved timeliness of the test
- Reduction in the total time that patients spend in hospital waiting for a test.

Priority 3: Ensuring our patients with a fractured neck of femur go to theatre within 36 hours of admission

What is the priority?

The timing of treatment for patients who have sustained a fracture to their neck of femur (hip) remains one of the biggest challenges to a health care system. It is recognised that it is not only the time a patient takes to get to surgery that is important, but that the patient has to be medically as well as possible (medical optimisation), with the anaesthetic, surgical and theatre team being appropriately experienced. When planning any emergency care it is not always possible to predict the number of cases which can present, so any system which is set up must have the flexibility to adapt to the peaks and troughs of admissions.

Why is it important?

The timing of surgery is an early marker of a patient's progress following a hip fracture.

Patient who receive surgery within 36 hours are more likely to have improved outcomes post operatively. These include:

- Reduced Mortality
- Reduced length of stay
- Reduced complications including chest infections, pressure ulcers, change of residence and other surgical complications.

How are we going to achieve this?

The surgery does not stand alone. For the pathway to be safe and effective, timely surgery includes;

- Review and redesign of the patient pathway to reduce duplications and avoid unnecessary delays
- Expertise in diagnosis
- Ensuring that the patient is well enough to receive an anaesthetic and have an operation through medical optimisation

How are we going to measure our achievements?

Reduced mortality rate

Reduced length of stay of patients who have a broken hip

Reduced complications post-surgery, including chest infections, pressure ulcers, change of residence and other surgical complications

What it means for our patients?

- Improved experience
- Reduced time between admission and having hip fracture surgery
- Improved patient safety through early mobilisation reduces the risk of a blood clot forming in a vein (venous thromboembolism- VTE) and tissue damage

Priority 4: We will listen to patients and carers and use their feedback to improve services

What is the priority?

We will actively collect, use and share patient and carer experience feedback to improve services, quality of care and patient, family and carer experience.

Why is it important?

Using patient and carer experience feedback will:

- Develop a culture of continuous learning
- Improve patient and carer experience
- Improve services to meet the needs of patients and their carers

How are we going to achieve this?

We will be taking the following actions:

1. Pro-actively collect patient and carer experience feedback through a variety of real-time and post-discharge methods. E.g. national patient surveys, Friends and Family Test (FFT).
2. Develop the RUH electronic data entry system - eQuest to enable feedback to be collected and recorded electronically through the Trust website.
3. Support teams and individual staff to collect and analyse patient and carer experience as part of service review and service improvement projects.
4. Identify learning from patient experience feedback and use the information to improve services and patient experience. We will share the results, analysis and learning from this feedback across the Trust and the wider community.

How are we going to measure our achievements?

- Overall year on year improvement in national patient experience survey results
- Increase in service improvements made as a result of complaints. This information will be included in our quarterly patient experience reports.
- Increase in the number of services that have proactively collected and used patient feedback to improve patient, family and carer experience.

What it means for our patients?

- Improve patient and carer experience;
- Continuous development of hospital services to meet patients' needs.

2.8 Statements of assurance from the Board of Directors

Mandatory Statement 1

During 2017/18 the Royal United Hospitals Bath NHS Foundation Trust provided and/or subcontracted eight relevant health services across three clinical divisions; Medicine, Surgery and Women & Children's.

The Royal United Hospitals Bath NHS Foundation Trust has reviewed all the data available to them on the quality of care in all eight relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 100% of the total income generated from the provision of relevant health services by the Royal United Hospitals Bath NHS Foundation Trust.

Mandatory Statement 2

During 2017/18, 37 national clinical audits and 5 national confidential enquiries covered relevant health services that the Royal United Hospitals Bath NHS Foundation Trust provides.

During that period the Royal United Hospitals Bath NHS Foundation Trust participated in 97% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that the Royal United Hospitals Bath NHS Foundation Trust participated in, and for which data collection was completed during 2017/18, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry.

Clinical Audit / National Confidential Enquiries	Participation?	% cases submitted
NCEPOD		
Medical and Surgical Clinical Outcome Review Programme: Perioperative diabetes	Yes	100%

Clinical Audit / National Confidential Enquiries	Participation?	% cases submitted
Medical and Surgical Clinical Outcome Preview Programme: Acute Heart Failure	Yes	100%
Chronic Neurodisability	Yes	100%
Child Health Clinical Outcome Review Programme: Young People's Mental Health	Yes	100%
Medical and Surgical Clinical Outcome Review Programme: Cancer in children, teens and adults	N/A	Eligible to take part, but no cases identified
Acute		
Case Mix Programme (CMP)	Yes	100%
Fractured Neck of Femur	Yes	100%
Major Trauma Audit 2986	Yes	100%
National Audit of Intermediate Care (NAIC)	N/A	Not relevant to RUH
National Emergency Laparotomy Audit (NELA)	Yes	97% (up to November 2017)
Pain in Children	Yes	100%
Procedural Sedation in Adults (care in emergency departments)	Yes	100%
Blood and Transplant		
National Comparative Audit of Blood Transfusion programme	Yes	100%
Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	Yes	100%
Cancer		
Bowel Cancer (NBOCAP)	Yes	100%
Head and Neck Cancer Audit (HANA)	Yes	100%
National Audit of Breast Cancer in Older Patients (NABCOP)	Yes	100%

Clinical Audit / National Confidential Enquiries	Participation?	% cases submitted
National Lung Cancer Audit (NLCA)	Yes	100%
Oesophago-gastric Cancer (NAOGC)	Yes	100%
Prostate Cancer	Yes	100%
Heart		
Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	Yes	100%
Adult Cardiac Surgery	N/A	Not relevant to RUH
Cardiac Rhythm Management (CRM)	Yes	100%
Congenital Heart Disease – Paediatric cardiac surgery (CHD)	N/A	Not relevant to RUH
Coronary Angioplasty/National Audit of Percutaneous Coronary Interventions (PCI)	Yes	100%
National Cardiac Arrest Audit (NCAA)	Yes	100%
National Heart Failure Audit	Yes	100%
Long term conditions		
Endocrine and Thyroid National Audit	Yes	100%
Inflammatory Bowel Disease (IBD)	No	Database is being purchased to allow future participation in the audit
National Chronic Obstructive Pulmonary Disease Audit programme (COPD)	Yes	100%
National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury (NCASRI)	N/A	Not relevant to RUH
National Diabetes Audit – Adults (Footcare, Inpatients & Core)	Yes	100%
Diabetes (Paediatric) (NPDA)	Yes	100%
Mental Health		
National Clinical Audit of Psychosis	N/A	Not relevant to RUH

Clinical Audit / National Confidential Enquiries	Participation?	% cases submitted
Prescribing Observatory for Mental Health (POMH-UK)	N/A	Not relevant to RUH
Older People		
Falls and Fragility Fractures Audit Programme (FFAP)	Yes	100%
National Audit of Dementia	Yes	100%
Sentinel Stroke National Audit Programme	Yes	100%
UK Parkinson's Audit	Yes	60 cases
Other		
Elective Surgery (National PROMS Programme)	Yes	100%
Learning Disability Mortality Review Programme (LeDeR)	Yes	100%
National Bariatric Surgery Registry (NBSR)	N/A	Not relevant to RUH
National Joint Registry (NJR)	Yes	100%
National Ophthalmology Audit	Yes	100%
National Vascular Registry	N/A	Not relevant to RUH
Neurosurgical National Audit Programme	N/A	Not relevant to RUH
Urology		
BAUS Urology Audits: Cystectomy	N/A	Not relevant to RUH
BAUS Urology Audits: Nephrectomy	Yes	160 cases (2014, 2015, 2016 ongoing)
BAUS Urology Audits: Percutaneous nephrolithotomy	Yes	33 cases (2014 – 2016 ongoing)
BAUS Urology Audits: Radical prostatectomy	Yes	74 cases minimum (2014 – 2016 ongoing)
BAUS Urology Audits: Urethroplasty	N/A	Not relevant to RUH
BAUS Urology Audits: Female stress urinary incontinence	N/A	Not relevant to RUH

Clinical Audit / National Confidential Enquiries	Participation?	% cases submitted
Women's & Children's Health		
Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes	100%
National Maternity and Perinatal Audit (NMPA)	Yes	100%
National Neonatal Audit Programme (NNAP) (Neonatal Intensive and Special Care)	Yes	100%
Paediatric Intensive Care (PICANet)	N/A	Not relevant to RUH

The reports of 35 national clinical audits were reviewed by the provider in 2017/18 and the Royal United Hospitals Bath NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.

- Sentinel Stroke National Audit Programme (SSNAP). The audit monitors performance across ten domains which include efficiencies with treatment, therapy input and discharge processes. Each of the domains receives an overall score, and is categorised into a level (A-E) as a way of grouping and comparing against other teams. This is ranked with A being the highest performing and E being the lowest. The audit findings from April to July 2017 show continued improvement with the audit standards. The total indicator level has risen from C to A, with performance rising to A for the overall patient-centred level and also improving from C to A for the team-centred level. Areas where further improvement is required include the percentage of patients directly admitted onto the Stroke Unit and patients being screened for nutrition and seen by a dietitian by discharge. It is anticipated that compliance with the audit standards will be improved by expanding the hours of Medical Nurse Practitioner coverage and ring-fencing the fifth trolley in the hyperacute bay. A new nursing lead for domain 2 of SSNAP is also proposed.
- National Heart Failure Audit Report. The audit identified a number of areas of good practice where performance is better than the national average. This includes admitted patients receiving an echocardiogram, input from Consultant Cardiologist, patients being admitted onto the Cardiology Ward, angiotensin-converting-enzyme inhibitor (ACEI) / Angiotensin receptor blockers (ARB), Mineralocorticoid Receptor Antagonists (MRA) and Beta Blocker on discharge. However there were some areas for improvement which included patients receiving input from specialist referral to Heart Failure nurse and cardiology follow up. In order to address the shortfall dedicated heart failure follow up clinics are commencing which should resolve the deficiency in referrals to follow ups.
- Third Patient Report of the National Emergency Laparotomy Audit (NELA). The RUH is specifically mentioned within the Quality Improvement section of the report for managing to sustain quality improvement gains. The RUH performed better than the national average in 6 of the 9 key standards. There were 3 standards where the RUH was below the national average. These were patient arrival in theatre in timescale appropriate to urgency, preoperative review by a consultant surgeon and consultant anaesthetist when risk of death is greater than or equal to 5% and consultant surgeon and consultant anaesthetist present in theatre when risk of death is greater than or equal to 5%. Since August 2015 a multi-disciplinary working group have driven reliable implementation of the laparotomy bundle. This includes a 6 part bundle of care (now NELA standards). Since April 2017 over 80% of RUH

patients undergoing emergency laparotomy have received all parts of the care bundle. This has resulted in a decreased mortality rate from 10% to 6.5%. There has also been a decrease in length of stay for these patients by 2 days since relaunch of the bundle in August 2015. Many parts of the bundle have improved since the 3rd report and are now over 90% compliant, with improved time to theatre. Consultant surgeon and anaesthetist in theatre is now 70%, a slight improvement from the 3rd report. The Trust has a pathway in place that the case is discussed with the consultant if the risk is high and any support required is provided. All patients are discussed with an intensive care consultant regarding their postoperative intensive care and also with the consultant surgeon. This has not been captured in the NELA data collection in the past but is being captured in the most recent data collection from December 2017.

- National Audit of Dementia; The Trust performed better than the national average for Governance (involvement of hospital leads & Executive Board), discharge planning (looking at evidence of discussion about destination and support), assessment on admission, staff communication, carer communication and carer rating of patient care. The Trust was below the national average for nutrition. This looked at how hospitals organise and monitor nutritional needs for patients with dementia including protected mealtimes, the provision of appropriate foods and allowing carers to visit at all times. Key actions taken include the support for open visiting at mealtimes and these principles are included within the Welcome Guide. Discussions have been held with the Patient and Carer Experience Team to look at ways in which involvement of carers can be promoted. The governance processes for reporting on complaints will be reviewed so that key themes can be filtered to monitor whether there are any key issues being raised for patients with dementia.
- Royal College of Emergency Medicine (RCEM) Moderate & Acute Severe Asthma; The Trust performed better than the national average for ten standards and worse for five standards. An asthma trolley has been introduced in High Care with guidelines and equipment including a peak flow meter and spacer. Asthma Care continues to be taught as part of the Emergency Department Teaching programmes for both doctors and nurses. Asthma care for children and adults is planned to be re-audited in Autumn 2018.
- National Physiotherapy Hip Fracture Sprint Audit. 77% of patients were mobilised the day after their surgery compared to 68% nationally. Patients went straight home following discharge in 64.7% of cases compared to 48.6% of patients nationally. On average, patients received 93 minutes of therapy time in the first week following surgery compared to 118 minutes nationally. Innovative therapy and nursing posts have been developed to enhance access to routine therapy.
- The reports of 120 local clinical audits were reviewed by the provider in 2017/18 and the Royal United Hospitals Bath NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided.
- Falls in Older People Audit; Overall, the completion of the falls care prevention care plan was graded as amber and could be improved. Specific areas for improvement included printing the name of the member of staff completing the care plan, time of completion of the care plan, falls prevention reassessment completed within the last 24 hours and discussion of risk of falls and preventative measures. This audit was part of the launch of the falls improvement programme. The standards will continue to be monitored by the Falls Steering Group on a monthly basis. Since this audit was undertaken, the falls prevention care plan has been amended and a post falls and SWARM care plan developed and introduced. The implementation of the revised documentation is just one part of the Falls Improvement Programme to reduce the number of falls across the Trust. A peer based audit is now undertaken to encourage ownership by the ward staff.

- Quality of Acute Oncology Service (AOS) Referrals; The audit results showed that most staff are aware of the correct method of referral and most of the referrals are relevant for AOS. However many staff are referring via bleep and these are not always recorded. There are still some inappropriate referrals or some that do not have a clear reason for referral to AOS. There are a large number of referrals/bleeps asking for advice about new diagnoses and this makes up a large amount of unrecorded workload. It is anticipated that changes to the referral system on millennium (our patient record system) so referrers have to include a reason for referral, more information about fitness, and level of input they want from AOS, will improve the quality of referrals. New guidelines for the referral of new diagnoses of Cancer of Unknown Primary and site-specific cancers will be provided. The quality of the AOS referrals will be re-audited in 2018 to assess the impact of these changes.
- Implementing the WHO safety checklist for invasive procedures in the Emergency Department; Compliance with the use of the WHO safety checklist in invasive procedures in the Emergency Department has increased from 42% for the period between December 2016 and March 2017 to 64% between June and August 2017. Recommendations that were implemented following the initial audit which contributed to the improved compliance included updating the various invasive procedures documentation, including paediatric sedation, publishing these results to the department, and including the audit in registrar and nursing departmental teaching. Further recommendations following the re-audit include continuing to educate emergency department staff and discussions with intensive care to consider altering the rapid sequence induction (RSI) safety checklist to include the WHO safety checklist.
- Risk Assessments and Nursing care plan - (Nursing and Midwifery monthly peer audit programme). The audit showed that whilst patient identifiers are well documented and the majority of the care plan sections were completed (for example falls and pressure ulcers) there were not always responses to individual questions within the care plan sections. Audit findings are disseminated to the wards through the Heads of Nursing, matrons and senior sisters and also published through audit posters on the wards. The Nursing Plan of Care document is currently being reviewed and updated to better reflect documentation requirements.
- Enhanced recovery process for elective caesarean; Two thirds of elective caesarean lists are currently in the afternoon and this can make it more difficult for the enhanced recovery process to be implemented. There are clear requirements for improved pre-operative processes to ensure minimisation of fasting and optimisation of pre-operative hydration (e.g. sugary drink). There is also a need for improved post-operative processes to allow earlier mobilisation, catheter removal and discharge. The plan is to change all elective lists to the morning as part of the first test of the enhanced recovery process. Internal processes will be developed within the Birthing Centre and Maternity wards to improve peri-operative practice in line with Enhanced Recovery After Surgery (ERAS) recommendations. Staff education about the ERAS process is taking place in Maternity. Patient information leaflets are also being developed to improve pre-operative preparation and information sharing.
- Picture Archiving and Communication System (PACS) audit into the use of marker balls in pelvic X-rays for patients with suspected neck of femur fracture. Current practice shows compliance with radiology guidelines has significantly improved in practice after our interventions since cycles 1 and 2 of the audit. Compliance has increased from 20% to 74%. As a result of the audit the teaching sessions were delivered at radiographers' Continuing Professional Development (CPD) sessions and aide memoirs were developed and displayed in the Emergency Department and Radiology departments. Results of the previous audit cycle were also presented at the orthopaedic multi-disciplinary audit meeting. Further teaching of radiographers at their CPD sessions may help to increase compliance further, and it is

planned to introduce aide memoirs in the radiology department to remind radiographers of the policy at the time of obtaining the images.

Mandatory Statement 3

The NHS has a clear mandate from government that it should be committed to research at the heart of clinical activities. Trusts are charged with incorporating research to their plans and strategies. It is well evidenced that research active hospitals have better outcomes for all patients, regardless of whether or not they are directly involved in research.

It is the ambition of the RUH to give as many patients as possible the opportunity to be involved in research and to have access to treatments that would otherwise not be available to them.

The number of patients receiving relevant health services provided or sub-contracted by the Royal United Hospitals Bath NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 2185.

This represents an increase compared to the previous year of over 20%. As well as increasing the number of patients participating in research in 2017/18, there has also been an improvement in other research metrics around efficiency of opening new studies and achieving individual study targets. At the time of publication, there are 300 trials open with patients being treated or attending follow up visits, representing a caseload of over 3,000 patients receiving care or treatment as part of a research study.

Research initiated and run by our own consultants, allied health professionals and nurses remains a priority and continues to flourish. Many of these projects are in collaboration with the Universities of Bath, Bristol and West of England. Our researchers hold Professorships and lectureships in those institutions from clinical areas as diverse as Anaesthesia, Rheumatology, Chronic Pain Management, Ageing, and Parkinson's Disease.

