



Bedford Hospital NHS Trust Annual Report 2013/14



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Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS). On 1 April 2013 community and mental health services provided by Milton Keynes Community Health Service (MKCHS), previously hosted by Bedford Hospital NHS Trust (BHT), were transferred to Central and North West London NHS Foundation Trust which now hosts those services.

Section 1.1 Chair and Chief Executive's Reviews

Message from the Chairman and Chief Executive

On behalf of the Trust Board, we are pleased to present the Bedford Hospital NHS Trust Annual Report 2013/14.

We would like to thank our 2,500 staff, of all professions and in all roles – clinical and non-clinical - for their hard work throughout the year. None of the highlights, achievements and performance would have been possible without their support and commitment.

Chair's Review

This year, more than any other during my tenure as chair of the hospital, has been one of listening and of learning.

Along with our many achievements, we have faced a number of very significant challenges and have needed to listen to some uncomfortable truths about what we should and must do better. We have also needed to listen more openly and with purpose to our community and have restated our commitment to transparency, honesty and meaningful dialogue, with monthly open board meetings and more public involvement across our activities.

One of the most significant issues during the year was the temporary cessation of some children's services following the withdrawal of junior doctors; which was followed by a very critical Care Quality Commission report. I know how very difficult the changes to children's services were for local families, as well as for staff working on Riverbank Children's Ward and I have no hesitation in recording my apologies again for the distress and anxiety this situation caused.

Fortunately these changes were temporary and we now have a children's department with more paediatricians than ever before, along with new models of care, which mean children and families receive the best and most appropriate treatment locally. We also ended the year with a complementary report from the CQC, who, in their re-inspection of the hospital, found we had made such good progress that all concerns were lifted apart from further embedding of risk management.

These improvements are testament to the professionalism and dedication of all our staff. I am so very proud that, when faced with very difficult tasks, staff at the hospital do not hesitate in rolling up their sleeves and sorting it out. Of course things should not go wrong in the first place, but when they do or are, it is important that we are able to be honest about it, admit it, and commit to putting it right. That is what we have done and our commitment to local people is to keep getting it right, every day, for every patient.

On to the board, and we have seen a number of changes, not least with the appointment of Stephen Conroy as substantive chief executive, following a period in the role as an interim. We have recruited an executive director of workforce and organisational development,

with the role having been filled in an interim capacity during the year. Nina Fraser has been made permanent as director of nursing, having initially joined us on an interim basis. In April 2014 we welcomed a new medical director, Colette Marshall, who takes over from Ed Neale following his eight-year term. We will also appoint a new director of finance in 2014/15 as Don Richards leaves to take up a post in Hertfordshire. The chief operating officer role has also been filled by an interim appointment whilst Emma Goddard is on maternity leave.

Our non-executive board directors have also begun a scheme where they spend three hours every three months in a ward or department, learning about the work taking place and assessing the quality of care and services being provided from a patient perspective. This is invaluable in connecting the board of directors to the patient bedside, and putting patient experience and safety at the heart of board discussion.

We have another challenging year ahead, with a wide-ranging review into health care provision in Bedfordshire and Milton Keynes, against a backdrop of increasing constrained finances. This review will help commissioners to formulate a strategy for local health services which will be sustainable into the future. As a hospital in our 211th year of service to the local community, we look forward to continuing to meet the needs of this and future generations.



A handwritten signature in black ink that reads "Fiona Wilson" with a horizontal line extending to the right.

Fiona Wilson
Chair

Chief Executive's Review

It is a privilege to reflect on the past year as Bedford Hospital's substantive chief executive; a position I was proud to accept in December 2013 after ten months as interim chief executive.

It has certainly been a year that has tested the organisation's resilience and has compelled us to examine our culture and values. It has been a year in which we achieved a great deal, but in which we also let people down. Whilst that is hard to admit, it is important that we do so to ensure we can learn and prevent similar failings in the future.

As a result of the challenges we have faced during the year, we have made fundamental changes, both to the way in which care is delivered, and in how we monitor and assess the quality of the care and services we provide to patients. Ensuring we provide consistently good care is now truly at the heart of our decision-making and we are committed to getting it right for the hundreds of thousands of people who turn to us for care and treatment every year.

We have embraced a new regime of quality assessment and inspection, inviting our partners, including Bedfordshire Clinical Commissioning Group, Local Authorities, Health Watch, local councillors and Patient Council members to form joint quality review teams to assess our care provision. This external scrutiny helps us to make sure our facilities and staff are meeting patients' needs, and particularly the needs of the most vulnerable in our care.

We have adopted the recommendations in Sir Robert Francis QC's report following the Mid Staffordshire University Hospitals NHS Foundation Trust public inquiry, and the Government's response: *'Hard truths, the journey to putting patients first'*. This has included increasing the number of nurses working on our wards and committing to publishing our nurse-to-patient ratios every day. We welcomed more than 60 nurses from Spain to our team towards the end of 2013, along with local and national recruitment campaigns, and we continue to recruit our local student nurses upon graduation.

We have refreshed our organisational objectives for 2014, reflecting the CQC domains of well led, safe, caring, effective and responsive. Our objectives are all based on our commitment to continuous improvement and our ambition to provide excellent care to the people of Bedfordshire.

Next year will be a challenging one, particularly financially as we strive to continue to make significant savings. This year was the first time we planned to deliver a deficit budget, which increased from £3.6m deficit to £8.7m deficit (excludes movements for impairments) during the year, mostly due to the changes in children's service provision (loss of income and higher staffing costs). We are planning to deliver another deficit budget in 2014/15, with a plan for breakeven by, or before, 2018/19. The review into health services in Bedfordshire and Milton Keynes will also examine financial sustainability (as well as best practice clinical models) which will provide our commissioning partners with options on which to publicly consult.

In the meantime our focus must and will remain on providing safe, high quality health care for all who need it.



A handwritten signature in black ink, appearing to read 'S Conroy', written in a cursive style.

Stephen Conroy
Chief Executive

Section 1.2	Operating and Financial Performance Review
	Financial Performance
	Financial Strategy
	Trust Performance
	Meeting our Objectives

Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS).

Financial Performance and Developments

In closing the 2012/13 financial year and starting 2013/14 the Trust signaled that, despite reporting an income and expenditure surplus of £1.2m for 2012/13, the Trust anticipated a deficit for 2013/14 for the following reasons:



- £0.3m of the trading surplus (£62.6m income and £62.3m expenditure) was derived from community services offered under the trading name of Milton Keynes Community Services (MKCHS) and the contracts for these services would be taken up by Central and North West London NHS Foundation Trust from 1st April 2013.
- The Trust benefited from a risk share agreement with local Commissioners where the financial value of the contract with Bedfordshire CCG was settled as a fixed sum in exchange for accepting the financial risk of higher than anticipated levels of activity.
- The Trust anticipated that it could reduce its costs by a maximum of 6% of turnover during 2013/14 without compromising patient safety, clinical effectiveness and an acceptable patient experience. A reduction of 8% was required to fully balance income and expenditure.