The following grants were awarded to Trust researchers in 2017/18:

RUH Grants awarded 2017-2018

Awarded to	Study	Amount and detail	When
Dr Raj Sengupta	COMPASS - Can outcome measures predict AS Severity	£54,664.28 - Novartis	April 17
Dr Raj Sengupta	Whiteswan – Grant for AxSpa interface	€66,489.04 Euros - UCB	June 17
Sally Tedstone	Does Osteopathic treatment of infants with tongue function difficulties improve breastfeeding outcomes	£29,887 – General Nursing Council	June 17

Professor Neil McHugh	Nail Psoriasis data project	£35,000 – Abbvie	July 17
Sandi Derham	Clinical Academic Careers Programme: Transitional Award	£9,981.75 – Health Education England	October 17
Dr Raj Sengupta (co-applicant)	Do non-steroidal anti-inflammatory drugs reduce the appearance of sacroiliac joint bone marrow oedema on MRI in Spondyloarthritis	£8,750 – Arthritis Research UK	November 17
Dr William Tillett	IMPAIR – A study to assess impairment of physical function and radiographic change in psoriatic arthritis	£134,113.00 – Celgene	November 17
Professor Candy McCabe	A multi-centre study to explore the feasibility and acceptability of collecting outcome measure data for Complex Regional Pain Syndrome clinical trials using a new core outcome measures (SUVA)	£74,000 (100,000 swiss francs) – SUVA	October 17
Professor Grey Giddens	Drill guidance system in orthopaedic surgery	£638,702 NIHR i4i	January 18
Dr Emily Henderson	A phase 3 trial of Rivastigmine to prevent falls in Parkinson's Disease	£2,386,400.99	February 18
	Total	£3,429,566.02	2017/18

Grant awards made in 17/18 total almost £3.5million, the most successful year to date, an increase of over £3million compared to 16/17 and demonstrating the commitment and growing expertise of RUH researchers. These larger prestigious awards also validate the improving national and international reputation of the RUH as a centre of research excellence.

Mandatory Statement 4

A proportion of the Royal United Hospitals Bath NHS Trust income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between the Royal United Hospitals Bath NHS Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework. Further details of the agreed goals for 2017/18 and for the following 12-month period are available electronically at <https://www.england.nhs.uk/nhs-standard-contract/cquin/cquin-17-19/>. There were no local CQUINs in 2017/18. This year, it is anticipated that the Trust will receive £4.7m in CQUIN payments out of a possible £5.6m, which represents 83 per cent achievement. In the previous year, 2016/17 the Trust achieved 93 per cent achievement, £5.1m out of a possible £5.5m.

Mandatory Statement 5

The Royal United Hospitals Bath NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'registered'. The Royal United Hospitals Bath NHS Foundation Trust has no conditions attached to its registration.

The Care Quality Commission has not taken any enforcement action against the Royal United Hospitals Bath NHS Foundation Trust during 2017/18.

Mandatory Statement 6 was removed from the regulations in 2011

Mandatory Statement 7

The Royal United Hospitals Bath NHS Foundation Trust has participated in the special reviews or investigations by the Care Quality Commission related to the following areas during 2017-18:

- 12 – 16 March 2018: A local system review in Wiltshire commissioned by the Secretaries for State for Health and for Communities and Local Government, looking at how people move between health and social care, including delayed transfers of care, with a particular focus on people over 65 years old.

The Royal United Hospitals Bath NHS Foundation Trust intends to take the following action to address the conclusions or requirements reported by the CQC:

- The Trust will review the findings and recommendations of the report once published by the Care Quality Commission.

Mandatory Statement 8

The Royal United Hospitals Bath NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses service for inclusion in the Hospital Episode Statistics, which are included in the latest published data.

The percentage of records in the published data*:

Which included the patient's valid NHS number was:

- % for admitted patient care 99.8
- % for outpatient care 99.9
- % for accident and emergency care 99.1

which included the patient's valid General Medical Practice Code was:

- % for admitted patient care 100

- % for outpatient care 100
- % for accident and emergency care 100

*Based on Provisional April 2016 to January 2018 SUS Data at the Month 10 Inclusion Date

Mandatory Statement 9

The Royal United Hospitals Bath NHS Foundation Trust Information Governance Assessment Report overall score for 2017/18 was 92% and was graded as level 2, satisfactory (Green).

Mandatory Statement 10

The Royal United Hospitals Bath NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2017/18 by the Audit Commission or any equivalent body.

Mandatory Statement 11

The Royal United Hospitals Bath NHS Foundation Trust will be taking the following actions to improve data quality:

- Continue to use and develop the Data Quality Assurance Framework implemented during 2015/16 as a way of assessing the quality of information reported to the Board. This process assigns a confidence rating to key performance standards based on the outcome and frequency of data quality audits.
- Continue to incorporate Data Quality in the Internal Audit Programme, ensuring that the quality of information remains a high priority for the Trust.
- Continue the work of the Data Quality Steering Group, which meets regularly to oversee data quality within the Trust. The group monitors data quality issues and receives the outcomes of audits and external data quality reports to support resolution of issues and improvement work. The meetings are attended by staff from the information department and staff working in operational roles as well as finance and IM&T to make sure that the Trust maintains high quality and accurate patient information to support patient care.

2.9 Performance against national core set of quality indicators

SHMI

Measure		Latest Reporting Year	RUH Performance		National Average	National Best	National Worst
			Oct 16 Sep 17	Oct 15 - Sep 16			
Summary Hospital Level Mortality Indicator (SHMI)	Value	2017/18	1.01	0.99	1.00	0.73	1.25
	Banding	2017/18	2	2	2	3	1
	% of Patient Deaths with Palliative Care Coding	2017/18	22.1%	22.2%	31.4%	59.5%	11.5%

The Royal United Hospitals Bath NHS Foundation Trust considers that this data is as described for the following reasons:

The data is published by NHS Digital using data provided by the Trust.

SHMI is reported as a twelve month rolling position, and the reporting periods shown are the latest available from NHS Digital.

The SHMI value is better the lower it is. The banding level helps to show whether mortality is within “expected” range based on statistical methodology. There are three bandings applied, with a banding of two indicating that mortality is within expected range. The Trust has a value of two, meaning that mortality levels are not significantly higher or lower than expected.

The Royal United Hospitals Bath NHS Foundation Trust intends to take or has taken the following actions to improve this indicator, and so the quality of its services by:

The Trust scoring against this measure is within expected range, and the latest published figures are in line with the previous time period. Because of this no specific improvement actions have been identified, however the Trust is committed to continuing to reduce mortality as measured by both SHMI and HSMR (Hospital Standardised Mortality Ratio) indicators. The Trust performance against HSMR is detailed in section three of the Quality Accounts.

Our Clinical Outcomes Group, chaired by the Medical Director, monitors these indicators on a regular basis, and we use the Dr Foster Intelligence System to monitor mortality and clinical effectiveness.

PROMS

Measure	Latest Reporting Year	RUH Performance		National Average	National Best	National Worst	
		Apr 17 - Sep 17	Apr 16 - Mar 17				
					Apr 16 Mar 17		
PROMS: Patient reported outcome measure	Groin Hernia - EQ VAS	2017/18	*	-1.529	-0.241	3.273	-6.507
	Groin Hernia - EQ-5D Index	2017/18	*	0.058	0.086	0.135	0.006
	Hip Replacement Primary EQ VAS	2017/18	*	14.914	13.434	20.150	8.523
	Hip Replacement Primary EQ-5D Index	2017/18	*	0.448	0.445	0.537	0.310
	Hip Replacement Primary Oxford Hip	2017/18	*	22.815	21.799	25.068	16.427
	Hip Replacement Revision EQ VAS	2017/18	*	*	7.155	13.834	1.527
	Hip Replacement Revision EQ-5D Index	2017/18	*	*	0.291	0.239	0.362
	Hip Replacement Revision Oxford Hip	2017/18	*	*	13.503	16.508	10.256
	Knee Replacement Primary EQ VAS	2017/18	*	6.277	6.977	14.502	1.008
	Knee Replacement Primary EQ-5D Index	2017/18	*	0.341	0.324	0.404	0.242
	Knee Replacement Primary Oxford Knee	2017/18	*	16.770	16.547	19.876	12.508
	Knee Replacement Revision EQ VAS	2017/18	*	*	3.499	7.525	2.034
	Knee Replacement Revision EQ-5D	2017/18	*	*	0.273	2.970	1.570
	Knee Replacement Revision Oxford	2017/18	*	*	12.360	13.875	8.615
	Varicose Vein Aberdeen Varicose Vein	2017/18	*	*	-8.248	2.117	-18.076
	Varicose Vein EQ VAS	2017/18	*	*	0.081	6.272	-4.904
	Varicose Vein EQ-5D Index	2017/18	*	*	0.092	0.155	0.010

The Royal United Hospitals Bath NHS Foundation Trust considers that this data is as described for the following reasons:

The data shown is published by NHS Digital using data provided by the Trust and patient responses. The Trust give pre-operative questionnaires to all eligible patients and a follow up post-operative questionnaire is sent to patients by an external company in line with national guidance.

Information is only available for some measures for the Trust against the PROMS measures for the most recent reporting period. This is because a low number of the post-operative questionnaires have been returned to date, due to the time it takes to gather and process responses. Small numbers are not used because it is difficult to make accurate assumptions about improvements in care, and in some cases information has to be excluded to protect patient confidentiality

The reporting periods shown are the latest available from NHS Digital.

The Royal United Hospitals Bath NHS Foundation Trust intends to take or has taken the following actions to improve this performance, and so the quality of its services, by:

Historically the Trust scoring against this measure has been within expected range (above national average) for the majority of areas. Because of this, no specific improvement actions have been identified.

There are three different measures included in PROMS, the EQ VAS, EQ-5D Index and Oxford hip and knee scores. The EQ-5D Index is a combination of five key criteria concerning general health and EQ VAS is the current state of the patients general health marked on a visual analogue scale. The Oxford Hip and Knee scores relate specifically to the patient's condition and therefore are a particular area of focus for the Trust when monitoring PROMS results.

The Trust will continue to review performance against PROMS measures when more recent data becomes available.

Re-admissions

Measure	Latest Reporting Year	RUH Performance		National Average*	National Best*	National Worst*	
		Apr 17 - Nov 17	Apr 16 - Mar 17				
Patient readmitted to a hospital within 28 days of being discharged	0-15 years old	2017/18	8.60%	10.80%	8.80%	1.00%	15.90%
	16 years or over	2017/18	9.20%	8.60%	7.90%	2.00%	15.80%

The Royal United Hospitals Bath NHS Foundation Trust considers that this data is as described for the following reasons:

Published data from NHS Digital for the most recent time periods was not available at the time of reporting, and so in order to provide more up to date information the performance above has been taken from a different source. This data has been taken from Dr Foster Intelligence, a tool used by the Trust to monitor patient outcomes using data submitted by the Trust. National Comparison figures have also been taken from Dr Foster 2016/17 based on non-teaching Acute Hospital Trusts.

Due to the time it takes to publish the data we are only able to include figures from April to November of this year for the latest time period.

The Royal United Hospitals Bath NHS Foundation Trust intends to take or has taken the following actions to improve this indicator, and so the quality of its services by:

The adult (16 or over) readmission rate has seen a small increase in the period April – November 2017 compared to the annual rate seen in 2016/17, while the children’s rate has reduced. Re - admission rates published by Dr Foster are reviewed at our monthly Clinical Outcomes Group meeting that is chaired by our Medical Director. The paediatric service provides open access as a safety net and therefore would expect to have a percentage of children returning to hospital.

Responsiveness to personal needs of patients

Measure		Latest Reporting Year	RUH Performance		National Average	National Best	National Worst
			2016	2015			
Responsiveness to the Personal needs of Patients	Inpatient Overall score	2016	69.0%	68.4%	68.1%	85.2%	60.0%

The Royal United Hospitals Bath NHS Foundation Trust considers that this data is as described for the following reasons:

The data shown is published by NHS Digital using patient responses to the National Inpatient Survey. The list of patients was provided by the Trust using the methodology and criteria specified for the survey. In order to protect the confidentiality of responses the survey is analysed by an external company, and so this data cannot be calculated internally. Responses for the 2017 National Inpatient Survey have not yet been released; therefore the latest available surveys have been included. These relate to the 2016 and 2015 inpatient surveys.

The overall score uses the results of a selection of questions from the Inpatient Survey looking at a range of elements of hospital care.

The Royal United Hospitals Bath NHS Foundation Trust intends to take or has taken the following actions to improve this indicator, and so the quality of its services by:

The results for the National Inpatient Survey 2016 were presented to the Board of Directors in June 2017. The Care Quality Commission (CQC) compared the Trust responses to 76 questions against all other Trusts and whether the RUH is performing ‘better’ ‘about the same’ or ‘worse’ than the national average. Generally the Trust performed “about the same” as other Trusts and was not in the worst performing categories for any questions. The Trust scored ‘better’ than average on one question ***‘If you brought your own medication with you to hospital, were you able to take it when you needed to?’ (Trust score 8.2/10)*** This is a new question and therefore there is no comparative data from last year.

Areas for improvement have been identified where the Trust scored slightly below the national average and these have been assigned to leads to identify and support improvements. The areas related to cleanliness of wards and bathrooms; noise at night from other patients; using the same bath/shower as patients of the opposite sex and explaining how patients would feel after their operation.

Staff recommending the trust to family and friends

Measure	Latest Reporting Year	RUH Performance		National Average*	National Best*	National Worst*
		2017	2016			
Staff who would recommend the trust to their family or friends	2017	75%	76%	70%	86%	47%

The Royal United Hospitals Bath NHS Foundation Trust considers that this data is as described for the following reasons:

The data shown is taken from the NHS Staff Survey. The survey is run and analysed by an external company and so this cannot be calculated internally. This is done in line with national guidance. For the past 3 years all staff members were given the opportunity to complete a staff survey to make sure opinions were captured from as many people as possible.

The Royal United Hospitals Bath NHS Foundation Trust intends to take or has taken the following actions to improve this indicator, and so the quality of its services by:

The Trust scored above the national average for acute trusts for this measure, and the proportion of staff who would recommend the Trust for treatment to friends and family has remained consistent with last year's results. Work on embedding the Trust values has continued over the past twelve months, supporting staff to focus on Everyone Matters; Working Together, and Making a Difference within the Trust.

VTE

Measure	Latest Reporting Year: 2016/17	RUH Performance		National Average	National Best	National Worst
		2017/18	2016/17			
Patients admitted to hospital who were risk assessed for venous thromboembolism	Q1	79.84%	98.32%	95.09%	100.00%	51.38%
	Q2	79.50%	98.73%	95.19%	100.00%	71.88%
	Q3	87.70%	96.72%	95.25%	100.00%	76.08%
	Q4		97.42%			

The Royal United Hospitals Bath NHS Foundation Trust considers that this data is as described for the following reasons:

The data shown is published by NHS England using data provided by the Trust. The figures published are consistent with local calculations of the information that has been submitted.

Performance is published as quarterly totals. At the time of reporting only data to the end of quarter three of 2017/18 has been published.

The Royal United Hospitals Bath NHS Foundation Trust intends to take or has taken the following actions to improve this indicator, and so the quality of its services by:

Compliance with VTE risk assessment during 2017/18 would appear to have dropped on review of the data, however, the data for VTE risk assessment at the RUH was previously collected from a sample of patients using Safety Thermometer information and this changed in 2017/18 to be collected from all patients. The data was collected electronically, but in the information that was input into the electronic system did not reflect the true compliance, as it required a nurse to document that the assessment has been performed on the paper drug chart by the doctor. Following implementation of the electronic prescribing medication administration system (ePMA) in November 2017, the risk assessment for VTE became electronic and this has resulted in the data being much more reliable and has shown a compliance of over 90%.

Clostridium difficile (C. difficile)

Measure		Latest Reporting Year	RUH Performance		National Average	National Best	National Worst
			2017/18	2016/17	2016/17		
Rate of C.difficile infection	Rate per 100,000 bed-days for specimens taken from patients aged 2 years and over	Reported	15.1	17.6	12.9	0.0	82.7
		Actual	8.5				

The Royal United Hospitals Bath NHS Foundation Trust considers that this data is as described for the following reasons:

The performance shown for the current reporting period (April 2017 to March 2018) has been calculated internally by the Trust using the data submitted nationally, as published data was not available at the time of reporting. During 2017/18 the Trust has reported 31 cases of *Clostridium difficile*; however it has been agreed by the Commissioners that no lapses of care occurred in 12 of these cases and are therefore not counted in the year-end total, resulting in 19 actual cases. Another case is being contested as further testing revealed that the patient did not have *Clostridium difficile* infection.

Rates for both reported and actual are shown in the table.

The Royal United Hospitals Bath NHS Foundation Trust intends to take or has taken the following actions to improve this performance, and so the quality of its services, by:

In 2018/19 we will continue to work to the *Clostridium difficile* improvement plan which includes actions recommended by NHS Improvement following a supportive visit to the Trust. These include implementation of enhanced cleaning, further review of antimicrobial stewardship and gaining assurance that remedial works requests are completed.

Incidents

Measure		Latest Reporting Year	RUH Performance	RUH Performance	National Median*	National Best*	National Worst*
			Apr17-Sep17	Apr16-Sep16	Apr17-Sep17		
Patient Safety incidents and the percentage that resulted in severe harm or death	Number of Patient Safety Incidents	2017/18	3200	3501	4630	15228	1133
	Rate of Patient Safety Incidents (per 1000 bed days)		29.3	30.6	41.7	111.7	23.5
	Number Resulting in severe harm or death		23	22	15	0	121
	% resulting in severe harm or death		0.2%	0.6%	0.1%	0.0%	0.6%

The Royal United Hospitals Bath NHS Foundation Trust considers that this data is as described for the following reasons:

The data shown for April 2016 – September 2017 is published by the National Reporting and Learning System (NRLS). This uses incident data provided by the Trust based on national definitions, and figures published are consistent with local calculations. National averages, best and worst figures are based on all non-specialist Acute Trusts, with the National averages being calculated internally using the published data. April – September 2017 is the latest published dataset.

The Royal United Hospitals Bath NHS Foundation Trust intends to take or has taken the following actions to improve this performance, and so the quality of its services, by:

The Trust is supporting a culture of incident reporting, to allow for learning to take place within the organisation and the organisation is actively promoting a pro-active approach to focus on increasing the level of reporting. Following a consultation with junior doctors the Trust is exploring the use of new technology to facilitate the ease with which incidents can be reported, including the use of a mobile app. The Trust will continue to use the routine monitoring of data on incident themes and trends, to evidence quality improvement across the Trust.

2.10 Mandatory Statement 27: Learning from Deaths

Mandatory Statement 27.1

During 2017/18 1438 of The Royal United Hospitals Bath NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 349 in the first quarter; 356 in the second quarter; 348 in the third quarter; 385 in the fourth quarter.

Mandatory Statement 27.2

The process for selecting patient deaths requiring review and investigation was still being developed over the course of quarter 1 and quarter 2 and in a pilot phase. Consequently we have only been able to report data about this process in Quarter 3 and Quarter 4. This is in line with the expectation from NHSI that Trusts would need to be reporting this information publicly through the Board of Directors by the end of Quarter 3.

By the end of March 2018, 430 case record reviews and 42 investigations have been carried out in relation to 735 of the deaths included in item 27.1.

In 5 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 0 in the first quarter;
- 0 in the second quarter;
- 5 in the third quarter;
- 37 in the fourth quarter.

Mandatory Statement 27.3

The process for selecting patient deaths requiring review and investigation was still being developed over the course of quarter 1 and quarter 2 and in a pilot phase. Consequently we have only been able to report data about this process in Quarter 3. This is in line with the expectation from NHSI that Trusts would need to be reporting this information publicly through the Board of Directors by the end of Quarter 3.

0 of the patient deaths reviewed during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

- 0 representing 0% for the first quarter;
- 0 representing 0% for the second quarter;
- 0 representing 0% for the third quarter;

- 0 representing 0% for the fourth quarter.

These numbers have been estimated using the Royal College of Physicians Structured Judgement Review (SJR) tool which is used to investigate the care of patients whose death triggers on initial review using a screening tool.

Mandatory Statement 27.4

The Trust is at an early stage of carrying out mortality reviews using this new methodology and therefore the number of cases reviewed thus far is limited. We expect to gain greater insights and learning as the work gains momentum.

The piloted use of the Structured Judgement Review process for example highlighted a number of cases where a treatment escalation plan coupled with appropriate community resource would have helped prevention of admission for end of life care.

Mandatory Statement 27.5

As stated above the process is at too early a stage of development to be able to take actions from specific learning.

Mandatory Statement 27.6

As stated above the process is at too early a stage of development to be able to take actions from specific learning.

We would expect action and impact to be seen in 2018 / 19.

As this is our first part year of this activity, we do not have any carry over activity to report from the previous reporting year. This is reflected in the following mandatory statements (27.7 – 27.9).

Mandatory Statement 27.7

0 case record reviews and 0 investigations completed after 31st March 2017 which related to deaths which took place before the start of the reporting period.

Mandatory Statement 27.8

0 representing 0% of the patient deaths before the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient.

Mandatory Statement 27.9

0 representing 0% of the patient deaths during 2016/17 are judged to be more likely than not to have been due to problems in the care provided to the patient.

Part 3 Other Information

3.1 Local Quality Indicators – clinical effectiveness; patient safety; and patient experience

This section of our Quality Accounts provides an overview of the quality of care we provided in 2017 / 2018. The information shows our performance against mandated indicators as set out in the guidance from NHS Improvement and also against a number of indicators selected by the Board of Directors in consultation with our Commissioners.

Three indicators have been selected from each of the domains of patient safety, clinical effectiveness and patient experience. Where possible, we have included our previous year's performance and how we benchmark against the national average.

These indicators have been selected from the Trust's Integrated Balanced Scorecard and fit with the domains of caring, effective, safe, responsive and well led. They also link with areas that we have identified in our Quality Account priorities, CQUIN targets and patient safety priorities. We believe that our performance against these indicators demonstrates that we are providing high quality patient-centred care which will continue to be monitored over the coming year.

3.2 Patient Safety

The three patient safety indicators are:

1. Falls
2. Infections
3. Pressure ulcers

Falls

	Trust local target	2017/18 Performance	Did we achieve in 2017/18 against our target?	2016/17 Performance	Did we achieve in 2016/17 against our target?	2015/16 Performance	Did we achieve in 2015/16 against our target?
Falls assessment completed within 24 hours (average per month)	95%	94%	✗	94%	✗	96.1%	✓
Number of falls resulting in harm (average per month)	1	3	✗	3	✗	3	✗
Falls resulting in harm per 1000 bed days	N/A	0.16	N/A	0.16	N/A	0.15	N/A

We are confident that the data we use to monitor falls is an accurate way of looking at falls within our hospitals. Falls resulting in harm relates to those categorised as moderate and above. Falls assessments are completed on our electronic patient record system and monitored by our senior nursing team. When a patient suffers a fall it is reported via our incident reporting tool, with all falls being monitored through our falls steering group, with the learning shared across the organisation.

In comparison to the Healthcare Quality Improvement Partnership benchmark of 6.63 falls per 1000 bed days (October 2015) the trust has performed under the benchmark for all falls per 1000 bed days for the last 2 years.

The falls steering group monitors all falls within the Trust. This includes reviewing the results of all root cause analyses conducted to investigate falls that have occurred. This process enables us to learn from incidents, identify themes and trends and look for potential improvements.

During 2017/18 we launched a Trust wide falls improvement programme, which included a revised falls risk assessment, introduction of a post falls assessment, introduction of enhanced observations, a standardised process to review patients on high risk medications and ensuring that all patients have a lying and standing blood pressure. These improvements will continue to be monitored through the falls steering group.

There has also been a successful bid to Health Education England South West Simulation Network for allocation of £25,000 to support falls simulation training by members of the falls steering group.

Each ward has an active falls lead supported by the Quality Improvement Senior Nurses.

Infections

		RUH Target (National)	2017/18 Total ¹		Have we improved on 2016/17 (actual cases)?	2016/17 Total ²		Did we achieve in 2016/17 against our national target?	Were we better than the 16/17 national rate in 17/18? (actual cases) ³
			Reported	Actual		Reported	Actual		
Clostridium difficile	Total infections	22	31	19	✓	40	27	✓	N/A
	Rate per 100,000 bed days	10.9	15.1	8.5	✓	17.6	11.9	✓	✓
MRSA	Total infections	0	1		About the same	1		✗	N/A

The Trust takes infection prevention and control very seriously and there have been a number of actions that have taken place during the last year which have helped to produce an overall improvement in performance against health care associated infection targets.

Targeted education has been provided in areas where infections have occurred and the Infection Prevention and Control Team have undertaken a 'swarm' approach where multiple factors are taken into account to identify any specific areas that require attention, for example improvements to the clinical environment or specific training requirements.

The *Clostridium difficile* performance is reported in more detail under the core indicators in section 2.

During 2017/18 there was one Trust attributed MRSA blood stream infection. This was thoroughly investigated using a post infection review and a serious incident root cause analysis investigation. The infection was acquired whilst the patient was in Critical Care Services and actions were identified to reduce the risk of further infections. The action plan has been overseen and monitored by the Surgical Division.

A new ambition was introduced during 2017/18 to reduce healthcare associated Gram negative blood stream infections by 10%. This was a whole health economy target and the Trust is currently working in collaboration with the CCGs to achieve a 50% reduction in these infections by 2020.

Pressure ulcers

		2017/18				Have we improved on 2016/17?	2016/17		2015/16	
		2017/18 Trust Local Target	2017/18 Total	2017/18 Average per month	Did we achieve in 2017/18 against our local target?		Total	Average per month	Total	Average per month
Category two	Category two	24	15	1	✓	✓	34	3	27	2
	Medical device related	8	6	0.5	✓	✓	15	1	23	2
	Total	32	21	1.75	✓	✓	49	4	50	4
Category three		0	1	0	✗	✓	3	0	1	0
Category four		0	0	0	✓	✓	1	0	0	0

The 2017-18 target for improvement was a 25% reduction of avoidable category two pressure ulcers on 2016-17 figures. This was achieved. The actual improvement was a 57% reduction.

The 2017-18 target for improvement was a 50% reduction of avoidable Medical Device Related pressure ulcers on 2016-17 figures. This was achieved. The actual improvement was a 60% reduction.

The ambition remains to have a zero tolerance for category 3 and 4 pressure ulcers. There has been one avoidable category 3 pressure ulcer in 2017-18 which is a 66% reduction on last year.

There have been no category 4 pressure ulcers.

The Royal United Hospitals Bath NHS Foundation Trust has a clear pathway for pressure ulcer prevention and regular awareness campaigns to keep pressure ulcer prevention at the forefront of providing quality care.

Where the Trust saw an increase in the number of pressure ulcers further improvement plans were put in place and monitored by the Senior Nursing team and the Tissue Viability Steering group. These actions saw an immediate effect with a decrease in avoidable harms.

All hospital acquired pressure ulcers are investigated to identify any themes and potential learning. These are then used to drive improvement work at local and Trust level.

We are confident that our pressure ulcer data is accurate. Pressure ulcers are recorded on our electronic patient record and our incident reporting system. These are then checked and confirmed by our Tissue Viability team. An annual prevalence was carried out in July 2017 and provided assurance that the incidence data we are capturing is accurate and figures were improving.

3.3 Clinical effectiveness

The four clinical effectiveness indicators are:

1. Sepsis
2. Cancer access targets
3. Summary Hospital-level Mortality Indicator (SHMI)
4. Hospital Standardised Mortality Ratio (HSMR)

Sepsis

Sepsis	Target	Q1	Q2	Q3	17/18 Q1-Q3
Patients who met criteria for sepsis screening and were screened for sepsis	90%	81%	79%	77%	79%
Patients with sepsis receiving antibiotics within 60 minutes from diagnosis	90%	87%	90%	89%	89%

Sepsis is a national priority being driven by NHS England and a national CQUIN for 2017/18 and 2018/19. It includes data for adults, paediatrics, direct admissions and inpatients. The sepsis measures in 2017/18 are not directly comparable with 2016/17 measures.

Over the last 3 years significant improvements have been made in identification and management of patients with Sepsis admitted to the RUH and our aim is to spread this improvement across trust-wide, to improve outcomes for all patients, including children and maternity patients. Our improvement journey is covered in more detail in section 2.6, priorities for improvement.

At RUH we are confident that the information we use for monitoring sepsis is accurate. Information is collected from the patient information system within our emergency department and from patient notes. This is then validated by clinical staff and fed back to staff in the department for monitoring performance and driving improvement.

Cancer access targets

Measure	Target	Royal United Hospitals Bath NHS Foundation Trust						National			
		2017/18 RUH Total	Did we achieve in 17/18?	2016/17 RUH Total	Did we achieve in 16/17?	2015/16 RUH Total	Did we achieve in 15/16?	2015/16 National Total	2016/17 National Total	2017/18 National Total (Apr-Feb)	
Two week wait	From GP referral to 1st outpatient appointment	93.0%	94.2%	✓	94.1%	✓	93.3%	✓	94.1%	94.4%	94.2%
	From GP referral to 1st outpatient appointment - breast symptoms	93.0%	90.1%	✗	83.9%	✗	86.8%	✗	93.2%	93.4%	93.0%
31 day wait	From diagnosis to first treatment for all cancers	96.0%	99.0%	✓	99.5%	✓	99.6%	✓	97.6%	97.6%	97.5%
	From diagnosis to subsequent treatment - surgery	94.0%	99.7%	✓	99.2%	✓	99.7%	✓	95.6%	95.4%	95.5%
	From diagnosis to subsequent treatment - drug treatments	98.0%	100.0%	✓	100.0%	✓	99.9%	✓	99.5%	99.3%	99.4%
	From diagnosis to subsequent treatment - radiotherapy treatments	94.0%	100.0%	✓	100.0%	✓	99.9%	✓	97.6%	97.3%	97.1%
62 day wait	From urgent referral to treatment of all cancers	85.0%	88.4%	✓	89.0%	✓	89.7%	✓	82.4%	82.0%	82.0%
	From referral to treatment from a screening service	90.0%	93.6%	✓	91.3%	✓	96.4%	✓	93.1%	91.8%	90.9%

The Trust did not achieve the 2 week wait breast symptomatic target in year following failures in the early part of the year due to challenges with recruitment to a consultant radiologist vacancy. Throughout this time a rigorous clinical triage process has been in place to ensure that patients with any suspicion of cancer did not experience delays. The team have worked on resolving the capacity and recruitment issue and successfully appointed a consultant breast and general radiologist in autumn and also secured additional capacity within the financial year and extending into 2018/19.

The 62 day GP target has been maintained throughout the year despite increased workloads of all staff involved. This was supported by additional short term central funding.

Summary Hospital-level Mortality Indicator (SHMI)

This is reported as part of the core indicators in part 2.

Hospital Standardised Mortality Ratio (HSMR)

		National Average	2017/18		2016/17		2015/16	
			April to December		April to March		April to March	
			HSMR value	Were we within expected range?	HSMR value	Were we within expected range?	HSMR value	Were we within expected range?
HSMR	Overall	100	101.4	✓	112.2	✗	107.0	✗
	Weekday	100	97.4	✓	108.7	✗	105.7	✓
	Weekend	100	116.0	✗	122.1	✗	110.5	✓

We use the Dr Foster intelligence tool to monitor our HSMR performance. This looks at observed and expected outcomes to measure mortality. The calculation uses statistical methods to identify whether mortality is significantly better, worse or within expected range of the national average.

Due to the time it takes to publish the data we are only able to include figures from April to December of 2017.

We monitor HSMR through our monthly Clinical Outcomes Group meeting. This meeting is chaired by our Medical Director, and is attended by clinical and non-clinical staff within the Trust. As part of this any areas of concern are investigated.

We are pleased to note that our overall HSMR values for April to December this year have seen an improvement on 2016/17 and are within the expected range for overall and weekday mortality. Weekend mortality was outside of the expected range but had reduced from the 2016/17 position. The Clinical Outcomes Group will continue to monitor HSMR performance.

3.4 Patient experience

The three patient experience indicators are:

1. Referral to Treatment (RTT)
2. Friends and Family Test (FFT)
3. Emergency Department – Four Hour waiting times

Referral to Treatment (RTT)

Measure	Royal United Hospitals Bath NHS Foundation Trust						
	Target	2017/18 RUH Total	Did we achieve in 17/18	2016/17 RUH Total	Did we achieve in 16/17	2015/16 RUH Total	Did we achieve in 15/16?
Incomplete pathways - patients waiting no longer than 18 weeks for treatment	92.0%	87.8%	✗	90.4%	✗	91.7%	✗

The Trust has worked hard to balance the unprecedented non-elective demand throughout 2017/18, which has resulted in us being unable to meet the the RTT open pathway access standard.

There have been two main causes:

1. The reduction in outpatient activity related to junior doctor rota changes impacting on high volume specialities and difficulty in recruiting to medical staff vacancies.

- The impact of Winter nationally and the need to focus on delivery of care for the most urgent and cancer related procedures.

The Trust has made good progress within the medical specialities with most now delivering the access standard. The Trust has been working with Commissioners to manage demand for elective care over the year and developing relationships with our Independent Healthcare partners to support the Winter period and elective care going forward.

We are confident that the recording of RTT pathways is robust and includes a number of daily reports to monitor and manage patient pathways.

Friends and Family Test (FFT)

Measure		Royal United Hospital			National	
		2017/18 RUH Total	Have we improved on 2016/17?	2016/17 RUH Total	How do we compare to National?	2017/18 National Total ¹
Inpatients	Percentage of patients that would recommend the RUH to friends and family	96.9%	About the same	97.0%	✓	95.7%
A&E	Percentage of patients that would recommend the RUH to friends and family	97.2%	✓	97.1%	✓	86.8%

We are confident that our patients have been given the opportunity to provide feedback via the Friends and Family Test, and that the information displayed represents the responses that we have received. Patients are given the opportunity to complete feedback cards, which are then entered onto our patient experience system. Eligible patient numbers are taken from our Patient Administration System. Responses and eligible populations are reported in line with national definitions.

Performance is good and the Friends and Family Test continues to be reported through the Trust Performance and Quality Groups and is on the Trust Scorecard. In addition, the additional comments submitted by patients on the questionnaire are logged and analysed to pick up on any issues raised.

Emergency Department – Four Hour waiting times

Measure	Royal United Hospitals Bath NHS Foundation Trust							National
	Target	2017/18 RUH Total	Did we achieve in 16/17?	2016/17 RUH Total	Did we achieve in 15/16?	2015/16 RUH Total	Did we achieve in 14/15?	2017/18 National total
Patients attending the Emergency department waiting a maximum of four hours before a decision is made to treat, admit or discharge - All Types - Including the Urgent Care Centre ¹	95.0%	82.7%	✗	83.3%	✗	86.9%	✗	88.4%
Patients attending the Emergency department waiting a maximum of four hours before a decision is made to treat, admit or discharge - Type 1 - Emergency Department only	95.0%	80.0%	✗	80.8%	✗	84.7%	✗	82.4%

The 4 hour standard has continued to be challenging and it is recognised that support from system partners is required to deliver an improved performance. The urgent and emergency care system has a system wide improvement plan in place, with focus on patient length of stay, in particular those with a stay exceeding 21 days. The trust is receiving support from the Emergency Care Improvement Programme (ECIP) to deliver its improvement programme. The improvement programme is led by the executive Urgent Care Collaborative Board which has responsibility to oversee the improvement plans and actions.

We remain committed to delivering safe and high quality care to our patients, especially during periods of greatest demand and heightened pressure within the Emergency Department, continuing to perform well on quality indicators and remaining one of the top performing trusts in the region for rapid

handover between ambulance and Emergency Department staff; enabling patients to be seen quickly and also free the ambulance crews.

There has been an increased focus this year on alternative pathways to admission to prevent and Emergency Department attendance and or admission ensuring that patients are seen in the most appropriate place for their clinical needs. These pathways include medical ambulatory care, surgical ambulatory care, paediatric assessment unit and gynaecology emergency clinic. Over 30% of the medical take is now routinely cared for through the medical ambulatory care unit.

In November 2017 the Emergency Departments patient administration system was replaced with a system that is linked to the main hospital patient administration system enabling all hospital clinicians to view the emergency episode of care in real time and supporting a streamlined process if the patient is admitted. The Emergency Department team were fully engaged with the build and deployment of the system. Data quality continues to improve. Attendances and waiting times are monitored using these systems, supported by a range of reports which are available to help us monitor and manage attendances and waiting times on a daily basis. Processes are reviewed and audited as part of the trust internal audit programme.

3.5 Commissioning for Quality and Innovation (CQUIN)

The Commissioning for Quality and Innovation (CQUIN) is a payment framework which enables Commissioners to reward excellence by linking a proportion of acute healthcare provider's income conditional on demonstrating improvements in quality in specified areas of care. For 2017/18 all projects have been nationally mandated and applied to all acute trusts.

Each project is led by a clinician, who supports the achievement of the quality indicator milestones and is accountable for the financial performance of the scheme. The following outlines the progress with the 2017/2018 CQUIN quality improvement schemes.

National CQUIN schemes for 2017/18

Staff Health and Wellbeing (partially achieved)

A continuation of the good practice put in place during 2016/17 this project is comprised of a series of initiatives aimed to improve the support available to NHS Staff to help promote their health and wellbeing.

The scheme was split into three parts;

- Putting in place and delivering initiatives to ensure staff feel supported physically and emotionally by the Trust. This element of the project was assessed against the results of the 2017 staff survey from three questions:
 1. Does your organisation definitely take positive action on health and wellbeing
 2. Have you experienced musculoskeletal problems (MSK) as a result of work?
 3. Have you felt unwell in the last 12 months due to work related stress?
- Ensuring healthy food is available to staff/visitors and that unhealthy food is not being promoted in outlets across the Trust
- Improving the uptake of the flu vaccination for frontline staff to ensure that 70 per cent were protected by February 2018.