During the year the Trust faced the following additional challenges:

- The withdrawal of trainee doctors by NHS Education England and a joint decision with local health partners to not admit children to Bedford Hospital until adequate medical cover could be secured. The Trust lost revenue estimated to be £2.1m in comparison to previous forecasts, with additional costs of £1.5m – a net financial pressure of £3.6m.
- Increased demand for adult emergency care, in particular, restricted the Trust's ability to reduce costs safely. The Trust did, however, identify cost improvements worth 4.5% of 2013/14 turnover. This includes the one off benefit from the winding down of MKCHS liabilities. It does not, however, include the £3.1m productivity gain referenced below.

- Difficulties in recruiting to specialist medical staff posts resulted in the Trust having to turn to expensive locum arrangements, increasing medical staff costs by 9% over 2012/13 levels.
- Affordability issues within the local economy necessitated the settlement for the Trust's main contract with Bedfordshire CCG being fixed at a level £3.1m less than would have been earned under the national payments system and contractual terms. These pressures also prevented any re-investment of contractual penalties to support the Trust's management of demand for emergency capacity.
- On 1 April 2013 community and mental health services provided by Milton Keynes Community Health Service (MKCHS), previously hosted by Bedford Hospital NHS Trust (BHT), were transferred to Central and North West London NHS Foundation Trust which now hosts those services. The transfer is considered a machinery of government change and the services are ongoing. The transfer was accounted for under modified absorption accounting through which all MKCHS balances were retained by BHT, and have been unwound in the year ended 31 March 2014. This included the reversal of £1.8 million of accruals.

The income and expenditure outturn for the Trust (excluding the effect of asset impairments) can be summarized by the table below:

	2013/14 (£000s)	2012/13 (£000s)	2012/13 excluding MKCHS (£000s)
Income	158,810	223,009	160,400
Pay costs	99,972	136,093	93,364
All other costs	67,541	85,692	66,091
Net surplus/ (deficit)	(8,703)	1,224	945

The net assets held by the Trust are summarised in the table below:

	2013/14 (£000s)	2012/13 (£000s)
Net assets	90,798	91,581
Financed by:-		
Public Dividend Capital	83,534	78,022
Retained earnings	(22,617)	(14,045)
Revaluation reserve	29,881	27,604

The most significant movements in the Trusts net assets arose due to:

- The divestment of MKCHS related services
- The trading deficit of £8.7m during the 2013/14 year
- The receipt of £5.5m of new Public Dividend Capital to support the cash flow consequences of the Trust's changed net income and expenditure plans.

There are some conditions that could have cast doubt on the Trust's financial standing as a going concern. These include:

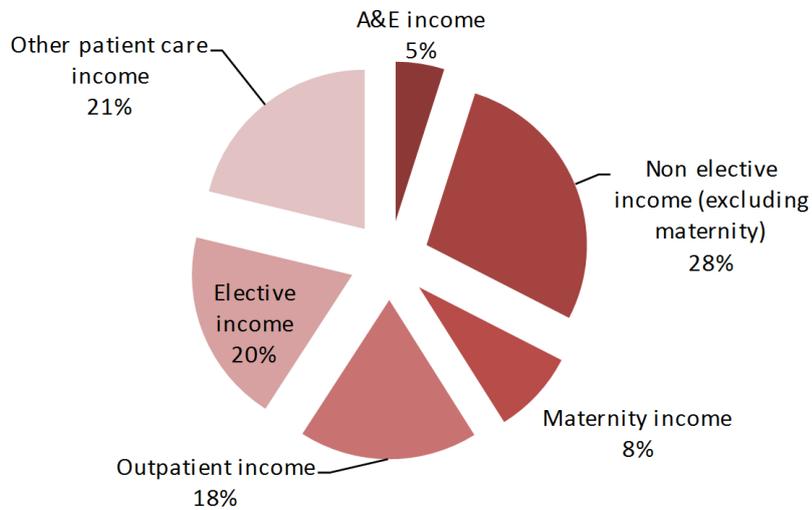
- Bedford and Milton Keynes health economies are subject to a strategic review commissioned by NHS England, Monitor and the NHS TDA. The results of this review have not been issued and therefore the long term future of the Trust may be seen as uncertain.
- The Trust is forecasting to report deficit net income and expenditure positions until at least 2018/19, although these annual deficits are expected to smaller in future years.
- The Trust will require additional financing to support cash flow until 2018/19
- The Trust financial plans include stretching cost improvement targets and similar targets have not always been achieved historically.

The Trust has prepared the accounts on a going concern basis and the auditors have not identified any material uncertainty that suggests that the Trust will not be a going concern 12 months from the date of signing the financial statements.

The Trust continues to manage clinical services under five clinical business units each headed by a clinician with the title Associate Medical Director, taking responsibility for managing direct costs available from income earned in treating patients.

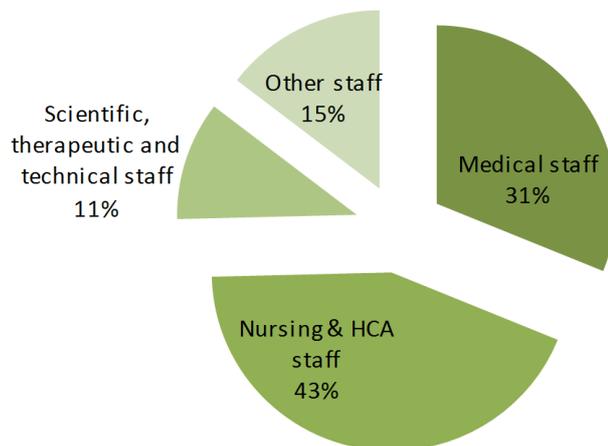
The largest proportion (33%) of Bedford Hospital's revenue from patient care activities comes from treating patients in Accident and Emergency and admitting patients in an emergency. Despite the changes to the Trust's paediatric service, in comparison to the 2012/13 year, there has been an increase in demand for patients admitted from A&E. This increase in demand combined with the restrictions to increasing capacity for the whole urgent care system (including primary care, community and social care services) has meant that only 93.83% of patients were treated in A&E within four hours of arrival compared with our target of 95%.

Bedford Hospital Revenue from Patient Care Activities



74% of Bedford Hospital's staff costs in 2013/14 came from the deployment of doctors and nurses.

Bedford Hospital Staff Costs



The Better Payment Practice Code (BPPC) requires the Trust to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is the later. In 2013-14 the Trust's performance under the better payments practice code was: 77.75% by value and 72.11% by number of non NHS invoices and 69.31% by value and 61.54% by number of NHS invoices were paid within target. Details of compliance with the code are given in note 10 to the accounts. The Trust has signed up to the Prompt Payments Code.

The significant challenge for the Trust is to be able to maintain the quality of services required by Commissioners against a backdrop of increasing clinical education standards, a more challenging regulatory environment, a limited patient catchment area and a constrained estate. Unit prices for emergency care in particular continue to be squeezed through national payment system tariff reductions and nationally mandated contract penalties for readmitted patients and admissions above 2008/9 levels.



A day to day response to these challenges is being met through the Trust's "Transformation for Excellence" Programme which began by engaging with private sector efficiency partners to complete a rigorous review and implementation of productivity opportunities. The Trust has now built an in-house team to support continuous improvement and change.

However, The Trust's modeling suggests the need for efficiencies worth at least 5% of turnover in every year for the next 5 years to reach recurrent balance at the end of that period. This efficiency requirement provides a financial challenge for the Trust that could be seen to place too great a burden on the quality of services without seeking additional significant partnerships.