The Trust established a Health and Wellbeing group to support this CQUIN in 2016/17 whose members continue to work towards it's achievement and also support other wider initiatives to support staff. During the year the group promoted and hosted a range of wellbeing initiatives including the Trust's Health and Wellbeing festival and other targeted days to raise awareness on issues such as men's health or available financial support. 2017/18 also saw the continuation and expansion of the

staff physiotherapy service and the launch of additional mental health courses by the Trusts employee assistance programme (EAP).

The Trust has changed suppliers for its pre-packaged sandwiches and savoury snacks to ensure they contain fewer calories and saturated fats and all outlets have greatly reduced the volumes of sugar sweetened beverages and high calorie confectionery sold.

The Trust had a very successful flu campaign this year, achieving 71.8% of front line staff receiving the vaccination by the end of February.

This scheme was partially achieved with no payment received for improvements to the staff survey results but full payment for the healthy food and flu vaccine elements.

Serious Infections (partially achieved)

A scheme building on two 2016/17 projects aimed at combating the rise of antimicrobial resistance by reducing the overuse and inappropriate prescription of antimicrobials and continuing the Trusts excellent track record in swiftly identifying and treating sepsis.

The sepsis safety programme has been an ongoing priority in the Trust since 2014, commencing as a local CQUIN this work has been built upon by two national CQUINS in 15/16 and 16/17. The project focuses on the rapid detection, via screening, and treatment of patients with Sepsis in the Emergency Department and inpatient settings. As a result of this work we are now identifying patients earlier and administering antibiotics faster.

Over 2000 staff members have been trained in the new NICE guidance and NEWS (National Early Warning Score) and are empowered to act quickly when patients deteriorate.

The other element of the CQUIN sought to incentivise the Trust to reduce the prescription of two specific drugs, carbapenem and piperacillin-tazobactam and its overall antibiotic consumption by one percent.

Improving services for people with mental health needs who present to A&E (fully achieved)

The scheme is applicable to Acute Trusts and Mental Health providers, incentivising both organisations to work together and review patients who have attended the Emergency Department for on multiple occasions who may have underlying mental health needs.

Patients have been identified jointly by clinical leads from the RUH and Avon & Wiltshire Mental Health Partnership NHS Trust who would benefit from the creation of a joint care plan which was then created by a multi-disciplinary team, including members from the Emergency Department (ED), community mental health team, local Ambulance Trust and others. Additional activities were also undertaken to review the way these patients notes are recorded when they attend ED and engagement with a wider local group to look at alternatives for patients who need mental health support other than a hospital attendance.

The scheme is anticipated to achieve full compliance with all milestones for both organisations; an initial review of the patients that received care plans demonstrates a reduction in attendances of 40% across the year. This scheme was fully achieved.

Offering Advice and Guidance (fully achieved)

The scheme requires Acute Trusts to set up and operate Advise & Guidance services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients in to hospital.

The RUH has chosen to expand the provision of an existing pilot which enabled GPs to contact a rota'd list of consultants via the telephone. To date this service has been rolled out across Urology, Rheumatology, Paediatrics, Neurology, Gastroenterology, Elderly Care, Diabetes and Endocrine

Medicine, Cardiology, Breast surgery, General surgery, Gynaecology and Dermatology and the Trust received 5886 calls between April 2017 and March 2018 from GPs with queries.

GP satisfaction surveys are carried out regularly with GPs speaking highly of the service and stating that this has helped improve clinical practice in primary care with improved communication.

The CQUIN milestones require lines for specialties receiving 35% of GP referrals, to date the lines cover 58% with plans to expand the service to include an additional 30% during 2018/19. This scheme was therefore fully achieved.

NHS E-Referrals (partially achieved)

Over 2017/18 the Trust has been undertaken work to ensure that all services that receive referrals from GPs to be available on the NHS E-Referral system, facilitating the elimination of paper and faxed referrals during 2018/19. All services have been reviewed and those missing have been created on the Trusts directory of service during the year.

Running concurrently with this work the STP launched a project to support both the referral management centres and the CQUIN, with Trusts asked to return referrals which had not gone through the correct process for a given list of specialties, and a timescale for further roll out across the year for Wiltshire and Somerset. The Trust has fully engaged with this work. This scheme was partially achieved.

Safe and Proactive Discharge (partially achieved)

This work sought to incentivise the Trust to increase the proportion of patients over 65 discharged to their usual place of residence within seven days. This workstream was included in the Trusts already established and effective integrated discharge service, supported by the Home First programme as the vehicle for delivering a 2.5% increase on 16/17.

The scheme is anticipated to achieve full compliance with all milestones, demonstrating the Trust's continued focus on supporting older people to remain well for as long as possible within the wider health care system. This scheme was partially achieved.

Medicines Optimisation (fully achieved)

A scheme agreed with NHS England which is comprised of several projects to deliver changes to optimise cost effective prescribing mechanisms. These projects include; the switching from branded to biosimilar drugs when these become available. Data quality initiatives for standardised medical product names and improved national submissions for IVIG and SACT. A final element required the Trust to explore cost effective dispensing options for outpatients.

The pharmacy team have worked with clinical teams across the hospital to amend prescribing practice when new medicines are approved and put in place additional processes to ensure all appropriate data is captured and reviewed. The Trust also undertook a procurement exercise to select a provider for the pharmacy shop located in the Atrium.

This scheme has delivered a structure for the collection of more robust and reliable data across key clinical areas which will improve patient safety and has made significant savings for the hospital using homecare. This scheme was fully achieved.

Nationally Standardised Dose Banding Adult Intravenous SACT (fully achieved)

The second NHS England scheme sought to standardise doses of prescribed chemotherapy to reduce variation in prescribing as part of the national medicines optimisation agenda. The CQUIN built upon a very successful smaller scheme from last year and required the clinical teams to support

the principle of dose banding and then increase the percentage of dose banded prescriptions administered for 48 drugs.

The scheme has achieved full compliance with all milestones across the year with 99% of prescriptions being dose banded by quarter three. This scheme was fully achieved.

Optimising Palliative Chemotherapy Decision (fully achieved)

The final project focused on ensuring that in cases where chemotherapy was being used to treat palliative patients a peer to peer discussion had taken place and been recorded. This should ensure decisions to start and continue further treatment should be made in direct consultation with peers and then as a shared decision with the patient.

Over the course of the year the team have reviewed the existing processes for 30 mortality reviews and how two specific groups of patients are recorded. An action plan was then drawn up to ensure that these conversations are consistently recorded. The scheme has demonstrated the Trusts existing excellent practice and is anticipated to achieve full compliance with all milestones.

Achievements

The Trust has had a very successful year with regard to CQUIN schemes, both in terms of financial achievement and clinical quality improvements. In terms of financial achievement the Trust will receive 83% of a possible £5.6 million available CQUIN funding. Five scheme achieving 100% of their milestones overall, these are Mental Health in A&E, Advice and Guidance, Medicines Optimisation, Nationally Standardised Dose Banding Adult Intravenous SACT and Optimising Palliative Chemotherapy Decisions.

3.6 Duty of Candour

In November 2014, it became a legal requirement for all NHS Trusts to implement the Duty of Candour. This was an important step towards ensuring an open, honest and transparent culture.

The intention of this regulation is to ensure that providers are open and transparent with people who use services and other 'relevant persons' (people acting lawfully on their behalf) in relation to care and treatment. It sets out specific requirements that providers must follow when things go wrong with care and treatment, including informing people about the incident, providing reasonable support, providing truthful information and an apology when things go wrong. It is important that lessons are learned and improvements made when things go wrong and that the culture of the organisation encourages openness and transparency. The Care Quality Commission (CQC) inspection will check that the Trust has robust systems in place to meet the duty of candour regulation.

To ensure compliance with the Duty of Candour, the Trust has produced a Duty of Candour policy to guide staff. The Trust Risk and Assurance team provide support to staff to ensure they are aware of the process and compliant with the process as per the policy.

Duty of Candour has been incorporated into the Trust's incident reporting system. Moderate, Severe and Catastrophic patient safety incidents automatically trigger Duty of Candour 'fields' which have to be completed by the incident reporter and informs relevant staff of required actions they need to take. Reminder e-mails are automatically populated when Duty of Candour leads fail to complete the actions in a timely manner. Duty of Candour is embedded into the process of investigating incidents and reminders are sent to investigators if the Duty of Candour process has not been completed. The risk team advise staff investigating Serious Incidents of the date the investigation report is signed off and to share the outcomes with the service user or 'relevant persons'

Every month the Trust continues to randomly select 10 incidents deemed to have triggered Duty of Candour in order to assess against the requirements of the regulation and ensure the correct procedure has been followed.

On a quarterly basis, a review of those incidents for which the reporter has indicated that Duty of Candour is not applicable, is performed. If it is discovered that Duty of Candour should have been implemented, the Duty of Candour action chain is initiated and the reporter of the incident contacted to explain why the previous decision has been overturned.

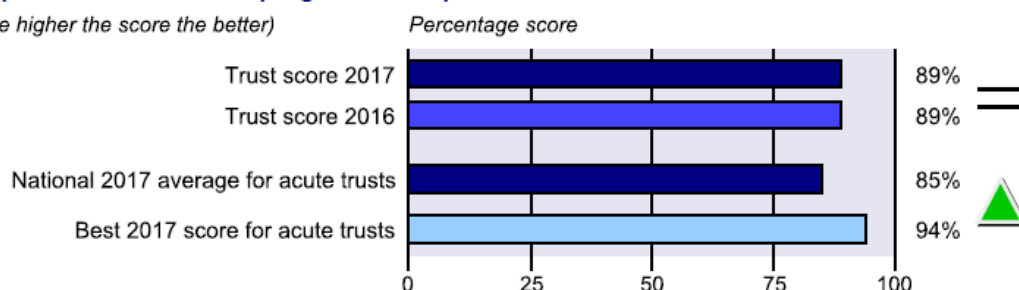
3.7 NHS staff survey results

A total of 2279 staff responded to the survey, which is 45% of the trust. This is a higher rate than the national average response (44%) for acute trusts but a slight decline on last year's responses (46%).

KF21 (percentage of staff believing that the organisation provides equal opportunities for career progression or promotion)

KEY FINDING 21. Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion

(the higher the score the better)



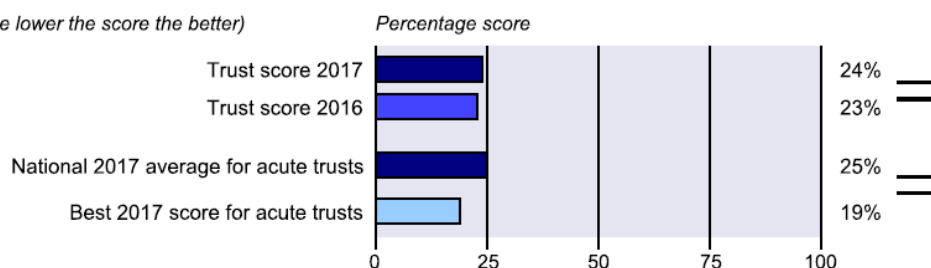
The trust has remained in the same position as last year and is positioned in the top (best) 20 per cent of acute trusts for this measure.

KF26 (percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months)

The lower the score the better

KEY FINDING 26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months

(the lower the score the better)



The Trust score is better than the average score for acute trusts, although there has been a small (not statistically significant) increase since 2016.

3.8 Implementing priority clinical standards for seven day hospital services

The Ten clinical standards for delivering seven day services in hospitals were developed in 2013 through the Seven Day Services Forum, chaired by Sir Bruce Keogh and involving a range of

clinicians and patients. The standards were founded on published evidence and on the position of the Academy of Medical Royal Colleges (AoMRC) on consultant-delivered acute care. These standards define what seven day services should achieve, no matter when or where patients are admitted.

With the support of the AoMRC, four of the 10 clinical standards were identified as priorities on the basis of their potential to positively affect patient outcomes. These are:

Standard 2 – Time to first consultant review

All emergency admissions must be seen and have a thorough clinical assessment by a suitable consultant as soon as possible but at the latest within 14 hours from the time of admission to hospital.

Standard 5 – Access to diagnostic tests

Hospital inpatients must have scheduled seven-day access to diagnostic services, typically ultrasound, computerised tomography (CT), magnetic resonance imaging (MRI), echocardiography, endoscopy, and microbiology. Consultant-directed diagnostic tests and completed reporting will be available seven days a week:

- Within 1 hour for critical patients
- Within 12 hours for urgent patients
- Within 24 hours for non-urgent patients

Standard 6 – Access to consultant-directed interventions

Hospital inpatients must have timely 24 hour access, seven days a week, to key consultant-directed interventions that meet the relevant specialty guidelines, either on-site or through formally agreed networked arrangements with clear written protocols.

Standard 8 – Ongoing review by consultant twice daily if high dependency patients, daily for others.

All patients with high dependency needs should be seen and reviewed by a consultant twice daily. Once a clear pathway of care has been established, patients should be reviewed by a consultant at least once every 24 hours, seven days a week, unless it has been determined that this would not affect the patient's care pathway.

The RUH is committed to working towards the implementation of these 4 Significant progress has been made in the following areas to help deliver this:

- Acute medical consultants are available until 7 pm each day and there are plans to recruit further into new posts to help bring this up to 9 pm each day.
- All level 3 intensive care patients are reviewed twice daily by consultants on our critical care unit.
- Ambulatory care has extended opening 3 days a week.
- The Frailty Flying Squad service, designed to enable rapid and safe discharge of the frail elderly from the front door is now a seven day service.
- Each bed holding specialty has introduced daily weekend ward rounds for new admissions.
- Enhanced junior doctor presence on weekends, including a registrar dedicated to discharging patients to help with the flow of admissions into the hospital.

Annex 1: Statements from stakeholders



Healthwatch Wiltshire's Response to Royal United Hospital NHS Foundation Trust Quality Statement 2017/2018

Healthwatch Wiltshire welcomes the opportunity to comment on Royal United Hospital NHS Foundation Trust's quality account for 2017/18. Healthwatch Wiltshire exists to promote the voice of patients and the wider public with respect to health and social care services. Over the past year we have continued to work with the Trust to ensure that patients and the wider community are appropriately involved in providing feedback and that this feedback is taken seriously.

We are happy to see that the Trust has engaged with a variety of people including service users and unpaid carers in the development of their priorities and that Priority 4 focuses on listening to patients and carers and using their feedback to improve services. We are also pleased to see that the Trust reports that they have achieved what they said they would in terms of last years priorities with plans for further improvement work in all priority areas.

It is concerning that targets for falls were not met again this year but we are pleased to see that improvement targets for pressure ulcers are being achieved. We hope to see further improvements this coming year and hope the work of the falls improvement programme and the falls steering group benefits from the additional funding obtained from the HEE Simulation Network.

The Trust has failed to meet the two-week breast symptomatic wait target this year, however we see that this was in part due to recruitment issues and that there were measures in place to ensure patients with suspicions of cancer did not experience delays. A measure of patient experience would be a useful way of gauging the impact of delays like these for this cohort of patients and Healthwatch Wiltshire would be happy to advise and support the Trust with this.

We welcome the work the Trust has done in working with the mental health Trust to review patients who attend emergency departments on multiply occasions. Identified patient have benefitted from the creation of joint care plans by multidisciplinary teams.

These reviews identified opportunities for mental health support other than a hospital attendance. An initial review suggests a reduction of 40% of attendances across the year.

It is positive to note the number of patients who would recommend the Trust's care under the Friend and Family Test.

Healthwatch Wiltshire looks forward to working with the Trust over the coming year to ensure that the experiences of patients, their families and unpaid carers and staff are heard and taken seriously.

Quality Account Response Form for 2017-18:

Royal United Hospital Bath

Health & Wellbeing Select Committee

We believe that the Royal United Healthcare (RUH) priorities should and do match those of the needs of the local community. The report builds upon the aspirations for the RUH to build an organisational culture of continuous quality improvement. This has been demonstrated through the continued development of staff training and learning development, which is reflected throughout this year's report.

We welcome this year's reflection on the performance against the trusts patient safety priority and national priorities and are encouraged to read the actions set out to address those not yet met from last year.

Members also acknowledge the number of national and local clinical audits experienced by the trust, and note the steps already being made to progress those areas not met. The committee will look forward to reviewing these actions in next year's quality account report.

The committee notes the use of public engagement, specifically priority 4, which will be measured through listening to patients, carers and use this to improve services. Through patient surveys, friends and family's test. The committee are also encouraged to learn that these will be used to continually improve patient and carer experience at the RUH and meet patient's needs.

Overall the members feel that the report undertaken was positive, whilst acknowledging where there are areas of pressure and improvement. The committee will continue to support the RUH in its actions and priorities for the year ahead.

Health & Wellbeing Select Committee

Councillor Francine Haerberling (Chair)

Donna Vercoe Senior Scrutiny Officer (scrutiny@bathnes.gov.uk)

18th May 2018

Helen Blanchard
Director of Nursing and Midwifery
Royal United Hospital
Combe Park
Bath
BA1 3NG

Dear Helen,

**Quality Accounts 2017/18 for the Royal United Hospitals Bath NHS Foundation
Trust (RUH)**

NHS Bath and North East Somerset Clinical Commissioning Group welcome the opportunity to review and respond to the Quality Accounts for 2017/18 for the Royal United Hospitals Bath NHS Foundation Trust (RUH).

The account provides an accurate representation of the Trust's quality programme which highlights the positive aspects of innovative ways of working whilst also explaining where things have not progressed as well as planned or where quality indicators have not been met.

There are robust arrangements in place with the RUH to agree, monitor and review the quality of services, covering the key domains of quality, patient safety, clinical effectiveness and patient experience.

We acknowledge the Trust's commitment to supporting and developing their staff's skills and knowledge in quality through training and coaching in order to increase and enhance quality improvement expertise across the organisation.

The Trust has shown an increased focus on their five patient safety priorities in 2017/18. Through the implementation of a Trust-wide falls programme and falls prevention pathway the Trust has been able to begin to demonstrate a reduction in the number of inpatient falls.

Commissioners recognise the work undertaken to reduce the incidence of Clostridium Difficile Infections (CDI) and the support provided to the Trust from NHS Improvement with 19 CDI cases attributed to the RUH for 2017/18 against a target of 22 which is a significant improvement for the Trust. There has been one case of Trust attributable MRSA.

The work undertaken on the early detection of patients with Acute Kidney Injury (AKI) is also notable. However, it is not clear if the objectives for AKI have been fully achieved. We look forward to working with the Trust in 2018/19 to develop a format to fully measure improvement in this area.