In recognising the size of the challenge the Trust submitted an Outline Business Case in March 2013 to the NHS Trust Development Authority to consider options on the Trust's future organisational form in the context of the problems that the Trust was about to face. The OBC recommended an acquisition of Bedford Hospital Trust by Milton Keynes NHS Foundation Trust to create a larger catchment to balance clinical quality, education and workload standards.

In response to the OBC Monitor, the NTDA and NHS England have commissioned a review to help secure a long term future for services provided by Bedford Hospital and Milton Keynes Hospital. The review has the following main aims:

- To create a sustainable set of high quality services for the patients of Milton Keynes and Bedfordshire;
- To determine the future of Milton Keynes Trust and Bedford Trust; and
- To develop a locally led model for approaches to service change in or near failure.

It is anticipated that this review will form the core of the plan for a return to long term viability for services currently provided by Bedford Hospital NHS Trust. The results of the review are targeted to be produced by the summer 2014.

In the interim period the Trust's planning assumptions include a downward trend in the requirement for outpatient attendances at Bedford Hospital, improved management of demand for emergency admissions and A&E attendances and a continued modest growth in elective work.

The Trust's anticipated growth in elective work will need to be managed with new local partners in 2014/15 as a result of Bedfordshire CCG entering into a contract with Circle Health for the provision of all of its adult musculo-skeletal services. The Trust will continue to provide services to Bedfordshire CCG until the 30th September and expects to contract with Circle once all clinical quality and financial issues have been resolved.

The Trust's hosting of MKCHS ended on 31 March 2013 and the Trust is now seeking new partnerships to continue to provide services in the most efficient way in response to anticipated trends. Some of these partnerships will be necessary to meet the new service commissioning patterns introduced by new Clinical Commissioning Groups. Partnerships in the provision of local community services will be of particular importance in managing the demand for urgent care of patients with long term conditions.

Trust Performance

The Trust's strategy to review and implement productivity enhancement measures as the core of the efficiency programme has supported Bedford Hospital's ambition to achieve financial balance without compromising the effectiveness, safety (including reduced infection rates) and experience of patient care.



Bedford had historically maintained good performance in reducing the time that patients wait for treatment, whether in the accident and emergency department or in terms of waits for urgent or routine outpatient appointments. However, affordability challenges throughout the local health system and the consequential limitations to supporting services partially affected the Trust's ability to perform at targeted standards.

Because of the paediatric service changes, total A&E attendances in the year reduced, although the trend continued of more patients who did attend needing to be admitted. Emergency admissions via A&E rose in 2013/14 to 13,647 from 10,978 in 2011/12 and 12,964 in 2012/13. There were however fewer direct admissions from GP referrals. As reported above, despite the improvements in patient care processes, the overall impact has taken its toll on the ability of the Trust to maintain its emergency and elective care performance. Nevertheless the Trust has sustained good performance across a wide range of other key performance indicators

The Trust has been working with commissioners to ensure that patients are seen in the most effective environment, including in community settings where appropriate. Despite this work, hospital referrals have risen in 2013/14. The Trust as part of its reorganisation has made good use of a wide range of clinical specialists to maintain throughput. Our continued push to provide services to best meet patient needs has resulted in increased non-consultant follow-up appointments especially in the community.

Bedford Hospital's maternity services continue to be a popular choice for mothers, again delivering over 3,000 babies in the year.

Service Activity	2013/14 (%)	2012/13 (%)	2011/12 (%)
A&E waits (less than four hours)	93.83%	95.01%	95.42%
Two week referrals for suspected cancer	93.91%	94.76%	93.79%
Cancer patients receiving treatment within one month of decision to treat	99.73%	99.63%	91.68%
Cancer patients receiving treatment within two months of urgent GP referral	88.62%	87.49%	99.69%

Service Quality	2013/14 (%)	2012/13 (%)	2011/12 (%)
Planned operations cancelled on the day	0.76%	0.87%	0.63%
Patients rescheduled within 28 days	94.40%	93.46%	98.77%
Delayed Transfers of care (average per week)	1.3	2.15	1.38
MRSA bloodstream infections	0	1	1
<i>Clostridium difficile</i> infections	11	17	27

Activity Information	2013/14 (%)	2012/13 (%)	2011/12 (%)
Accident and Emergency			
A&E attendances	63,915	67,750	66,649
Emergency admissions via A&E	13,647	12,964	10,978
Inpatient Activity			
Non-elective spells	20,997	22,165	21,138
Elective spells (not day cases)	3,734	3,812	3,783
Elective day cases	22,365	20,673	22,247
Total spells	47,096	46,650	47,168
Referrals			

Written referrals from GP for 1st Outpatient (OP) appointment	47,815	45,095	45,441
Other referrals for 1st OP appointment	17,412	16,321	15,590
Total referrals for 1st OP appointment	65,227	61,416	61,031
Outpatient Activity			
Consultant led 1st OP attendances	58,957	55,756	56,055
Other 1st OP attendances	18,130	17,423	15,363
Total 1st OP attendances	77,087	73,179	71,418
Consultant-led follow-up OP attendances (including with procedures)	103,062	102,886	98,421
Other follow-up OP attendances	102,517	97,590	79,539
Total follow-up OP attendances	205,579	200,476	177,960
Births (number of babies delivered by hospital midwives/ doctors)	3,016	3,203	3,207

Meeting Our Objectives

The following table provides a summary of the Trust's performance against its ten objectives for 2013/14:



Objective	Summary
Improving Patient Experience (see Quality Account)	<ul style="list-style-type: none"> • Patient Council with dedicated work programme continues • Improved scores in annual patient surveys and PLACE assessments; challenges in improving Friends and Family test scores • New complaints and front-of-house PALS and signposting service • Dementia holistic care package (Butterfly Scheme) introduced)
Improving Patient Safety (see Quality Account)	<ul style="list-style-type: none"> • Further reduction in infections (MRSA and C diff) • Significantly reduced incidents of severe/moderate harm resulting from patient falls • Improved safeguarding processes • Improved incident and risk reporting processes • Better nutrition and hydration care and monitoring improvements
Improving Clinical Effectiveness (see Quality Account)	<ul style="list-style-type: none"> • Improved mortality indicator governance • E-prescribing implemented • Hospital at Night phase 1 implemented • Increased seven-day working • New models of care – e.g. paediatrics
Meeting External Targets	<ul style="list-style-type: none"> • Cancer targets achieved • A&E target just missed • 18 week target just missed • Improved stroke performance • Reduced length of stay achieved in several specialties
Increasing Market Share	<ul style="list-style-type: none"> • Existing partnerships with Moorfields, GSTS • New CCG contractual relationships for MSK services (unknown impact on the Trust)
Teaching and Research	<ul style="list-style-type: none"> • Significant issues in paediatrics with the withdrawal of junior doctors from the department

	<ul style="list-style-type: none"> • External independent reviews into education- recommendations being implemented • Extensive work programme to improve the quality of education and teaching provision with positive feedback from Health Education England/ the General Medical Council, and the agreed phased return of junior doctors to the paediatric department from August 2014 • Research – more patients recruited to trials
Finance and Governance	<ul style="list-style-type: none"> • Significant governance issues identified by the CQC, all addressed within six months and Trust now compliant apart from further embedding of risk management • Finance - Deficit on Income and expenditure. Capital and cash targets achieved
Workforce Effectiveness	<ul style="list-style-type: none"> • Significant supervision issues addressed through comprehensive action plans, with a positive re-inspection against staffing standards by the Care Quality Commission • More nurses and doctors in post than ever before • 60 nurses recruited from Spain as part of safer staffing ratios • Sickness ratio increased - action plan to reduce developed
Making Best Use of the Estate	<ul style="list-style-type: none"> • Dementia-friendly ward upgrades on fourth floor • Continued investment in energy efficiency measures
Being a Good Corporate Citizen	<ul style="list-style-type: none"> • New sustainable development management plan developed • Mandatory acute hospital target for energy efficiency achieved • Improved waste disposal methods introduced for food and maternity waste

Section 1.3 Quality Account

Separate document



Section 1.4 The NHS Constitution

Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS).