The Trust has detailed the work they have undertaken against their four quality priorities for 2017/18 and they have made effective progress against these. It is encouraging to see the quality improvement work on frailty and the notable impact that this has had on patient outcomes in particular with the Frailty Flying Squad.

We acknowledge the work that has been undertaken on management of jaundice in babies and the significant reduction in re-admittance for jaundice treatment.

Commissioners are pleased to note that improving the patient experience at discharge is a priority and that there have been significant improvements in this area through the implementation of various initiatives. However, we would welcome working in partnership with the Trust to continue to focus on this area particularly in relation to the expansion of Home First and Continuing HealthCare Fast Track.

It is disappointing to note that the Trust has not achieved their quality priority to improve sepsis management in 2017/18. However, the range of quality improvement measures which have been implemented is noted and we are encouraged that with continued focus the percentage of patients screened for sepsis will increase.

Other quality improvements of note are the reduction in pressure ulcers and the continued focus on providing patients with the opportunity to provide feedback on their experiences.

It is notable that the Trust has participated in the full range of national and local clinical audits and that this has resulted in actions to improve quality. Commissioners are pleased to see that the Trust has made improvements in the Sentinel Stroke National Audit Programme with the current audit performance available showing the Trust having achieved the highest level of audit standards.

During 2017/18 the Trust has implemented and participated in the national CQUIN (Commissioning for Quality and Innovation) programme. The Trust has demonstrated collaborative working with other providers to implement and meet the required CQUIN targets. Overall, the Trust has performed well against the national CQUIN targets. A key area for 2018/19 is the CQUIN on 'Reducing the impact of serious infections' as the Trust has had variable performance during 2017/18.

When reviewing the Trust's 2017/18 Quality Account, Commissioners note the inclusion of learning from deaths which is a new requirement for this year. Commissioners note that the Trust are in the early phases of completing mortality reviews and this area will continue to be monitored in 2018/19 through the quality contract meetings.

Commissioners acknowledge the priorities for improvement planned for 2018/19 and that these continue to focus on quality improvement initiatives which are across the lifespan of the population. There is limited information provided within the Quality Accounts on how these will be achieved in 2018/19 and we look forward to supporting the Trust in developing more definitive measures of what success will look like for these priority areas.

It is important to acknowledge that the RUH as with many other acute Trusts in England and Wales, have experienced on-going challenges again this year with pressures on the urgent and emergency care treatment. The Trust's failure during 2017/18 to meet the Referral to Treatment standards and the Emergency Department four hour waiting times standard impacts on patient experience significantly and we look forward to continuing to work collaboratively to identify system wide solutions to manage demand and implement more effective treatment pathways during 2018/19.

It is clear that the Trust has demonstrated numerous areas of effective improvement in patient safety and quality initiatives. The CCG recognises the Trust's commitment to working in partnership with commissioners, the public and other key stakeholders and we look forward to again working with the Trust in the forthcoming year.

Yours sincerely,

Lisa Harvey



Director of Nursing and Quality

NHS Bath and North East Somerset Clinical Commissioning Group

cc Tracey Cox, Chief Officer, BaNES CCG

Dina McAlpine, Director of Nursing and Quality, Wiltshire CCG

Debbie Rigby, Director of Quality, Safety and Engagement, Somerset CCG

Annex 2: Statement of director's responsibilities for the quality report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

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

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

- the content of the Quality Report meets the requirements set out in the NHS foundation trust annual reporting manual 2017/18 and supporting guidance;
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
 - board minutes and papers for the period 1 April 2017 to 31 March 2018;
 - papers relating to quality reported to the board over the period 1 April 2017 to 31 March 2018;
 - feedback from Bath and North East Somerset Clinical Commissioning Group on behalf of all the Trust's local commissioners dated 18th May 2018;
 - feedback from governors dated 26/02/2018;
 - feedback from Healthwatch Wiltshire dated 10 May 2018;
 - feedback from Bath and North East Somerset Council Health and Wellbeing Select Committee dated 14 May 2018;
 - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 27/09/2017;
 - the 2016 and 2017 national patient surveys;
 - the 2016 and 2017 national staff surveys;
 - the Head of Internal Audit's annual opinion of the trust's control environment dated May 2018;
 - CQC inspection report dated 10/08/2016;
- the Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered;
- the performance information reported in the Quality Report is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

By order of the Board



.....22 May 2018. Date.....Chairman



.....22 May 2018. Date.....Chief Executive

Independent auditor's report to the council of governors of Royal United Hospitals Bath NHS Foundation Trust on the quality report

We have been engaged by the council of governors of Royal United Hospitals Bath NHS Foundation Trust to perform an independent assurance engagement in respect of Royal United Hospitals Bath NHS Foundation Trust's quality report for the year ended 31 March 2018 (the 'quality report') and certain performance indicators contained therein.

This report, including the conclusion, has been prepared solely for the council of governors of Royal United Hospitals Bath NHS Foundation Trust as a body, to assist the council of governors in reporting Royal United Hospitals Bath NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the council of governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the council of governors as a body and Royal United Hospitals Bath NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge, and;
- percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.

We refer to these national priority indicators collectively as the 'indicators'.

Respective responsibilities of the directors and auditors

The directors are responsible for the content and the preparation of the quality report in accordance with the criteria set out in the 'NHS foundation trust annual reporting manual' issued by NHS Improvement.

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

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual' and supporting guidance;
- the quality report is not consistent in all material respects with the sources specified in detailed guidance for external assurance on quality reports 2017/18; and
- the indicators in the quality report identified as having been the subject of limited assurance in the quality report are not reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and the six dimensions of data quality set out in the 'detailed guidance for external assurance on quality reports'.

We read the quality report and consider whether it addresses the content requirements of the 'NHS foundation trust annual reporting manual' and supporting guidance, and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the quality report and consider whether it is materially inconsistent with:

- board minutes for the period April 2017 to 22 May 2018
- papers relating to quality reported to the board over the period April 2017 to 22 May 2018;
- feedback from Bath and North East Somerset Clinical Commissioning Group on behalf of all the Trust's local commissioners dated 18 May 2018;

- feedback from Healthwatch Wiltshire dated 10 May 2018;
- feedback from Bath and North East Somerset Council Health and Wellbeing Select Committee dated 14 May 2018
- the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated September 2017;
- the 2017 national patient survey;
- the 2017 national staff survey;
- Care Quality Commission inspection report, dated August 2016
- the Head of Internal Audit's annual opinion over the trust's control environment, dated May 2017; and
- any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

Assurance work performed

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

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

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

Limitations

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

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

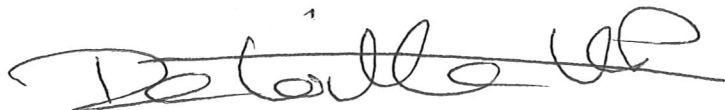
The scope of our assurance work has not included testing of indicators other than the two selected mandated indicators, or consideration of quality governance.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the quality report is not prepared in all material respects in line with the criteria set out in the 'NHS foundation trust annual reporting manual';

- the quality report is not consistent in all material respects with the sources specified in 2.1 of the NHS Improvement 2017/18 Detailed guidance for external assurance on quality reports for foundation trusts.; and
- the indicators in the quality report subject to limited assurance have not been reasonably stated in all material respects in accordance with the 'NHS foundation trust annual reporting manual' and supporting guidance.

A handwritten signature in black ink, appearing to read 'D. G. O. U. P.', written over a horizontal line.

Deloitte LLP
Birmingham
22 May 2018

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS AND BOARD OF DIRECTORS OF ROYAL UNITED HOSPITALS NHS FOUNDATION TRUST

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Royal United Hospitals Bath NHS Foundation Trust (the 'trust') and its subsidiaries (the 'group'):

- **give a true and fair view of the state of the group's and trust's affairs as at 31 March 2018 and of the group's and trust's income and expenditure for the year then ended;**
- **have been properly prepared in accordance with the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts; and**
- **have been prepared in accordance with the requirements of the National Health Service Act 2006.**

We have audited the financial statements which comprise:

- the group statement of comprehensive income statements;
- the group and trust statement of financial position;
- the group and trust statements of changes in equity;
- the group and trust statement of cash flows; and
- the related notes 1 to 37.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting policies directed by NHS Improvement – Independent Regulator of NHS Foundation Trusts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.



We are independent of the group and the trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters

The key audit matters that we identified in the current year were:

- Management override of controls
- Capitalisation of assets

Within this report, any new key audit matters are identified with  and any key audit matters which are the same as the prior year identified with .

We included the key audit matter of management override controls and capitalisation of assets in our report for the current year owing to the increased pressure on management to report results in line with their agreed control total in order to unlock the Sustainability and Transformation Funding (STF) for the year.

Last year our report included a key audit matter on recognition of NHS clinical revenue, however due to the Trust agreeing full and final

	<p>settlements with its significant commissioners, we no longer consider it a key risk for 2017/18.</p> <p>We also included a key audit matter in relation to the accounting for property valuation in the prior year due to a full valuation being completed by new valuers, in the current year a indexation process has been completed therefore a key audit matter associated with this balance is not considered necessary this year.</p>
Materiality	The materiality that we used for the group financial statements was £6.5m which was determined on the basis of 2% of group income.
Scoping	The focus of our audit work was on the trust. We performed specified audit procedures on the trust's subsidiary, RUH Charitable Fund, where the extent of our testing was based on our assessment of the risks of material misstatement and the materiality of the charity to the Group. Our audit therefore covered all the entities within the Group, which account for 100% of the Group's net assets, revenues and surplus.
Significant changes in our approach	Other than the changes to key audit matters as reported above, there were no other significant changes in our approach in the current year.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the accounting officer's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the accounting officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management override of controls

Key audit matter description This key audit matter relates to the potential for management to use their judgement to influence the financial statements results as well as the potential to override the Trust's controls for specific transactions.



The group's revenue includes STF of £11.4m which is dependent on the group meeting certain financial performance targets. Consequently, there

could be an incentive to manipulate the financial results in order to achieve Control Totals each quarter or at the year-end to ensure STF funding is received.

The financial statements could be manipulated through the selection of accounting judgements or estimates, for example through the completeness and valuation of liabilities, specifically early cut off of non-NHS payables, completeness and valuation of accruals and completeness and valuation of provisions.

Details of critical accounting judgements and key sources of estimation uncertainty are included in note 1.2 and 1.2.1.

How the scope of our audit responded to the key audit matter



We have considered the overall sensitivity of judgements made in preparation of the financial statements, and considered the overall control environment and 'tone at the top'.

Manipulation of journals entries

- We have made inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments.
- We have used data analytics tools to select journals for testing, based upon identification of items with characteristics indicative of potential manipulation of reporting. Our analysis covered the entire journals posted in the year.

Manipulation of accounting estimates

- We reviewed accounting estimates for biases that could result in material misstatements due to fraud.
- Our work included considering each of the areas of judgement identified including completeness and accuracy of accruals and provisions. In testing each of the accounting estimates the engagement team members were directed to consider their findings in the context of the identified fraud risk. Where relevant, the recognition and valuation criteria used were compared to the specific requirements of IFRS.

Key observations

No material matters or bias were identified as part of our audit work.



Capitalisation of assets





Key audit matter description



This is a key audit matter as revenue includes STF of £11.4m which is dependent on the Trust meeting certain financial performance targets. Consequently, we note there could be an incentive to manipulate reporting in order to achieve Control Totals each quarter or at the year-end to ensure STF funding is received.

Capital additions for the year were £21.4m as disclosed in notes and 14.1 and 16.1 to the financial statements. Determining whether expenditure should be capitalised can involve significant judgement as to whether the expenditure is directly attributable to bringing an asset into use and is therefore capital in nature in accordance with IAS 16 or IAS 38. There is an incentive to capitalise assets in order to increase the in-year reported surplus.

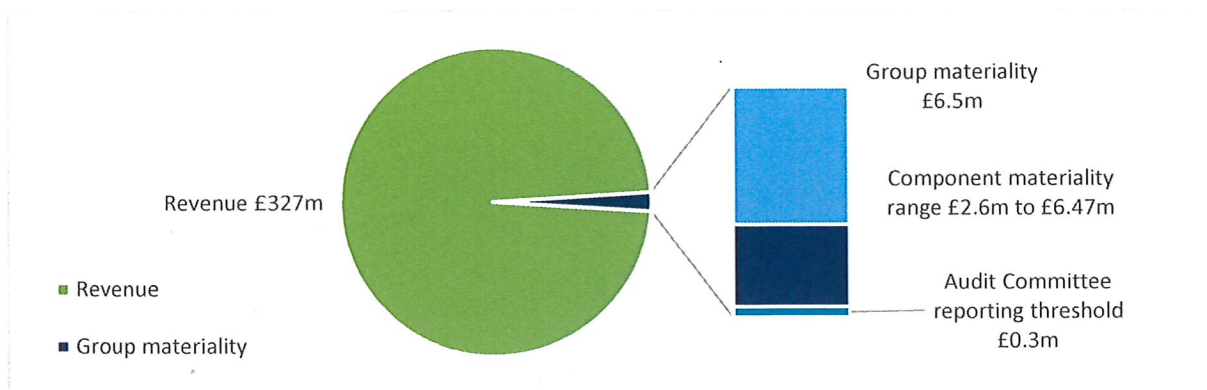
	<p>The accounting policy in relation to the capitalisation of fixed assets is included with note 1.7.1 of the financial statements.</p> <p>The accounting policy in relation to the capitalisation of intangibles assets is included within note 1.8.1 to the financial statements.</p>
	<p>We evaluated the design and implementation of controls in relation to the capitalisation of assets.</p> <p>We have tested a sample of additions to fixed assets and intangibles made by the trust, considering if the items meet the criteria for capitalisation as set out within the trust's accounting policies and the relevant accounting requirements.</p>
Key observations 	<p>No material misstatements relating to the capitalisation of assets were identified as part of our audit work.</p>

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Trust financial statements
Materiality	£6.5m (2016/17: £6.4m).	£6.47m (2016/17: £6.37m).
Basis for determining materiality	2% of group income (2016/17: 2% of group income).	Trust materiality equates to less than 2% of trust income and is capped at 95% of group materiality (2016/17: 98%).
Rationale for the benchmark applied	Revenue was chosen as a benchmark as the group is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.	Revenue was chosen as a benchmark as the trust is a non-profit organisation, and revenue is a key measure of financial performance for users of the financial statements.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £0.3m (2017: £0.25m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level.

The focus of our audit work was on the Trust, with work performed at the Trust's head offices in Bath directly by the audit engagement team, led by the audit partner.

We performed specified audit procedures in relation to the Trust's subsidiary, RUH Charitable Fund, where the extent of our testing was based on our assessment of the risks of material misstatement and the component materiality specific for the subsidiary.

Our audit covered all of the entities within the Group, which account for 100% of the Group's net assets, revenue and surplus.

Our audit work was executed at levels of materiality applicable to each individual entity which were lower than group materiality and ranged from £2.6m to £6.47m.

Other information

The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon.

We have nothing to report in respect of these matters.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a

material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of accounting officer

As explained more fully in the accounting officer's responsibilities statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the group's and the trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the group or the trust or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the National Health Service Act 2006

In our opinion:

- the parts of the Directors' Remuneration Report and Staff Report to be audited have been properly prepared in accordance with the National Health Service Act 2006; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement, use of resources, and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is

We have nothing to report in respect of these matters.

inconsistent with information of which we are aware from our audit;

- the Trust has not made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the trust, or a director or officer of the trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

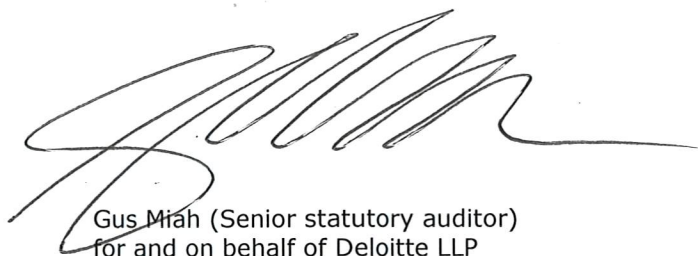
We have nothing to report in respect of these matters.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Board of Governors and Board of Directors ("the Boards") of Royal United Hospitals Bath NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trust and the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Gus Miah (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
22 May 2018

Royal United Hospitals Bath NHS Foundation Trust

Annual accounts for the year ended 31 March 2018

Foreword to the accounts

Royal United Hospitals Bath NHS Foundation Trust

These accounts, for the year ended 31 March 2018, have been prepared by Royal United Hospitals Bath NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006 and are presented to parliament pursuant to schedule 7, paragraph 25(4)(a) of the National Health Service Act 2006.



Signed

Name James Scott
Job title Chief Executive
Date 22 May 2018

Statement of Comprehensive Income

For the Year Ended 31 March 2018

	Note	Group	
		2017/18 £000	2016/17 £000
Operating income from patient care activities	3	282,727	285,337
Other operating income	4	44,379	36,182
Operating expenses	5, 7	(316,567)	(312,769)
Operating surplus/(deficit) from continuing operations		10,539	8,750
Finance income	10	214	204
Finance expenses	11	(311)	(115)
PDC dividends payable		(4,888)	(4,778)
Net finance costs		(4,985)	(4,689)
Other gains	12	15,240	311
Surplus for the year from continuing operations		20,794	4,372
Surplus for the year		20,794	4,372
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	6	-	(3,287)
Revaluations		2,558	1,431
May be reclassified to income and expenditure when certain conditions are met:			
Fair value (losses) / gains on available-for-sale financial investments	20	(1)	507
Total comprehensive income / (expense) for the period		23,351	3,023
Surplus for the period attributable to:			
non-controlling interest, and		-	-
Royal United Hospitals Bath NHS Foundation Trust		20,794	4,372
TOTAL		20,794	4,372
Total comprehensive income/ (expense) for the period attributable to:			
non-controlling interest, and		-	-
Royal United Hospitals Bath NHS Foundation Trust		23,351	3,023
TOTAL		23,351	3,023

Statement of Financial Position

As at 31 March 2018

	Note	Group		Trust	
		31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Non-current assets					
Intangible assets	14	9,706	4,994	9,706	4,994
Property, plant and equipment	16	176,109	163,849	176,109	163,849
Other investments / financial assets	20	7,128	7,028	-	-
Trade and other receivables	24	1,534	1,200	1,134	1,200
Total non-current assets		194,477	177,071	186,949	170,043
Current assets					
Inventories	23	4,322	3,666	4,322	3,666
Trade and other receivables	24	24,580	22,973	24,741	23,214
Non-current assets for sale and assets in disposal	25	-	3,575	-	3,575
Cash and cash equivalents	25	35,504	18,344	32,912	16,625
Total current assets		64,406	48,558	61,975	47,080
Current liabilities					
Trade and other payables	26	(29,144)	(21,861)	(29,144)	(21,861)
Borrowings	28	(3,052)	(2,968)	(3,052)	(2,968)
Provisions	30	(2,149)	(869)	(2,149)	(869)
Other liabilities	27	(4,756)	(5,079)	(4,756)	(5,079)
Total current liabilities		(39,101)	(30,777)	(39,101)	(30,777)
Total assets less current liabilities		219,782	194,852	209,823	186,346
Non-current liabilities					
Borrowings	28	(15,127)	(18,281)	(15,127)	(18,281)
Provisions	30	(784)	(813)	(784)	(813)
Total non-current liabilities		(15,911)	(19,094)	(15,911)	(19,094)
Total assets employed		203,871	175,758	193,912	167,252
Financed by					
Public dividend capital		156,846	152,084	156,846	152,084
Revaluation reserve		42,237	41,098	42,237	41,098
Income and expenditure reserve		(5,171)	(25,930)	(5,171)	(25,930)
Charitable fund reserves	22	9,959	8,506	-	-
Total taxpayers' equity		203,871	175,758	193,912	167,252

The notes on pages 9 to 53 form part of these accounts.