The NHS Constitution establishes the principles and values of the NHS in England. It sets out rights to which patients, public and staff are entitled, and pledges which the NHS is committed to achieve, together with responsibilities which the public, patients and staff owe to one another to ensure that the NHS operates fairly and effectively.



Pledges to Patients	Trust Progress on Delivery
The NHS commits to provide convenient, easy access to services within the waiting times set out in the Handbook to the NHS Constitution.	The Trust did not meet all targets. Detailed performance data can be found in the Operating and Financial Performance review section of this annual report. More detail is included in the Quality Account for 2013/14
The NHS commits to make decisions in a clear and transparent way, so that patients and the public can understand how services are planned and delivered.	The Trust developed a major communication plan to keep parents informed about the changes to the paediatric service. The Trust has participated in public engagement in the ongoing strategy review. The Trust continues to have communications and community engagement strategies in place. The Trust works with other partners, including commissioners, the local overview and scrutiny committees, health and wellbeing boards and Health Watch to promote transparency and ensure appropriate public involvement and engagement in how health services are designed and delivered.
The NHS commits to make the transition as smooth as possible when you are	The existing strong internal relationships and processes to ensure transfer between departments or specialties and close working with other local health and social care

<p>referred between services, and to include you in relevant discussions.</p>	<p>providers to ensure care following discharge from hospital is delivered in an appropriate and timely fashion, were boosted through use of winter pressure money. New initiatives were introduced to improve flow through the hospital according to patient need. The Trust also provides comprehensive information to patients prior to admission (for elective/ outpatient services) to explain the reasons for their referral and what they can expect during their care. Most patients are also provided with a copy of the discharge letter sent to their GP.</p>
<p>The NHS commits to ensure that services are provided in a clean and safe environment that is fit for purpose, based on national best practice.</p>	<p>The Trust excellent record in reducing and preventing hospital associated infections such as MRSA and C. difficile was maintained, and infection rates remain below the agreed ceilings - MRSA nil and C. difficile 15 (ceilings 2012/13 - MRSA 1 and C.difficile 19)</p> <p>The Trust participated in the initial PLACE assessments (Patient-Led Assessments of the Care Environment) and its domestic services and infection control departments work closely together to provide a timely and systematic cleaning service.</p> <p>The Trust employs a clinical governance team that works alongside clinical teams to ensure the Trust is compliant with the necessary NICE standards, World Health Organisation checklists, and other best practice recommendations.</p>
<p>The NHS commits to continuous improvement in the quality of services you receive, identifying and sharing best practice in quality of care and treatments.</p>	<p>The Trust is continuously seeking to improve the quality of its services. Examples of the Trust's commitment to continuous improvement include:</p> <ul style="list-style-type: none"> Dementia care Falls reduction programme Increased 7 day working Hospital at night
<p>The NHS commits to provide screening programmes as recommended by the UK National Screening Committee.</p>	<p>The Trust continues to support the National Bowel Cancer Screening Programme and is the Bedfordshire and Luton hub for those patients referred for investigation following screening. The Trust provides the Abdominal Aortic Aneurysm Screening Programme, and also supports local chlamydia, breast, antenatal and cervical screening.</p>
<p>The NHS commits to share with you any letters sent between clinicians about</p>	<p>The Trust provides comprehensive information to patients prior to admission (for elective/ outpatient services) to explain the reasons for their referral and what they can</p>

<p>your care.</p>	<p>expect during their care. The Trust also makes available to GPs and most patients copies of their discharge and outpatient letters.</p>
<p>The NHS commits to inform you about the healthcare services available to you, locally and nationally.</p>	<p>The Trust has a public website which is a key source of information on the services it provides. It also proactively targets GPs with information about services to help aid their referral processes. The Trust also seeks to communicate with the wider population through traditional communications channels, including local media. The Trust features on the NHS Choices website, which is regularly updated. The Trust launched a patient council in 2012 and part of that group's remit includes the continued development and improvement of patient information.</p>
<p>The NHS commits to offer you easily accessible, reliable and relevant information to enable you to participate fully in your own healthcare decisions and to support you in making choices. This will include information on the quality of clinical services where there is robust and accurate information available.</p>	<p>The Trust provides patients with information relevant to their care and condition or treatment. It publishes a patient information library on its public website to allow patients to easily access information at home, as well as a bedside folder for use and reference when in hospital. The Trust regularly publishes information on quality and its clinical performance, including on its dedicated website for GPs, its public website and NHS Choices as well as through local media.</p>
<p>The NHS commits to provide you with the information you need to influence and scrutinise the planning and delivery of NHS services.</p>	<p>The Trust engages with its local population and key stakeholders through a variety of media to facilitate scrutiny. In 2013-14 this included opening all board meetings to the public, as well as making statutory documents, such as the annual report and quality account, widely available. Additional reports on Serious incidents, mortality rates and nurse staffing reviews are available in public Board meetings. As appropriate, input is sought from stakeholders including health overview and scrutiny committees and Healthwatch. The Trust also complies with requests made under the Freedom of Information (FOI) Act.</p>
<p>The NHS commits to work in partnership with you, your family, carers and representatives.</p>	<p>The Trust is constantly seeking to improve patient and carer experience and has extended its patient surveys. The Trust has a patient council whose membership includes patients and their representatives. Patient feedback is regularly sought locally e.g. local families, and reported to the Trust Board monthly and to the CQC through national patient surveys.</p>

<p>The NHS commits to ensure you are treated with courtesy and you receive appropriate support throughout the handling of a complaint; and the fact that you have complained will not adversely affect your future treatment.</p>	<p>The Trust has a Patient Advice and Liaison Service (PALS) offering confidential advice and support to patients and relatives, as well as formal complaints process. These were reviewed in the year to make them more responsive and we have improved our response times. PALS leaflets and information can be found across the Trust informing patients of their right to complain and the Trust’s guarantee that complaints will not in any way affect current or future treatment.</p>
<p>The NHS commits, when mistakes happen, to acknowledge them, apologise, explain what went wrong and put things right quickly and effectively.</p>	<p>The Trust has implemented the “duty of candour” approach to ensure that all patients suffering moderate harm have a full explanation of what happened, and what will be done. The Trust is also fully committed to ensuring that all errors and near misses are reported appropriately into the National Reporting and Learning Service.</p>
<p>The NHS commits to ensure that the organisation learns lessons from complaints and claims and uses these to improve NHS services.</p>	<p>The Trust demonstrates its commitment to learn from complaints and claims in the following ways:</p> <ul style="list-style-type: none"> • Trust Board meetings regularly begin with a patient or relative experience story and the resulting changes that have taken place as a result of a negative experience. • Serious incidents and the resulting actions taken to avoid them happening again are reported to the Board and discussed at committees involving patient representatives. • The Trust is committed to identify learning from following all complaints and claims in order to safeguard against such an event happening in future. Individual training and education needs are also identified as part of this process.

Pledges to Staff	Trust Progress on Delivery
<p>The NHS commits to provide all staff with clear roles and responsibilities and rewarding jobs for teams and individuals that make a difference to patients, their families and carers and communities.</p>	<p>Progress against this is measured through the annual staff survey. The 2013 survey results show that Bedford Hospital is better than the NHS average for 16 key findings and in line with the NHS average for five key findings. Bedford Hospital was also in the top 20% of Trusts for seven of the 28 key findings.</p> <ul style="list-style-type: none"> • Of the 28 key findings, the Trust saw significant improvement in two areas: the percentage of staff receiving health and safety training – up from 70% in 2012 to 83% in 2013; and the percentage of staff having equality and diversity training – up from 50% a year ago to 70% in the latest survey. • There was only a significant decline in one area: the percentage of staff who believe that the Trust provides equal opportunities for career progression or promotion, down from 92% to 85%. • Bedford Hospital also had an above average percentage of staff working extra hours – 78% compared to a national average of 70%. And the percentage of staff who had received an appraisal in the preceding 12 months was 78%, rather than the national average of 84%.
<p>The NHS commits to provide all staff with personal development, access to appropriate training for their jobs and line management support to succeed.</p>	<p>A <i>Knowledge and Skills Framework (KSF)</i> system is in place and is regularly monitored, with training available for managers. The Trust carries out annual appraisals with its staff.</p>
<p>The NHS commits to provide support and opportunities for staff to maintain their health, well-being and safety.</p>	<p>The Trust supports staff to maintain a good work/life balance and encourages flexible working opportunities.</p> <p>There is a high knowledge amongst staff of how to access Occupational Health Services.</p>
<p>The NHS commits to engage staff in decisions that affect them and the services they provide, individually, through representative organisations and through local partnership working arrangements. All staff will be empowered to put forward ways to deliver better and safer services for patients and their families.</p>	<p>There is regular engagement with Trade Unions and professional organisations through the monthly joint staff management committee. Results from the latest staff opinion survey show improvements in involving staff in important trust decisions.</p> <p>The Trust also has a staff council in place.</p>

1.5 Sustainability Report 2013/14

Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS).

Background

The NHS is progressively transforming its delivery of health and care to become more sustainable and this has involved measuring, monitoring and reporting on sustainability in a wider remit. While the NHS has to date primarily focused on carbon reduction across the NHS, the transformation to deliver more sustainable health and care requires a whole systems approach that embraces all aspects of sustainability (not just carbon) and includes the entire health, public health and social care system.



Therefore, the NHS sees a sustainable health and care system as one that focuses on delivering high quality care and improved public health in the most socially, environmentally and financially sustainable manner. This is reinforced in the '*Sustainable Development Strategy for the Health, Public Health and Social Care System (2014-2020) (SDS)*' published in January 2014.

Bedford Hospital NHS Trust Sustainable Development Management Plan 2014-2020

The Trust published its first Sustainable Development Strategy in 2010, and in early 2014 this was updated and re-issued as the Trust's *Sustainable Development Management Plan (SDMP) 2014-2020*. Alongside the SDMP, the Trust has drawn up a Sustainable Development Action Plan (SDAP) which includes a series of key targets and performance indicators relating to energy, waste, water, travel and procurement.



The updated SDMP emphasises the Trust's commitment to sustainable healthcare, defined within the following mission statement: '***Embedding financial, environmentally and socially sustainable healthcare throughout the organisation and in the delivery of patient services***'

Sustainability is considered in the management of estates and facilities (energy, waste and water), travel and transport and in the procurement of goods and services. The SDMP emphasises:

- Embedding sustainable healthcare as an aim within an integrated and coordinated whole systems approach to the management of its services – focusing on the delivery of medical and nursing services as well as support functions and the management of its estate and facilities and the procurement of goods and services;
- Cross-organisational responsibility and involvement – staff, patients, community, suppliers, partners are all key to the effective delivery of this vision.

As a measure of the environmental impact of the Trust carbon reduction remains an

important element of the SDMP and this reinforces the commitment to meet or exceed carbon reduction targets set out in the SDS, with an initial target reduction of 10% by 2015, 34% reduction by 2020 and 50% reduction by 2025.

The Trust has also adopted the Good Corporate Citizenship assessment model (GCC) which is integrated into SDMP aims.

Governance and Reporting Processes

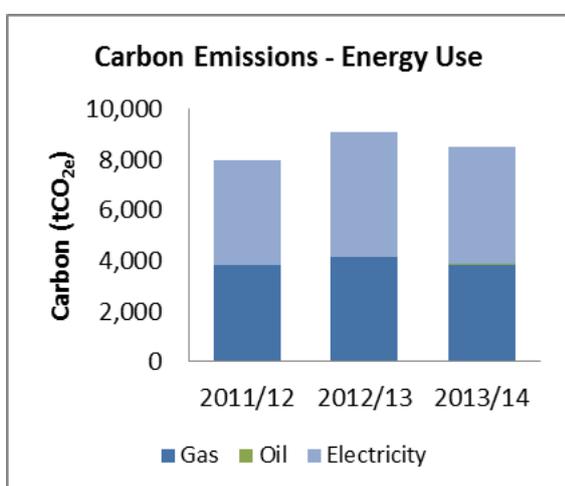
The Director of Finance, Don Richards, and Fiona Wilson, Trust Chair, are the lead Executive and Non-Executive Directors respectively for sustainable development within the Trust.

The Trust's Sustainability Group meet quarterly to review progress and report against the sustainability agenda (SDAP and GCC). A key task in 2013/14 was the production of the Trust's new SDMP and Action Plan. The Trust's Estates Governance Group receives monthly reports relating to energy and water usage and tracking of progress against the carbon reduction targets.

This Sustainability Report has been developed based on HM Treasury Guidance for public bodies and the annual reporting guide published by the Sustainable Development Unit. This report therefore incorporates three years of information where available (some data is estimated for 2013/14).

Energy

Resource		2011/12	2012/13	2013/14
Gas	Use (kWh)	18,743,690	20,262,566	18,066,779
	tCO _{2e}	3,830	4,141	3,833
Oil	Use (kWh)	0	58,882	181,026
	tCO _{2e}	0	19	58
Electricity	Use (kWh)	8,713,428	8,621,205	8,288,372
	tCO _{2e}	4,130	4,909	4,628
Total Energy CO_{2e}		7,961	9,068	8,519
Total Energy Spend		£1,292,814.00	£1,505,623.00	£1,489,453.00



Background and performance

The Trust is a major consumer of energy with the main areas of consumption being:

- gas for production of hot water and steam for heating, hand washing, bathing, decontamination processes and cooking;
- electricity for lighting, power and operation of engineering plant;
- Oil is also used for standby generators and as an alternative fuel for steam generators.