James Scott
Chief Executive
Date

22 May 2018

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2017 - brought forward	152,084	41,098	(25,930)	8,506	175,758
Surplus/(deficit) for the year	-	-	18,579	2,215	20,794
Other transfers between reserves	-	(796)	796	-	-
Revaluations	-	2,558	-	-	2,558
Transfer to retained earnings on disposal of assets	-	(623)	623	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	(1)	(1)
Public dividend capital received	4,762	-	-	-	4,762
Other reserve movements	-	-	761	(761)	-
Taxpayers' and others' equity at 31 March 2018	156,846	42,237	(5,171)	9,959	203,871

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017

Group	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total £000
Taxpayers' and others' equity at 1 April 2016 - brought forward	150,370	44,287	(30,871)	7,235	171,021
Surplus/(deficit) for the year	-	-	3,259	1,113	4,372
Other transfers between reserves	-	(1,255)	1,255	-	-
Impairments	-	(3,287)	-	-	(3,287)
Revaluations	-	1,431	-	-	1,431
Transfer to retained earnings on disposal of assets	-	(78)	78	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	507	507
Public dividend capital received	1,714	-	-	-	1,714
Other reserve movements	-	-	349	(349)	-
Taxpayers' and others' equity at 31 March 2017	152,084	41,098	(25,930)	8,506	175,758

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2017 - brought forward	152,084	41,098	(25,930)	167,252
Surplus/(deficit) for the year	-	-	18,579	18,579
Other transfers between reserves	-	(796)	796	-
Revaluations	-	2,558	-	2,558
Transfer to retained earnings on disposal of assets	-	(623)	623	-
Public dividend capital received	4,762	-	-	4,762
Other reserve movements	-	-	761	761
Taxpayers' and others' equity at 31 March 2018	156,846	42,237	(5,171)	193,912

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017

Trust	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2016 - brought forward	150,370	44,287	(30,871)	163,786
Surplus/(deficit) for the year	-	-	3,608	3,608
Other transfers between reserves	-	(1,255)	1,255	-
Impairments	-	(3,287)	-	(3,287)
Revaluations	-	1,431	-	1,431
Transfer to retained earnings on disposal of assets	-	(78)	78	-
Public dividend capital received	1,714	-	-	1,714
Taxpayers' and others' equity at 31 March 2017	152,084	41,098	(25,930)	167,252

Information on reserves

NHS charitable funds reserves

This balance represents the ring-fenced funds held by the NHS charitable funds consolidated within these accounts. These reserves are classified as restricted or unrestricted.

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. Additional PDC may also be issued to NHS Foundation Trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the NHS Foundation Trust.

Statement of Cash Flows

For Year Ended 31 March 2018

	Note	Group		Trust	
		2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Cash flows from operating activities					
Operating surplus		10,539	8,750	3,966	8,014
Non-cash income and expense:					
Depreciation and amortisation	5	8,679	7,707	8,679	7,707
Net impairments	6	(1,853)	8,933	(1,853)	8,933
Income recognised in respect of capital donations	4	(24)	(1,316)	(735)	(1,665)
(Increase)/decrease in receivables and other assets		(1,061)	(5,624)	4,070	(5,666)
(Increase)/decrease in inventories		(656)	815	(656)	815
Increase in payables and other liabilities		4,300	3,864	4,300	4,174
Increase/(decrease) in provisions		1,243	(825)	1,243	(825)
Movements in charitable fund working capital		(619)	(913)	-	-
Other movements in operating cash flows		94	-	44	-
Net cash flows from / (used in) operating activities		20,642	21,391	19,058	21,487
Cash flows from / (used in) investing activities					
Interest received		63	36	63	36
Purchase of intangible assets		(3,906)	(1,739)	(3,906)	(1,739)
Purchase of PPE and investment property		(14,239)	(18,028)	(14,239)	(18,028)
Sales of PPE and investment property		18,940	858	18,940	858
Receipt of cash donations to purchase assets		24	1,316	735	1,665
Cash from acquisitions of subsidiaries		-	1,177	-	1,177
Net cash flows from / (used in) investing activities		882	(16,380)	1,593	(16,031)
Cash flows from / (used in) financing activities					
Public dividend capital received		4,762	1,714	4,762	1,714
Movement on loans from DHSC		(3,595)	2,246	(3,595)	2,246
Capital element of finance lease rental payments		(8)	(57)	(8)	(57)
Interest paid on finance lease liabilities		(6)	(3)	(6)	(3)
Other interest paid		(367)	(319)	(367)	(487)
PDC dividend paid		(5,150)	(4,421)	(5,150)	(4,421)
Net cash flows used in financing activities		(4,364)	(840)	(4,364)	(1,008)
Increase in cash and cash equivalents		17,160	4,171	16,287	4,448
Cash and cash equivalents at 1 April - b/f		18,344	14,173	16,625	12,177
Cash and cash equivalents at 31 March	25	35,504	18,344	32,912	16,625

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 issued by the Department of Health. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to accounts.

Note 1.1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.1.2 Going concern

These accounts have been prepared on a going concern basis.

The Trust continues to operate in a climate of financial uncertainty within the NHS in England. Whilst there are known risks including the substantial capital programme over the coming five years, the continuing operational pressure and financial challenges being faced by all organisations across the local health community, there is sufficient evidence to support the strong likelihood the Trust will continue operating over the next Financial Year.

The key evidence in support of this is the balanced financial plan for 2018/19 which has been approved by the Trust Board of Directors and submitted to NHSI for review.

After making enquiries, the Directors, have a reasonable expectation that the Trust has adequate plans and resources to continue in operational existence for the foreseeable future. For this reason the Trust continues to adopt the going concern basis in preparing the accounts.

Note 1.2 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Asset Lives and residual values

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Provisions

The Trust regularly monitors the position regarding provisions, including legal claims and restructuring, to ensure that it accurately reflects at the date of each SoFP the current position in providing for potential future costs from past events, including board resolutions. Provisions are disclosed in Note 30.1.

Note 1.2.1 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of Assets

At the date of each SoFP, the Trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Note 1.3 Consolidation

RUH Charitable Fund

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

The Charitable Fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the Charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Foundation Trust's accounting policies and
- eliminate intra-group transactions, balances, gains and losses.

The key accounting policy for the RUH Charitable Funds in is relation to it's investments. The Corporate Trustee have established a policy under which the funds are invested, ensuring that the money is not exposed to undue risk but provides returns sufficient to counter the effects of inflation. All investments are held at market value on the balance sheet.

Joint Ventures

The Trust has one third controlling interest in Wiltshire Health and Care LLP, in partnership with Salisbury NHS Foundation Trust and Great Western Hospitals NHS Foundation Trust.

The LLP has a separate Board but strategic control of the organisation remains with the partners as detailed in the Members Agreement signed by the three NHS Foundation Trusts.

The financial risks of the LLP to the Members are limited to nil as per the signed members agreement, the surpluses are accounted for in the Trust's accounts using the equity method, however the LLP reports a breakeven position as at the 31st March 2018 therefore there is no investment gain to recognise.

Note 1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of health care services. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Revenue grants and other contributions to expenditure

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees.

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. There, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Note 1.6 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.7 Property, plant and equipment

Note 1.7.1 Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Note 1.7.2 Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation. Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any impairment. On the 31 March 2016 the Trust undertook a revaluation of its land, followed on the 1 April 2016 by a revaluation of its buildings and dwellings. This was followed, in 2016/17 and 2017/18 by indexation prescribed by the Trust's Valuers. Under IFRS 13, the basis for valuing land is the depreciated replacement cost method (DRC), the guidance states that although the ultimate objective of the methodology is to produce a valuation of the actual property in its actual location, the initial stage of estimating the gross replacement cost has to reflect the cost of a site suitable for a modern equivalent facility.

Often this will be a site of a similar size and in a similar location to the actual site. However, if the actual site is clearly one that a prudent buyer would no longer consider appropriate because it would be commercially wasteful or would be an inappropriate use of resources, the modern equivalent site is assumed to have the appropriate characteristics. The fundamental principle is that the hypothetical buyer would purchase the least expensive site that would be suitable and appropriate for its proposed operations. Other factors need to be considered in addition to establishing the location of the modern equivalent site. The modern equivalent asset may not require a site as extensive as the actual site. In this respect land is no different to any other asset. If a smaller area is now sufficient to provide the same service, the modern equivalent site and buildings will be based on the reduced area required, even if the actual site and floor area are larger.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Plant and equipment of significant purchase value or useful life are to be assessed for fair value annually. Any of these assets that are thought to be held on the register deemed to be an amount that significantly differs from fair value will undergo a revaluation exercise. All other fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Note 1.7.3 De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.
 - management are committed to a plan to sell the asset
 - an active programme has begun to find a buyer and complete the sale
 - the asset is being actively marketed at a reasonable price
 - the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Note 1.7.4 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Note 1.7.5 Useful Economic lives of property, plant and equipment

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. Assets are depreciated on a straight line basis over their remaining lives. The range of useful economic lives are shown in the table below:

	Min life	Max life
	Years	Years
Land	80	80
Buildings, excluding dwellings	5	90
Dwellings	12	64
Plant & machinery	2	25
Transport equipment	5	7
Information technology	2	7
Furniture & fittings	2	15

Finance-leased assets (including land) are depreciated over the shorter of the useful economic life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.8 Intangible assets**Note 1.8.1 Recognition**

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use
- the Trust intends to complete the asset and sell or use it
- the Trust has the ability to sell or use the asset
- how the intangible asset will generate probable future economic or service delivery benefits, e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and
- the Trust can measure reliably the expenses attributable to the asset during development.

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Note 1.8.2 Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 or IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.8.3 Useful economic life of intangible assets

Useful economic lives reflect the total life of an asset and not the remaining life of an asset. Assets are depreciated on a straight line basis over their remaining lives. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Software licences	2	5
Licences & trademarks	4	9

Note 1.9 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

Note 1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.11 Financial instruments and financial liabilities***Recognition***

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Regular way purchases or sales are recognised and de-recognised, as applicable, using the Trade date.

All other financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as "fair value through income and expenditure", loans and receivables.

Financial liabilities are classified as "fair value through income and expenditure" or as "other financial liabilities".

Financial assets and financial liabilities at "fair value through income and expenditure"

Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not "closely-related" to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The Trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices, independent appraisals, discounted cash flow analysis.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a bad debt provision.

For each receivable at the 31 March 2018, an assessment is made based on historic debt collection performance and the nature of the debt, to determine the risk of non-payment. Those with high risk are provided for as a bad debt provision.

Note 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Note 1.12.1 The Trust as lessee

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Note 1.12.2 The Trust as lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at Note 30.3 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 31, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets (including lottery funded assets), (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and (iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Note 1.16 Value added tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.17 Corporation tax

Royal United Hospitals Bath NHS Foundation Trust has no corporation tax liability because under the relevant extant legislation Foundation Trusts are not subject to corporation tax.

Note 1.18 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's *FReM*.

Note 1.19 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments Note 36 is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

The DH GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury *FReM* adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the *FReM*: early adoption is not therefore permitted

IFRS 15 Revenue from Contracts with Customers – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the *FReM*: early adoption is not therefore permitted.

IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the *FReM*: early adoption is not therefore permitted.

IFRIC 22 Foreign Currency Transactions and Advance Consideration – Application required for accounting periods beginning on or after 1 January 2018.

Following the release of the 2018/19 Department of Health and Social Care Group Accounting Manual in May 2018, the Trust is assessing the likely impact of IFRS 9 and IFRS 15 (and the adaptations included in the GAM).

Note 2 Operating Segments

The Trust Board is the Chief Operating Decision Maker and considers the Trust's healthcare services, along with all the supporting services as one segment due to them having similar economic characteristics.

The RUH Charitable Funds is managed and operates separately from the main services provided by the Trust, and as such is considered a separate segment. Income for the RUH Charitable Funds is made up of donations mainly from individuals and local organisations, the activities of the charity are focussed to improve the environment in the hospital for staff and patients and support innovative developments not funded by NHS money.

On 1 April 2016, West of England Academic Health and Science Network (WEAHSN) was hosted by the Trust having previously been a customer of some of the RUH corporate services. The activities of the WEAHSN are to support to development and implementation of innovations in the healthcare sector working closely with many other partners across the region and nationally to make changes to the way healthcare services are delivered. These business activities are very different to the core services provided by the Trust and so WEAHSN is a defined separate segment of the organisation.

	2017/18					
	RUH Charitable				Inter Company	
	Trust £'000	Funds £'000	WEAHSN £'000	Total £'000	Transactions £'000	Group Total £'000
NHS Income	286,012	-	3,078	289,090	-	289,090
Other Income	49,209	3,453	808	53,470	(773)	52,697
Staff Costs	(194,433)	(611)	(1,872)	(196,916)	-	(196,916)
Other Operating Costs	(121,449)	(1,387)	(2,014)	(124,850)	773	(124,077)
Net Operating surplus	19,339	1,455	-	20,794	-	20,794

	2016/17					
	RUH Charitable				Inter Company	
	Trust £'000	Funds £'000	WEAHSN £'000	Total £'000	Transactions £'000	Group Total £'000
NHS Income	287,437	3	3,555	290,995	(3)	290,992
Other Income	25,951	2,688	578	29,217	(665)	28,552
Staff Costs	(188,851)	(401)	(1,648)	(190,900)	3	(190,897)
Other Operating Costs	(118,487)	(1,018)	(2,366)	(121,871)	-	(121,871)
Net Operating surplus	6,050	1,272	119	7,441	(665)	6,776

The net deficits/surpluses are based on operating revenue and expenditure, therefore exclude depreciation, amortisation, PDC dividend payments, and other financing interest.

There are no Property, Plant & Equipment or Intangible assets 'owned' by the Charitable Fund or WEAHSN segments, the other assets and liabilities of the group are not reported by segment, only as part of the whole organisation to Management Board and the Board of Directors.

Note 3 Operating income from patient care activities (Group)

Note 3.1 Income from patient care activities (by nature)	2017/18	2016/17
	£000	£000
Acute services		
Elective income	38,566	39,552
Non elective income	110,696	99,546
First outpatient income	34,277	35,620
Follow up outpatient income	28,353	31,295
A & E income	10,882	9,941
High cost drugs income from commissioners (excluding pass-through costs)	33,524	33,887
Other NHS clinical income	22,057	25,548
All services		
Private patient income	623	881
Other clinical income	3,749	9,067
Total income from activities	<u>282,727</u>	<u>285,337</u>

The prior year balances have been reclassified within this note to align with the 2017/18 income classification. The reclassifications are not material.

Note 3.2 Income from patient care activities (by source)

	2017/18	2016/17
	£000	£000
Income from patient care activities received from:		
NHS England	50,534	50,469
Clinical commissioning groups	226,624	226,799
Other NHS providers	314	1,914
NHS other	483	337
Local authorities	846	1,205
Non-NHS: private patients	623	881
Non-NHS: overseas patients (chargeable to patient)	152	111
NHS injury scheme	622	584
Non NHS: other	2,529	3,037
Total income from activities	<u>282,727</u>	<u>285,337</u>
Of which:		
Related to continuing operations	282,727	285,337
Related to discontinued operations	-	-

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2017/18	2016/17
	£000	£000
Income recognised this year	152	111
Cash payments received in-year	46	62
Amounts added to provision for impairment of receivables	51	70
Amounts written off in-year	-	-

Note 4 Other operating income (Group)

	2017/18	2016/17
	£000	£000
Research and development	955	669
Education and training	12,910	13,225
Receipt of capital grants and donations	24	1,316
Charitable and other contributions to expenditure	-	43
Non-patient care services to other bodies	8,596	1,649
Sustainability and transformation fund income	11,366	10,153
Rental revenue from operating leases	486	516
Income in respect of staff costs where accounted on gross basis	1,765	1,750
Charitable fund incoming resources	3,291	2,016
Other income	4,986	4,845
Total other operating income	44,379	36,182
Of which:		
Related to continuing operations	44,379	36,182
Related to discontinued operations	-	-

N.B. Other Income includes Car Parking Income £1,788k (£1,642k 2016/17), Catering Income £1,856k (£1,959k 2016/17) and Clinical excellence awards £643k (£561k 2016/17).

Note 4.1 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2017/18	2016/17
	£000	£000
Income from services designated as commissioner requested services	278,355	275,389
Income from services not designated as commissioner requested services	48,751	46,130
Total	327,106	321,519

Note 4.2 Profits and losses on disposal of property, plant and equipment

The sale of the Mineral Hospital is included in the profit on disposal of property which resulted in a net profit of £15.265m, reduced by sundry other asset disposals during the year. The Mineral Hospital was acquired in the absorption of Royal National Hospital for Rheumatic Diseases NHS Foundation Trust in February 2015. Profit on disposal of property for 2016/17 was £429k.