The Trust has made significant progress towards realising the initial carbon reduction of 10% by 2015 against a 2007 baseline, achieving a 10.4% reduction to date with one year remaining.

Year	2007/08	2013/14
Carbon emissions from energy consumption / tonnes CO _{2e}	9,504	8,519
% reduction / increase	-	-10.4%

We have improved our overall energy efficiency from 94 GJ/100m³ in 2001/02 to 59 GJ/100m³ in 2013/14, achieving the NHS mandatory target for acute hospitals.

Energy efficiency measures

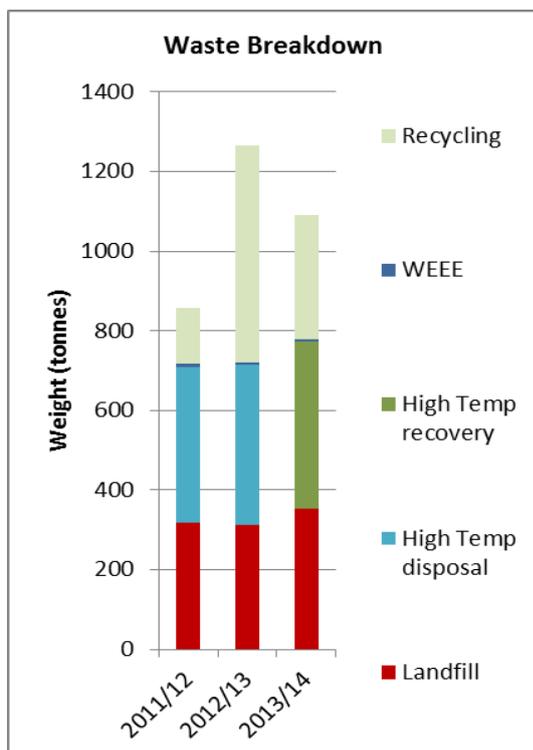
- Heating, cooling and ventilation systems are controlled by the Building Management Software, an automatic control and monitoring system that optimises environmental conditions and energy efficiency within buildings.
- The PV solar panel array on the main ward block roof has generated approximately 22,000kWh of renewable electricity during 2013/14.
- On top of energy efficient lighting investments in previous years, the Trust has invested a further £18,000 in fitting low energy lighting in public areas and accommodation during 2013/14.
- We are continuously looking at new ways of improving energy efficiency. For small scale projects with short payback periods, this process is managed via the Trust's Energy Action Group who manage a budget of £25,000 for investment in low cost 'spend to save' measures. For projects that require a larger investment with potential to produce greater energy and cost savings, the process is led by the Head of Estates.
- A business case for the replacement of the existing Combined Heat & Power (CHP) plant was submitted to the Trust Board in 2013 and is on the Trust's draft capital programme for 2014/15. If this scheme proceeds, it will provide the following benefits:
 - a. annual electricity consumption saving of 1,101,000 kWh
 - b. annual gas consumption saving of 135,000 kWh
 - c. annual carbon saving of 620 tCO_{2e}
 - d. £127,000 energy spend saving in year 1.
- The Trust's main electricity supply contract for 2013/14 is sourced from 100% of 'green' supply, i.e. from renewable and low carbon sources.
- The Trust is a mandated participant in the Carbon Reduction Commitment Energy Efficiency Scheme (CRCEES). The CRCEES requires participants to purchase carbon allowances at £12 per tonne of CO₂ from energy related emissions. For 2013/14 the cost to the Trust of carbon

allowances is expected to be in the region of £109,000. In 2014/15 the cost of carbon allowances is rising to £16 per tonne, thus providing a further financial incentive to improve energy efficiency.

- The Trust complies with statutory legislation to reduce fugitive gas emissions to the atmosphere. This covers large split type air conditioners, large refrigerators and chiller plant that may contain fluorinated greenhouse gases (F-Gases) or ozone-depleting substances (ODS). Where gas content exceeds 3kg we carry out regular testing and recording to monitor gas content and for smaller systems we comply with requirements to operate safe gas management systems.

Waste

Waste		2011/12	2012/13	2013/14
Recycling	(tonnes)	140	545	312
	tCO _{2e}	2.94	11.45	6.55
WEEE	(tonnes)	7	6.5	5
	tCO _{2e}	0.15	0.14	0.105
High Temp recovery	(tonnes)	0	0	422
	tCO _{2e}	0	0	8.862
High Temp disposal	(tonnes)	391	403	0
	tCO _{2e}	8.21	8.46	0
Landfill	(tonnes)	318	311	352
	tCO _{2e}	78	76	86
Total Waste (tonnes)		856	1265.5	1091
% Recycled or Re-used		16.36	43.07	28.60
Total Waste tCO_{2e}		89	96	102



Waste Commentary

The Total Waste Management contract with SITA has continued to deliver savings to the Trust. However recycling waste levels for 2013/2014 have fallen over the last twelve months, mainly due to very high levels of in-patient activity in the Trust. The target of 17.5 % for recycled waste has been delivered but the challenge going forward is to increase the target to 25% and maintain this percentage.

Since June 2013, all food waste generated within the hospital has been taken away for recycling to a specialist waste processing plant where it is processed into fertiliser. A recent duty of care visit to this facility confirms this process.

A new offensive waste stream (tiger bags) has been introduced in the Maternity Unit and at Gilbert Hitchcock House; this has reduced clinical waste costs and is less environmentally damaging as this waste is generally bio-degradable.

The Trust has continued to be very successful in influencing staff to recycle waste; the introduction in 2012 of the green bag recycling waste stream has proved to be a positive and welcome environmental initiative. Various methods have been used to encourage staff to minimise and recycle waste including a Trust screen saver and a waste awareness day. Consistent and regular monitoring plays an essential and significant part in achieving high levels of good waste management, naturally this is an ongoing process which is recorded and scrutinised. Training and briefing are key components of raising staff awareness of these recycling opportunities with initiatives such as screen savers having influenced staff to correctly dispose of waste in the appropriate bins, increasing recycling and minimising cost.

Water

Water		2011/12	2012/13	2013/14
Mains	m ³	76,005	81,903	80,923
	tCO ₂ e	69	75	74
Water and Sewage Spend		£160,265	£170,940	£177,053

Water Commentary

The Trust's major areas of water consumption are through steam generation, washing, cleaning, hygiene, decontamination of equipment and cooking. We are a major consumer of water and have been actively trying to reduce the volume of water we use, whilst balancing water efficiency against the need to improve infection control regimes via increased hand washing, and to guard against the risks of legionella contamination of water systems by regular flushing of water outlets. In 2012, the Trust signed up to the 'Aquafund' scheme under the Government Procurement Service Framework Agreement for water efficiency and conservation services. This involves working with an approved water consultancy firm to benchmark water consumption, prepare a water management plan and optimize water efficiency across the organization.

An initial programme of works, including installation of water saving devices has been undertaken, including fitting of replacement water meters, urinal controls and toilet cistern water displacement bags. Consumption is now monitored through automatic meter reading devices so that any abnormal consumptions and leakages can be identified at an early stage and dealt with quickly. Further measures, such as water recycling and rainwater harvesting will be considered during the next phase of the water management programme.