Note 5 Operating expenses (Group)

	2017/18	2016/17
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	-	444
Purchase of healthcare from non-NHS and non-DHSC bodies	1,486	1,378
Staff and executive directors costs	196,766	186,538
Remuneration of non-executive directors	150	150
Supplies and services - clinical (excluding drugs costs)	33,531	29,607
Supplies and services - general	3,824	5,441
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	42,642	44,406
Inventories written down	58	43
Consultancy costs	413	960
Establishment	2,837	2,739
Premises	10,242	9,400
Transport (including patient travel)	836	1,029
Depreciation on property, plant and equipment	7,635	7,051
Amortisation on intangible assets	1,044	656
Net impairments	(1,853)	8,933
Increase/(decrease) in provision for impairment of receivables	277	231
Increase/(decrease) in other provisions	145	-
Audit fees payable to the external auditor		
audit services- statutory audit	61	69
other auditor remuneration (Quality accounts)	11	11
Internal audit costs	105	68
Clinical negligence	7,423	5,308
Legal fees	989	243
Insurance	243	234
Research and development	2,455	2,322
Education and training	3,647	3,629
Rentals under operating leases	69	65
Redundancy	72	14
Hospitality	220	230
Losses, ex gratia & special payments	49	209
Other NHS charitable fund resources expended	753	665
Other	437	696
Total	316,567	312,769
Of which:		
Related to continuing operations	316,567	312,769
Related to discontinued operations	-	-

The prior year balances have been reclassified within this note to align with the 2017/18 expenditure classification. The reclassifications are not material.

Note 5.1 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1m (2016/17: £1m).

Note 6 Impairment of assets (Group)

	2017/18	2016/17
	£000	£000
Net impairments charged to operating (surplus) / deficit resulting from:		
*Changes in market price	(801)	8,933
Other	(1,052)	-
Total net impairments charged to operating (surplus) / deficit	(1,853)	8,933
Impairments charged to the revaluation reserve	-	3,287
Total net impairments	(1,853)	12,220

Note 7 Employee benefits (Group)

	2017/18	2016/17
	Total	Total
	£000	£000
Salaries and wages	162,513	153,465
Social security costs	15,932	15,156
Apprenticeship levy	794	-
Employer's contributions to NHS pensions	19,445	18,359
Termination benefits	-	14
Temporary staff (including agency)	3,684	4,450
NHS charitable funds staff	468	401
Total gross staff costs	202,836	191,845
Recoveries in respect of seconded staff	-	-
Total staff costs	202,836	191,845
Of which		
Costs capitalised as part of assets	1,330	948

Note 7.1 Retirements due to ill-health (Group)

During 2017/18 there were 2 early retirements from the Trust agreed on the grounds of ill-health (8 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £108k (£391k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 8 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

Note 9 Operating leases (Group)

Note 9.1 Royal United Hospitals Bath NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where Royal United Hospitals Bath NHS Foundation Trust is the lessor.

The rent received relates to payment made by residents of the Trust's dwellings on the main hospital site. Rent is charged on a rolling monthly basis. The payments are due monthly and are paid in the current month.

	2017/18 £000	2016/17 £000
Operating lease revenue		
Contingent rent	486	516
Total	<u>486</u>	<u>516</u>
	31 March 2018 £000	31 March 2017 £000
Future minimum lease receipts due:		
- not later than one year;	486	516
Total	<u>486</u>	<u>516</u>

Note 9.2 Royal United Hospitals Bath NHS Foundation Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where Royal United Hospitals Bath NHS Foundation Trust is the lessee.

	2017/18 £000	2016/17 £000
Operating lease expense		
Minimum lease payments	69	65
Total	<u>69</u>	<u>65</u>
	31 March 2018 £000	31 March 2017 £000
Future minimum lease payments due:		
- not later than one year;	67	65
- later than one year and not later than five years;	335	-
Total	<u>402</u>	<u>65</u>
Future minimum sublease payments to be received	-	-

Note 10 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2017/18	2016/17
	£000	£000
Interest on bank accounts	63	36
NHS charitable fund investment income	151	168
Total	214	204

Note 11.1 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2017/18	2016/17
	£000	£000
Interest expense:		
Loans from the Department of Health and Social Care	297	103
Finance leases	6	3
Total interest expense	303	106
Unwinding of discount on provisions	8	9
Total finance costs	311	115

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2017/18	2016/17
	£000	£000
Amounts included within interest payable arising from claims made under this legislation	-	1

Note 12 Other gains / (losses) (Group)

	2017/18	2016/17
	£000	£000
Gains on disposal of assets	15,338	429
Losses on disposal of assets	(97)	(118)
Gains / losses on disposal of charitable fund assets	(1)	-
Total gains / (losses) on disposal of assets	15,240	311
Total other gains / (losses)	15,240	311

The sale of the Mineral Hospital is included in the gain on disposal of property which resulted in a net profit of £15.265m. The Mineral Hospital was acquired in the absorption of Royal National Hospital for Rheumatic Diseases NHS Foundation Trust in February 2015. Profit on disposal of property for 2016/17 was £429k.

Note 13 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and statement of comprehensive income. The Trust's surplus for the period was £18.6 million (2016/17: £3.6 million). The Trust's total comprehensive income for the period was £20.7million (2016/17: £4.9 million).

Note 14.1 Intangible assets - 2017/18

Group	Software	Licences &	Intangible	Total
	licences	trademarks	assets under	
	£000	£000	construction	£000
Valuation / gross cost at 1 April 2017 - brought forward	1,478	4,226	1,348	7,052
Additions	32	868	3,617	4,517
Reversals of impairments	-	1,336	-	1,336
Reclassifications	276	4,876	(4,965)	187
Disposals / derecognition	(3)	-	-	(3)
Valuation / gross cost at 31 March 2018	1,783	11,306	-	13,089
Amortisation at 1 April 2017 - brought forward	1,109	949	-	2,058
Provided during the year	211	833	-	1,044
Reversals of impairments	-	284	-	284
Disposals / derecognition	(3)	-	-	(3)
Amortisation at 31 March 2018	1,317	2,066	-	3,383
Net book value at 31 March 2018	466	9,240	-	9,706
Net book value at 1 April 2017	369	3,277	1,348	4,994

Note 14.2 Intangible assets - 2016/17

Group	Software	Licences &	Intangible	Total
	licences	trademarks	assets under	
	£000	£000	construction	£000
Valuation / gross cost at 1 April 2016 - as previously stated	1,460	1,809	-	3,269
Additions	94	1,095	550	1,739
Impairments	-	-	(1,336)	(1,336)
Reclassifications	-	1,482	2,134	3,616
Disposals / derecognition	(76)	(160)	-	(236)
Valuation / gross cost at 31 March 2017	1,478	4,226	1,348	7,052
Amortisation at 1 April 2016 - as previously stated	997	638	-	1,635
Provided during the year	188	468	-	656
Disposals / derecognition	(76)	(157)	-	(233)
Amortisation at 31 March 2017	1,109	949	-	2,058
Net book value at 31 March 2017	369	3,277	1,348	4,994
Net book value at 1 April 2016	463	1,171	-	1,634

Note 15.1 Intangible assets - 2017/18

Trust	Software	Licences &	Intangible	Total
	licences	trademarks	assets under	
	£000	£000	construction	£000
Valuation / gross cost at 1 April 2017 - brought forward	1,478	4,226	1,348	7,052
Additions	32	868	3,617	4,517
Reversals of impairments	-	1,336	-	1,336
Reclassifications	276	4,876	(4,965)	187
Disposals / derecognition	(3)	-	-	(3)
Valuation / gross cost at 31 March 2018	1,783	11,306	-	13,089
Amortisation at 1 April 2017 - brought forward	1,109	949	-	2,058
Provided during the year	211	833	-	1,044
Reversals of impairments	-	284	-	284
Disposals / derecognition	(3)	-	-	(3)
Amortisation at 31 March 2018	1,317	2,066	-	3,383
Net book value at 31 March 2018	466	9,240	-	9,706
Net book value at 1 April 2017	369	3,277	1,348	4,994

Note 15.2 Intangible assets - 2016/17

Trust	Software	Licences &	Intangible	Total
	licences	trademarks	assets under	
	£000	£000	construction	£000
Valuation / gross cost at 1 April 2016 - as previously stated	1,460	1,809		3,269
Additions	94	1,095	550	1,739
Impairments			(1,336)	(1,336)
Reversals of impairments		1,482	2,134	3,616
Disposals / derecognition	(76)	(160)		(236)
Valuation / gross cost at 31 March 2017	1,478	4,226	1,348	7,052
Amortisation at 1 April 2016 - as previously stated	997	638	-	1,635
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Disposals / derecognition	(76)	(157)	-	(233)
Amortisation at 31 March 2017	1,109	949	-	2,058
Net book value at 31 March 2017	369	3,277	1,348	4,994
Net book value at 1 April 2016	463	1,171	-	1,634

Note 16.1 Property, plant and equipment - 2017/18

Group	Buildings excluding dwellings		Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	Land	£000								
Valuation/gross cost at 1 April 2017 - brought forward	9,972	122,286	4,913	3,545	49,432	43	7,823	798	-	198,812
Additions	-	2,807	122	7,540	4,166	-	2,168	44	-	16,847
Impairments	-	(336)	-	-	-	-	-	-	-	(336)
Reversals of impairments	-	1,137	-	-	-	-	-	-	-	1,137
Revaluations	-	2,557	149	-	-	-	-	-	-	2,706
Reclassifications	-	1,373	-	(1,560)	-	-	-	-	-	(187)
Disposals / derecognition	-	(34)	-	-	(3,322)	(9)	(185)	(23)	-	(3,573)
Valuation/gross cost at 31 March 2018	9,972	129,790	5,184	9,525	50,276	34	9,806	819	-	215,406
Accumulated depreciation at 1 April 2017 - brought forward	-	2,345	88	-	28,161	43	4,047	279	-	34,963
Provided during the year	-	2,556	89	-	3,471	-	1,438	81	-	7,635
Revaluations	-	143	5	-	-	-	-	-	-	148
Disposals / derecognition	-	(34)	-	-	(3,223)	(9)	(166)	(17)	-	(3,449)
Accumulated depreciation at 31 March 2018	-	5,010	182	-	28,409	34	5,319	343	-	39,297
Net book value at 31 March 2018	9,972	124,780	5,002	9,525	21,867	-	4,487	476	-	176,109
Net book value at 1 April 2017	9,972	119,941	4,825	3,545	21,271	-	3,776	519	-	163,849

Note 16.2 Property, plant and equipment - 2016/17

Group	Buildings excluding dwellings		Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Charitable fund PPE assets	Total
	Land	£000								
Valuation / gross cost at 1 April 2016 - as previously stated	9,888	137,108	3,168	11,647	46,424	77	7,594	673	-	216,579
Additions	-	4,243	119	7,337	3,989	-	1,123	156	-	16,967
Impairments	-	(26,966)	-	-	-	-	-	-	-	(26,966)
Reversals of impairments	224	(153)	1,490	-	-	-	-	-	-	1,561
Revaluations	-	1,212	136	-	-	-	-	-	-	1,348
Reclassifications	-	10,462	-	(15,439)	1,361	-	-	-	-	(3,616)
Transfers to / from assets held for sale	(140)	(3,620)	-	-	-	-	-	-	-	(3,760)
Disposals / derecognition	-	-	-	-	(2,342)	(34)	(894)	(31)	-	(3,301)
Valuation/gross cost at 31 March 2017	9,972	122,286	4,913	3,545	49,432	43	7,823	798	-	198,812
Accumulated depreciation at 1 April 2016 - as previously stated	-	14,431	206	-	27,206	75	3,698	240	-	45,856
Provided during the year	-	2,470	85	-	3,191	2	1,234	69	-	7,051
Impairments	-	(9,066)	-	-	-	-	-	-	-	(9,066)
Reversals of impairments	-	(5,250)	(205)	-	-	-	-	-	-	(5,455)
Revaluations	-	(85)	2	-	-	-	-	-	-	(83)
Transfers to/ from assets held for sale	-	(155)	-	-	-	-	-	-	-	(155)
Disposals/ derecognition	-	-	-	-	(2,236)	(34)	(885)	(30)	-	(3,185)
Accumulated depreciation at 31 March 2017	-	2,345	88	-	28,161	43	4,047	279	-	34,963
Net book value at 31 March 2017	9,972	119,941	4,825	3,545	21,271	-	3,776	519	-	163,849
Net book value at 1 April 2016	9,888	122,677	2,962	11,647	19,218	2	3,896	433	-	170,723

Note 16.3 Property, plant and equipment financing - 2017/18

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018								
Owned - purchased	9,972	120,830	5,002	8,154	18,233	4,487	391	167,069
Finance leased	-	-	-	-	549	-	-	549
Owned - donated	-	3,950	-	1,371	3,085	-	85	8,491
NBV total at 31 March 2018	9,972	124,780	5,002	9,525	21,867	4,487	476	176,109

Note 16.4 Property, plant and equipment financing - 2016/17

Group	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2017								
Owned - purchased	9,972	116,122	4,825	2,414	17,876	3,776	439	155,424
Finance leased	-	-	-	-	20	-	-	20
Owned - donated	-	3,819	-	1,131	3,375	-	80	8,405
NBV total at 31 March 2017	9,972	119,941	4,825	3,545	21,271	3,776	519	163,849

Note 17.1 Property, plant and equipment - 2017/18

Trust	Buildings excluding			Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	dwelling	Dwellings						
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2017 - brought forward	9,972	122,286	4,913	3,545	49,432	43	7,823	798	198,812
Additions	-	2,807	122	7,540	4,166	-	2,168	44	16,847
Impairments	-	(336)	-	-	-	-	-	-	(336)
Reversals of impairments	-	1,137	-	-	-	-	-	-	1,137
Revaluations	-	2,557	149	-	-	-	-	-	2,706
Reclassifications	-	1,373	-	(1,560)	-	-	-	-	(187)
Disposals / derecognition	-	(34)	-	-	(3,322)	(9)	(185)	(23)	(3,573)
Valuation/gross cost at 31 March 2018	9,972	129,790	5,184	9,525	50,276	34	9,806	819	215,406
Accumulated depreciation at 1 April 2017 - brought forward	-	2,345	88	-	28,161	43	4,047	279	34,963
Provided during the year	-	2,556	89	-	3,471	-	1,438	81	7,635
Revaluations	-	143	5	-	-	-	-	-	148
Disposals / derecognition	-	(34)	-	-	(3,223)	(9)	(166)	(17)	(3,449)
Accumulated depreciation at 31 March 2018	-	5,010	182	-	28,409	34	5,319	343	39,297
Net book value at 31 March 2018	9,972	124,780	5,002	9,525	21,867	-	4,487	476	176,109
Net book value at 1 April 2017	9,972	119,941	4,825	3,545	21,271	-	3,776	519	163,849

Note 17.2 Property, plant and equipment - 2016/17

Trust	Buildings excluding			Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	Land	dwelling	Dwellings						
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2016 - as previously stated	9,888	137,108	3,168	11,647	46,424	77	7,594	673	216,579
Additions	-	4,243	119	7,337	3,989	-	1,123	156	16,967
Impairments	-	(26,966)	-	-	-	-	-	-	(26,966)
Reversals of impairments	224	(153)	1,490	-	-	-	-	-	1,561
Revaluations	-	1,212	136	-	-	-	-	-	1,348
Reclassifications	-	10,462	-	(15,439)	1,361	-	-	-	(3,616)
Transfers to / from assets held for sale	(140)	(3,620)	-	-	-	-	-	-	(3,760)
Disposals / derecognition	-	-	-	-	(2,342)	(34)	(894)	(31)	(3,301)
Valuation/gross cost at 31 March 2017	9,972	122,286	4,913	3,545	49,432	43	7,823	798	198,812
Accumulated depreciation at 1 April 2016 - as previously stated	-	14,431	206	-	27,206	75	3,698	240	45,856
Provided during the year	-	2,470	85	-	3,191	2	1,234	69	7,051
Impairments	-	(9,066)	-	-	-	-	-	-	(9,066)
Reversals of impairments	-	(5,250)	(205)	-	-	-	-	-	(5,455)
Revaluations	-	(85)	2	-	-	-	-	-	(83)
Transfers to/ from assets held for sale	-	(155)	-	-	-	-	-	-	(155)
Disposals/ derecognition	-	-	-	-	(2,236)	(34)	(885)	(30)	(3,185)
Accumulated depreciation at 31 March 2017	-	2,345	88	-	28,161	43	4,047	279	34,963
Net book value at 31 March 2017	9,972	119,941	4,825	3,545	21,271	-	3,776	519	163,849
Net book value at 1 April 2016	9,888	122,677	2,962	11,647	19,218	2	3,896	433	170,723

Note 17.3 Property, plant and equipment financing - 2017/18

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018								
Owned - purchased	9,972	120,830	5,002	8,154	18,233	4,487	391	167,069
Finance leased	-	-	-	-	549	-	-	549
Owned - donated	-	3,950	-	1,371	3,085	-	85	8,491
NBV total at 31 March 2018	9,972	124,780	5,002	9,525	21,867	4,487	476	176,109

Note 17.4 Property, plant and equipment financing - 2016/17

Trust	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2017								
Owned - purchased	9,972	116,122	4,825	2,414	17,876	3,776	439	155,424
Finance leased	-	-	-	-	20	-	-	20
Owned - donated	-	3,819	-	1,131	3,375	-	80	8,405
NBV total at 31 March 2017	9,972	119,941	4,825	3,545	21,271	3,776	519	163,849

Note 18 Donations of property, plant and equipment

During the year to 31 March 2018 the Trust received donations from which assets were purchased to the value of £0.7m, the majority of these donations were made as follows:

£0.7m from the Royal United Hospitals Bath Charitable Fund, of which £0.2m was to fund project costs related to the RUH Development, £0.1m towards the spiritual centre and £0.4m medical equipment.

This charity is registered with the Charity Commission in England and Wales, further details are available on www.ruh.nhs.uk and www.bcusg.org

Note 19 Revaluations of property, plant and equipment

In accordance with the requirements of the Department of Health, the Trust's buildings and dwellings were valued at 1 April 2016. The valuation was carried out by Cushman & Wakefield, formerly DTZ Ltd, an independent valuer, in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual being consistent with the agreed requirements of the Department of Health and HM Treasury.

Under IFRS 13, the basis for valuing land and buildings is the depreciated replacement cost method (DRC), the guidance states that although the ultimate objective of the methodology is to produce a valuation of the actual property in its actual location, the initial stage of estimating the gross replacement cost has to reflect the cost of a site suitable for a modern equivalent facility. The valuation of the Trust's property was carried out on the basis of modern equivalent asset replacement on an "alternative" single site.

Often this will be a site of a similar size and in a similar location to the actual site. However, if the actual site is clearly one that a prudent buyer would no longer consider appropriate because it would be commercially wasteful or would be an inappropriate use of resources, the modern equivalent site is assumed to have the appropriate characteristics. The fundamental principle is that the hypothetical buyer would purchase the least expensive site that would be suitable and appropriate for its proposed operations. In addition other factors need to be considered in addition to establishing the location of the modern equivalent site. The modern equivalent asset may not require a site as extensive as the actual site. In this respect land is no different to any other asset. If a smaller area is now sufficient to provide the same service, the modern equivalent site will be based on the reduced area required, even if the actual site is larger.