The volume of water consumed in 2013/14 has reduced by 1.2% compared to the previous year.

Transport

Trust Travel		2013/14
Employee Commute	(tCO _{2e})	669
Business Travel (Road)	(tCO _{2e})	99
Patient Transport	(tCO _{2e})	41
		809

Business travel represents a significant financial liability for the Trust and also represents a significant source of carbon emissions. Business road transport only is shown above, given unavailability of other modes of transport and is estimated based on 2012/13 data and assumptions made within the Sustainability Reporting Framework, pending the results of the latest annual transport report; the Trust commissions a comprehensive annual report covering its transport carbon footprint, incorporating business travel, staff commuting, patient transport and fleet vehicles. This report also contains a series of recommendations aimed at reducing the impact of transport carbon emissions.

As well as measures to, where practical, reduce the need for business travel, since 2000 when Bedford Hospital first adopted its Travel Plan, we have encouraged staff, patients and visitors to reduce over-dependence on the car as the means of getting to and from Bedford Hospital. The Trust provides a total of 34 secure cycle lockers for staff and there are approximately 130 additional covered and uncovered cycle spaces on site.

Procurement

The Trust spends approximately £50m per annum on procuring goods and services as well as those procured through Estates. As well as a significant financial liability this represents a range of environmental and socio-economic risks and opportunities, including carbon emissions.

For example, it is estimated that procurement represents indirect carbon emissions of 22,057 tCO_{2e}.

In order to embed financial, environmental and social sustainability where relevant a range of measures have been or are being undertaken:

- The review of the need for procurement and the most cost effective procurement route;

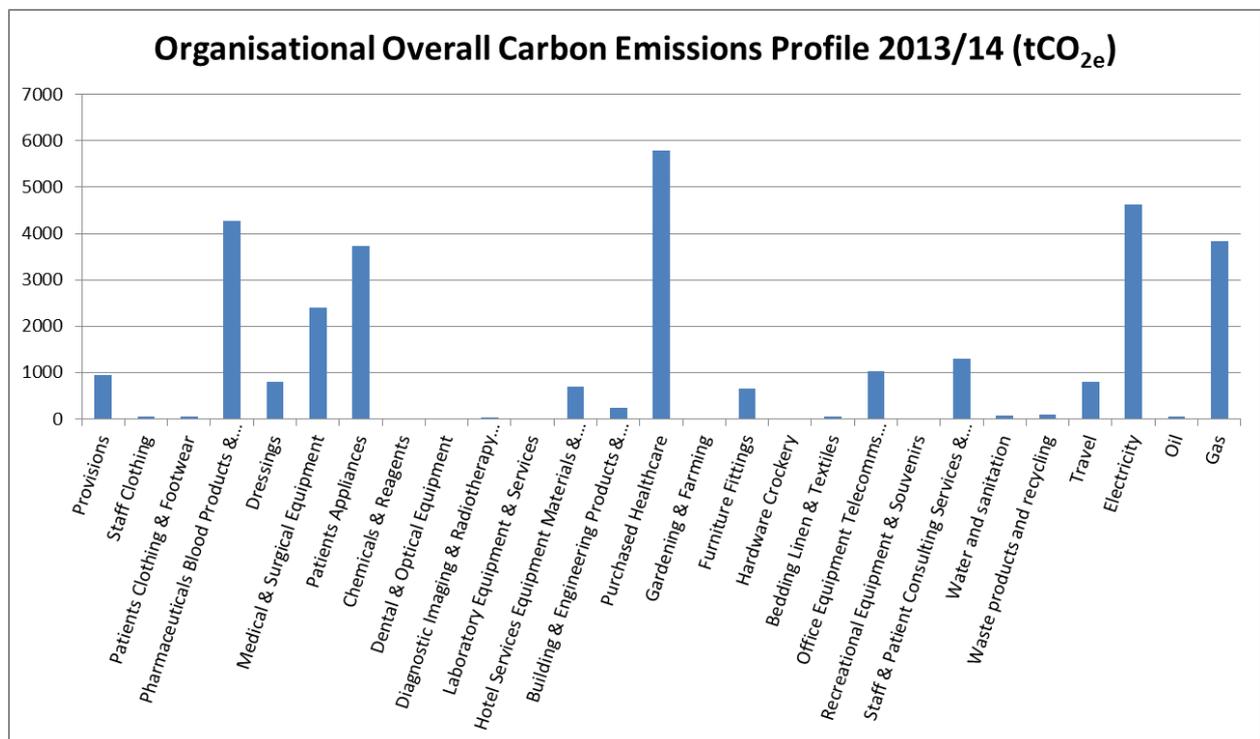
- A sustainable procurement policy was adopted in 2012 and supported by a sustainable procurement strategy. The policy will be updated to reflect clearly articulated policy objectives that reflect relevant environmental and socio-economic risks and opportunities aligned with corporate objectives, the SDMP and legal requirements;
- A review of forthcoming contracts, identifying relevant and proportionate contract requirements that embed environmental and socio-economic risks and opportunities;
- A focus on prioritising procurement expenditure and supply chain according to relevant risks and opportunities;
- Engagement with key partners including suppliers, commissioners, end users, Estates, Pharmacy, other Trusts and CCGs.

Other relevant actions are set out in the SDAP.

Overall carbon emissions profile

Based on the above data the overall carbon footprint for the Trust in 2013/14 is estimated to be 31,561 tCO_{2e}. Some of this is estimated pending up to date collation and analysis of 2013/14 data.

As the chart below shows pharmaceuticals, equipment and appliances, purchased healthcare, electricity and gas represents the largest contributors to this.



Practical measures to reduce these emissions will be adopted. As indicated in the introductory paragraph to the Sustainability report carbon emissions represent a measure of environmental impact but other risks and opportunities exist, including but not necessarily

restricted to:

- Financial risk management – e.g. understanding the financial, as well as carbon, value at stake from not meeting the targets set out in the Trust’s SDMP;
- Reducing vulnerability to energy price rises, waste costs, travel costs and the costs of goods and services while continuing to deliver high quality healthcare;
- Environmental protection and mitigation as well as adaptation to anticipated climate change impacts;
- Social and ethical issues – e.g. labour conditions within supply chains, opportunities for Small and Medium Sized Businesses, social enterprises and other community benefits (the relevant consideration of which is a requirements within the Public Services (Social value) Act 2012).

1.6 Highlights and Achievements

Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS).

A selection of the Trust press releases provide some insight into key events and achievements.

Health regulator recognises significant improvements at Bedford Hospital (December 2013)

The Care Quality Commission recognised 'very significant improvements' at Bedford Hospital NHS Trust, following a re-inspection against essential standards of care in November.

The health and social care regulator published its follow up report into Bedford Hospital on December 30th 2013. Inspectors lifted all the warning notices imposed on the Trust following an unannounced inspection in July 2013 and the standards which were previously assessed as being of moderate or minor concern are now fully compliant.

Recognising excellence in nursing

The CQC report in December 2013 acknowledged the significant improvement in ward leadership and team working. As part of International Nurses Day which takes place each year on May 12th, the birthday of Florence Nightingale the Trust presented awards to nurses demonstrating excellence. The awards were sponsored by the Rotary Club of Bedford and the University of Bedfordshire, while MP Richard Fuller presented one of the awards.