As per the requirements of the Department of Health and in line with the Trust's policy, a full valuation of the Trust's property is undertaken at least every 5 years, with a table top review every 3 years. If there are significant events in year that may impact on the value of the Trust's property an assessment will be undertaken by an independent valuer to calculate the effect.

The Trust valuers Cushman and Wakefield have provided the Trust with an index in order to value the Land and Buildings valuation from the prior year end at the 31 March 2018. The index has been based on a commonly used index in relation to the valuing land and buildings as set out by the valuer.

Impairments are first offset against existing revaluation reserves where the impairment relates to changes in market price with the balance chargeable to the Statement of Comprehensive Income. Where impairments arise from other factors, all the impairment is charged to the Statement of Comprehensive Income, irrespective of revaluation reserve balances held. A transfer within reserves from the revaluation reserve balances up to the level of the impairment is actioned where applicable.

Note 20 Other investments / financial assets (non-current)

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
Carrying value at 1 April - brought forward	7,028	6,405	-	-
Acquisitions in year	101	116	-	-
Movement in fair value	(1)	507	-	-
Carrying value at 31 March	7,128	7,028	-	-

Note 21 Disclosure of interests in other entities

The Trust has one third controlling interest in Wiltshire Health and Care LLP, in partnership with Salisbury NHS Foundation Trust and Great Western Hospitals NHS Foundation Trust.

Wiltshire Health and Care LLP from July 2016, became responsible for the delivery of adult community healthcare across Wiltshire for at least the next five years. The LLP has a separate Board but strategic control of the organisation remains with the partners as detailed in the Members Agreement signed by the three NHS Foundation Trusts.

Wiltshire Health and Care LLP has a full year annual turnover of over £40 million. The clinical services provided to Wiltshire are procured mainly from Great Western Hospitals NHS Foundation Trust, with other small service provision, both clinical and corporate, received from Salisbury NHS Foundation Trust and the Royal United Hospitals Bath NHS Foundation Trust on a contract basis.

The financial risks of the LLP to the Members are limited to nil as per the signed members agreement, the surpluses are accounted for in the Trust's accounts using the equity method, however the LLP reports a breakeven position as at the 31 March 2018, therefore there is no investment gain to recognise.

Note 22 Analysis of charitable fund reserves

The Royal United Hospital Charitable fund has been consolidated within this set of accounts

	31 March 2018 £000	31 March 2017 £000
Unrestricted funds:		
Unrestricted income funds	1,195	1,916
Other restricted income funds	8,764	6,590
	<u>9,959</u>	<u>8,506</u>

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Note 23 Inventories

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Drugs	1,774	1,126	1,774	1,126
Consumables	2,468	2,443	2,468	2,443
Energy	72	59	72	59
Other	8	38	8	38
Total inventories	<u>4,322</u>	<u>3,666</u>	<u>4,322</u>	<u>3,666</u>
of which:				
Held at fair value less costs to sell	-	-	-	-

Inventories recognised in expenses for the year were £49,915k (2016/17: £47,822k). Write-down of inventories recognised as expenses for the year were £58k (2016/17: £43k).

Note 24.1 Trade receivables and other receivables

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Current				
Trade receivables	9,463	11,064	9,463	11,064
Accrued income	11,168	8,845	11,547	8,845
Provision for impaired receivables	(512)	(629)	(512)	(629)
Deposits and advances	8	-	8	-
Prepayments (non-PFI)	2,731	2,823	2,731	2,823
PDC dividend receivable	416	154	416	154
VAT receivable	982	696	982	696
Other receivables	106	20	106	261
NHS charitable funds: trade and other receivables	218	-	-	-
Total current trade and other receivables	24,580	22,973	24,741	23,214

The prior year balances have been reclassified to align to the current year classification. The reclassifications are not material.

Non-current

Trade receivables	1,398	-	1,398	-
Accrued income	-	1,480	-	1,480
Provision for impaired receivables	(264)	(280)	(264)	(280)
NHS charitable funds: trade and other receivables	400	-	-	-
Total non-current trade and other receivables	1,534	1,200	1,134	1,200
Of which receivables from NHS and DHSC group bodies:				
Current	11,604	16,506	12,136	16,506
Non-current	-	-	-	-

Note 24.2 Provision for impairment of receivables

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
At 1 April as previously stated	909	837	909	837
Increase in provision	277	467	277	231
Amounts utilised	(410)	(159)	(410)	(159)
Unused amounts reversed	-	(236)	-	-
At 31 March	776	909	776	909

Note 24.3 Credit quality of financial assets

Group	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
Ageing of impaired financial assets				
0 - 30 days	36	-	3	-
30-60 Days	40	-	4	-
60-90 days	18	-	17	-
90- 180 days	178	-	121	-
Over 180 days	941	-	425	-
Total	1,213	-	570	-

Ageing of non-impaired financial assets past their due date

0 - 30 days	1,607	-	3,419	-
30-60 Days	242	-	1,930	-
60-90 days	378	-	374	-
90- 180 days	602	-	556	-
Over 180 days	713	-	651	-
Total	3,542	-	6,930	-

Trust	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
	£000	£000	£000	£000
Ageing of impaired financial assets				
0 - 30 days	36	-	3	-
30-60 Days	40	-	4	-
60-90 days	18	-	17	-
90- 180 days	178	-	121	-
Over 180 days	941	-	425	-
Total	1,213	-	570	-

Ageing of non-impaired financial assets past their due date

0 - 30 days	1,607	-	3,419	-
30-60 Days	242	-	1,930	-
60-90 days	378	-	374	-
90- 180 days	602	-	556	-
Over 180 days	713	-	651	-
Total	3,542	-	6,930	-

Any receivable that is not due and has not been impaired are with customers with a good credit history with the Trust and full payment is anticipated.

This analysis has been revised to meet the requirements of IFRS 7 paragraph 37 (2013 version). The analysis is of all financial assets past due or impaired which should include investments and other financial assets. The analysis will also not include all receivables. Those that do not meet the definition of a financial asset (such as prepayments and debts arising under statute rather than contract e.g. ICR) are excluded.

Note 24.4 Credit quality of financial assets

All outstanding receivables were reviewed at the year end and provision made on each individual invoice based on the likelihood of recovery. See Note 24.2/.3

Note 25 Non-current assets held for sale and assets in disposal groups

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	3,575	398	3,575	398
Assets classified as available for sale in the year	-	3,605	-	3,605
Assets sold in year	(3,575)	(428)	(3,575)	(428)
NBV of non-current assets for sale and assets in disposal groups at 31 March	-	3,575	-	3,575

Note 25.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2017/18	2016/17	2017/18	2016/17
	£000	£000	£000	£000
At 1 April	18,344	14,173	16,625	12,177
Net change in year	17,160	4,171	16,287	4,448
At 31 March	35,504	18,344	32,912	16,625
Broken down into:				
Cash at commercial banks and in hand	17	8	17	8
Cash with the Government Banking Service	35,487	18,336	32,895	16,617
Total cash and cash equivalents as in SoFP	35,504	18,344	32,912	16,625
Total cash and cash equivalents as in SoCF	35,504	18,344	32,912	16,625

Note 25.2 Third party assets held by the trust

Royal United Hospitals Bath NHS Foundation Trust does not hold cash and cash equivalents which relate to monies held on behalf of patients or other parties.

Note 26 Trade and other payables

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Current				
Trade payables	7,909	4,960	7,909	4,960
Capital payables	4,502	1,880	4,502	1,880
Accruals	9,692	8,391	9,692	8,391
VAT payables	78	100	78	100
Other taxes payable	3,985	3,824	3,985	3,824
Accrued interest on loans	77	39	77	39
Other payables	2,901	2,667	2,901	2,667
Total current trade and other payables	29,144	21,861	29,144	21,861

Of which payables from NHS and DHSC group bodies:

Current	3,997	3,560	3,997	3,560
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Note 26.1 Early retirements in NHS payables above

There were no early retirements included in the payables note above, in relation to the current or prior year.

Note 27 Other liabilities

	Group		Trust	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Current				
Deferred income	4,756	5,079	4,756	5,079
Total other current liabilities	4,756	5,079	4,756	5,079

Note 28 Borrowings

	Group		Trust	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	£000	£000	£000	£000
Current				
Loans from DHSC	2,958	2,958	2,958	2,958
Obligations under finance leases	94	10	94	10
Total current borrowings	3,052	2,968	3,052	2,968
Non-current				
Loans from DHSC	14,672	18,267	14,672	18,267
Obligations under finance leases	455	14	455	14
Total non-current borrowings	15,127	18,281	15,127	18,281

Note 29 Finance leases

Foundation Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Gross lease liabilities	567	26	567	26
of which liabilities are due:				
- not later than one year;	100	12	100	12
- later than one year and not later than five years;	357	14	357	14
- later than five years.	110	-	110	-
Finance charges allocated to future periods	(18)	(2)	(18)	(2)
Net lease liabilities	549	24	549	24
of which payable:				
- not later than one year;	94	10	94	10
- later than one year and not later than five years;	345	14	345	14
- later than five years.	110	-	110	-

Note 30.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions - early departure costs	Legal claims	Equal Pay (including Agenda for Change)	Redundancy	Other	Charitable fund provisions	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2017	888	61	396	-	337	-	1,682
Arising during the year	63	13	-	72	1,477	-	1,625
Utilised during the year	(77)	(23)	-	-	(157)	-	(257)
Reversed unused	(21)	-	-	-	(104)	-	(125)
Unwinding of discount	8	-	-	-	-	-	8
At 31 March 2018	861	51	396	72	1,553	-	2,933
Expected timing of cash flows:							
- not later than one year;	77	51	396	72	1,553	-	2,149
- later than one year and not later than five years;	784	-	-	-	-	-	784
Total	861	51	396	72	1,553	-	2,933

The Charitable Funds do not have any provisions, therefore the provision for the Group are those of the Trust.

Pensions - early departure costs

Early retirement costs and injury benefit payments for staff other than directors, based on the information provided by NHS Pensions. It is certain that the amounts and timings of the cash flows are accurate for the life of the claimant.

Other Legal Claims

Litigation claims against the Trust that are being handled by NHS Litigation Authority. The provision is based on the information provided by NHS Litigation Authority.

Agenda for Change

Provision for the amounts due to non medical staff for missed increment payments at the top and bottom of the band. The amounts are based on the individuals in question and so an accurate estimate of amounts owed. The timing is reliant on the staff claiming the funds.

Redundancy

A provision for the planned redundancies following the acquisition of the RNHRD. These are calculated amounts and are for people identified for redundancy therefore the cash flows are likely in the next 12 months.

Other

A range of provisions for various pay disputes and negotiations across the Trust including doctors pay banding, underpayments and on-call payments. These amounts are estimates based on known salaries and the likelihood of back pay. It is very likely that these will be resolved in the coming year. Further provision has been made during the year for an on-going Health and Safety Executive case against the Trust of £0.8m.

Note 30.2 Provisions for liabilities and charges analysis (Trust)

Trust	Pensions - early departure costs	Legal claims	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2017	888	61	396	-	337	1,682
Arising during the year	63	13	-	72	1,477	1,625
Utilised during the year	(77)	(23)	-	-	(157)	(257)
Reversed unused	(21)	-	-	-	(104)	(125)
Unwinding of discount	8	-	-	-	-	8
At 31 March 2018	861	51	396	72	1,553	2,933
Expected timing of cash flows:						
- not later than one year;	77	51	396	72	1,553	2,149
- later than one year and not later than five years;	784	-	-	-	-	784
- later than five years.						-
Total	861	51	396	72	1,553	2,933

Note 30.3 Clinical negligence liabilities

At 31 March 2018, £91,305k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of Royal United Hospitals Bath NHS Foundation Trust (31 March 2017: £75,224k).

Note 31 Contingent assets and liabilities

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities				
NHS Resolution legal claims	51	61	-	-
Gross value of contingent liabilities	51	61	-	-
Amounts recoverable against liabilities	-	-	-	-
Net value of contingent liabilities	51	61	-	-
Net value of contingent assets	-	-	-	-

Note 32 Contractual capital commitments

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	24,855	4,318	24,855	4,318
Intangible assets	634	2,563	634	2,563
Total	25,489	6,881	25,489	6,881

Note 33 Other financial commitments

The Trust has no other financial commitments.

Note 34 Defined benefit pension schemes
NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement regardless of the method of payments.

Note 35 Financial instruments

Note 35.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with CCGs and other NHS England bodies and the way those Commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Foundation Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest Rate Risk

The Trust borrows from government for capital expenditure, subject to affordability. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups (CCGs'), which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds internally generated and loans from the Department of Health. The Trust is not, therefore, exposed to significant liquidity risks.

Note 35.2 Carrying values of financial assets

Group	Assets at fair value				Total book value £000
	Loans and receivables	through the I&E	Held to maturity	Available-for-sale	
	£000	£000	£000	£000	
Assets as per SoFP as at 31 March 2018					
Trade and other receivables excluding non financial assets	24,893	-	-	-	24,893
Cash and cash equivalents	32,912	-	-	-	32,912
Consolidated NHS Charitable fund financial assets	2,592	7,128	-	-	9,720
Total at 31 March 2018	60,397	7,128	-	-	67,525

Group	Assets at fair value				Total book value £000
	Loans and receivables	through the I&E	Held to maturity	Available-for-sale	
	£000	£000	£000	£000	
Assets as per SoFP as at 31 March 2017					
Trade and other receivables excluding non financial assets	21,746	-	-	-	21,746
Cash and cash equivalents	16,625	-	-	-	16,625
Consolidated NHS Charitable fund financial assets	1,719	7,028	-	-	8,747
Total at 31 March 2017	40,090	7,028	-	-	47,118

Trust	Assets at fair value				Total book value £000
	Loans and receivables	through the I&E	Held to maturity	Available-for-sale	
	£000	£000	£000	£000	
Assets as per SoFP as at 31 March 2018					
Trade and other receivables excluding non financial assets	24,893	-	-	-	24,893
Cash and cash equivalents	32,912	-	-	-	32,912
Total at 31 March 2018	57,805	-	-	-	57,805

Trust	Assets at fair value				Total book value £000
	Loans and receivables	through the I&E	Held to maturity	Available-for-sale	
	£000	£000	£000	£000	
Assets as per SoFP as at 31 March 2017					
Trade and other receivables excluding non financial assets	21,746	-	-	-	21,746
Cash and cash equivalents	16,625	-	-	-	16,625
Total at 31 March 2017	38,371	-	-	-	38,371

Note 35.3 Carrying values of financial liabilities

Group	Liabilities at		Total book value £000
	Other financial liabilities £000	fair value through the I&E £000	
Liabilities as per SoFP as at 31 March 2018			
Borrowings excluding finance lease and PFI liabilities	17,630	-	17,630
Obligations under finance leases	549	-	549
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Trade and other payables excluding non financial liabilities	25,081	-	25,081
Total at 31 March 2018	43,260	-	43,260

Group	Liabilities at		Total book value £000
	Other financial liabilities £000	fair value through the I&E £000	
Liabilities as per SoFP as at 31 March 2017			
Borrowings excluding finance lease and PFI liabilities	21,225	-	21,225
Obligations under finance leases	24	-	24
Trade and other payables excluding non financial liabilities	21,861	-	21,861
Total at 31 March 2017	43,110	-	43,110

Trust	Liabilities at		Total book value £000
	Other financial liabilities £000	fair value through the I&E £000	
Liabilities as per SoFP as at 31 March 2018			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	17,630	-	17,630
Obligations under finance leases	549	-	549
Trade and other payables excluding non financial liabilities	25,081	-	25,081
Total at 31 March 2018	43,260	-	43,260

Trust	Liabilities at		Total book value £000
	Other financial liabilities £000	fair value through the I&E £000	
Liabilities as per SoFP as at 31 March 2017			
Borrowings excluding finance lease and PFI liabilities	21,225	-	21,225
Obligations under finance leases	24	-	24
Trade and other payables excluding non financial liabilities	21,861	-	21,861
Total at 31 March 2017	43,110	-	43,110

Note 35.4 Fair values of financial assets and liabilities

Financial Assets which are carried at cost are not considered to be significantly different to fair value.

Financial Liabilities are carried at cost which is not considered to be significantly different to fair value.

Note 35.5 Maturity of financial liabilities

	Group		Trust	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
In one year or less	26,194	27,899	26,194	27,899
In more than one year but not more than two years	3,297	2,768	3,297	2,768
In more than two years but not more than five years	7,013	8,409	7,013	8,409
In more than five years	6,756	4,034	6,756	4,034
Total	43,260	43,110	43,260	43,110

Note 36 Losses and special payments

Group and trust	2017/18		2016/17	
	Total	Total value	Total	Total value
	number of cases	of cases	number of cases	of cases
	Number	£000	Number	£000
Special payments				
Ex-gratia payments	66	49	30	209
Total special payments	66	49	30	209
Total losses and special payments	66	49	30	209

Note 37 Related parties

During the year none of the Department of Health Ministers, Royal United Hospitals Bath NHS Foundation Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with Royal United Hospitals Bath NHS Foundation Trust.

The Department of Health is regarded as a related party. During the 12 month period to 31 March 2018, the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are:

CCG's

NHS Wiltshire CCG
NHS Bath and North East Somerset CCG
NHS Somerset CCG
NHS South Gloucestershire CCG
NHS Bristol CCG
NHS Gloucestershire CCG
NHS North Somerset CCG

NHS England Organisations

NHS England - Core (including sustainability & transformation fund)
NHS England South West Local Office
NHS England - South West Commissioning Hub
NHS England South Central Local Office
NHS England - Wessex Specialised Commissioning Hub

NHS Trusts and Foundation Trusts

University Hospitals Bristol NHS Foundation Trust
Great Western Hospitals NHS Foundation Trust
North Bristol NHS Trust
Salisbury NHS Foundation Trust
Avon and Wiltshire Mental Health Partnership NHS Trust
Somerset Partnership NHS Foundation Trust
Yeovil District hospital NHS Foundation Trust
Gloucestershire Hospitals NHS Foundation Trust

Other Agencies

Health Education England
Department Of Health (excluding PDC)
Bath and North East Somerset Council
Wiltshire Unitary Authority
Welsh Assembly Government (incl all other Welsh Health Bodies)
Public Health England
NHS Litigation Authority
NHS Blood and Transplant (excluding Bio products Laboratory)

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with Her Majesty's Revenue and Customs in relation to Value Added Tax, National Insurance Contributions and Income Taxes.

The Trust has also received revenue and capital payments from the Royal United Hospital Bath NHS Trust Charitable Funds, for which the Trust Board acts as Corporate Trustee. The audited accounts of the Charitable Funds are available at www.ruh.nhs.uk.

The Trust is an equal partner in Wiltshire Health and Care LLP, the Trust received payment of £23k in respect to the provision of Financial Services to the partnership.