The Nurses' Nurse of the Year was won by joint winners Sarah-Jane Nurrish, Ward Manager on Harpur Ward, and Tissue Viability Nurse Sharon Clarke. The gong for Student Nurse Mentor of the Year 2013 went to David Stobbs, Cardiac Nurse Practitioner on the Coronary Care Unit.

Clinical Support Worker of the Year was Catherine Alexis-Lendore, Clinical Support Worker on Shand Ward, and the patient-nominated Nurse of the Year award went to Lisa Carey, Ward Sister on Shuttleworth

Unique service celebrates its first anniversary

A unique service that offers support to carers celebrated its first birthday in May. The Carers Lounge opened in May 2012 at Bedford Hospital, and is believed to be the only facility of its kind at any hospital in the UK.



The Carers Lounge is part of the Carers in Bedfordshire group is part of the re-enablement project of Bedford Borough Council and accommodation is provided by the Trust. In its first year the team gave support to nearly 700 carers, with the youngest carer being just four years old. Help ranges from providing a place to talk to cash grants, and from arranging social events to providing training courses.

Bedford Hospital gets a clean bill of health

The Trust saw a significant improvement in tackling hospital acquired infections owing to a number of clinically-led initiatives. Critically important to this is the cleanliness of the hospital and particularly the patient areas.

The Patient-led Assessments of the Care Environment (PLACE) assessment is a new test, which saw members of the public inspect 1,358 hospitals, hospices and day treatment centres across the country in May 2013. It replaces the old PEAT assessment, and has greater emphasis on patient involvement. Annual assessments involve teams of local people who go into hospitals and assess the care environment.

Bedford Hospital had some of the highest PLACE scores in the country. Patients rated the Trust's 'Condition, appearance and maintenance' in the top 17% nationally and the score for 'Cleanliness' at Bedford Hospital was excellent at 98.78%.

Revamp Of Hospital Radio Premises

Chief Executive, Stephen Conroy, and Medical Director, Ed Neale, visited the Hospital Radio Bedford studios (HRB). A special event saw the official opening of Judy Gentle Studio, as well as a ceremony to hand out HRB long service awards and a charitable bid installed air conditioning in the basement studios.



Thanks a Million! Successful dementia bid

Bedford Borough Council and Bedford Hospital secured nearly £1million of government funding to create pioneering care environments to support and care for people with dementia. The £987,363 funding enabled the design and creation of four dementia specialist environments, which will be hosted within the community and at Bedford Hospital.

These specialist surroundings offer the best environment for dementia patients. Colour zoning and familiarisation areas enable them to settle more quickly in a familiar environment and reduces any possible anxieties experienced by those going to and from hospital. Signage is clear and brightly coloured, pictures on walls capture scenes from yesteryear, traditional pieces of furniture are used around the rooms, and the general décor represents a days-gone-by theme.

Patients rate cancer treatment At Bedford Hospital

Cancer patients are more likely to feel that they are involved in decisions about their care and treatment than at any other hospital in the country. That was the verdict of more than 100,000 patients who took part in the NHS National Cancer Patient Experience Programme 2012/13 National Survey, where they were asked 70 questions regarding the quality of care at 155 acute hospital NHS trusts across the country.

84.6% of patients at Bedford agreed that they were “definitely involved in decisions about care and treatment”. 83.2% of patients agreed with the statement that they “completely understood the explanation of what was wrong” – the second-highest score of any hospital. And 90.5% of patients said “Staff explained how the operation had gone, in an understandable way,” – only two hospitals had a higher score.

Remembering Children's Wards of Days Gone By

November marked 50 years since the introduction of the first Save the Children Fund (SCF) Hospital Play Scheme in 1963. This followed the publication of the Platt Report, a landmark study of the care of children in hospital.

Today, Bedford Hospital employs Brenda Robinson, our first Registered Play Specialist to have a foundation degree in Healthcare and Play Specialism. And after supporting Brenda throughout her qualification with the University of West London, the Trust is continuing to support her for a third year, in which she will earn a BA (Hons) in Integrated Services for Children.



Brenda said: “Every day is different in this job, but I absolutely love it. One of my main roles is to provide a distraction for children going through their treatment. It can be quite distressing for children being in hospital and away from home – our job is to brighten up their lives.”

Spanish Nurses Arrive

45 new recruits began at Bedford Hospital in November, when a raft of newly-employed Spanish nurses landed in the UK and 15 more followed early in 2014.

The new staff moved into new homes in Bedford, which the Trust has helped them to find, and underwent a formal induction programme before heading to the wards to learn NHS policies and procedures. The staff started officially working on the wards by mid-December.



Our Week-Long Exhibition of Faiths

Our inaugural week-long Exhibition of Faiths took place in November. Highlights included an official opening by the High Sherriff of Bedfordshire, Sikh prayers for healing, a performance from a Japanese Buddhist Drummer, the chance to ask questions about the Muslim Faith, a Roman Catholic Mass, meditation led by an experienced Buddhist teacher, and a Christian healing service.



International recognition for lifestyle research at Bedford Hospital

A medic from Bedford Hospital gave an opening key note speech at Scripps Medical Centre Natural Supplements conference, one of the USA's largest nutritional conferences in February. Professor Robert Thomas, a Consultant Oncologist, was invited to speak about the world-renowned research studies that were designed and conducted at Bedford Hospital and partly funded by the people of Bedford.



The Pomi-T study was hailed as the largest and most significant scientific study of a polyphenol-rich food supplement involving patients with cancer. Professor Thomas said: "This was a big honour for our research unit and a fantastic reflection on the calibre and significance of our research not only for our patients but on the world stage."

Long service awards

Because various members of staff were recognised at the Long Service Awards over two events. Over 80 staff received awards and have worked at the Trust for more than 1,000 years between them. Bedford Hospital Chief Executive, Stephen Conroy, and Fiona Wilson, Chairman, gave out the awards.



Bedford Hospital named as one of the 40 top hospitals in the country

In May 2013, Bedford Hospital was named as one the CHKS 40Top Hospitals – for the tenth year in succession.

It is based on an evaluation of 22 indicators of clinical effectiveness, health outcomes, efficiency, patient experience and quality of care. These indicators are revised every year.

Gifts and Donations



Amazon Staff Donate Presents to Riverbank Children

Thanks to staff from Amazon, who donated £500-worth of pre-wrapped Christmas presents to children on Riverbank Children's Unit, a wide range of gifts landed at our hospital.

Thanks Asda!

Bedford Hospital's children's ward celebrated a £250 windfall, thanks to big-hearted supermarket bosses and customers.

Book That Generosity

RK Harrison, based in Bedford, donated dozens of books to the Trust to be used to raise funds to improve services for patients.

Biddenham Upper School Donation

Pupils have collected £250 for the Riverbank Children's Ward at Bedford Hospital, with the majority of the money coming from a pre-Christmas cake sale. The money will go towards taking a number of seriously ill children and their families on a trip to the zoo later this year.

1.7 Charitable Support, Fundraising and Voluntary Services

Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS).

Fundraising

The hospital is fortunate to receive incredible support from charitable groups including Bedford Hospitals Charity, the Friends of Bedford Hospital, local Lions groups, Rotary groups, local businesses, and many more. Local people also give generously, both in supporting charitable fundraising initiatives and in donating money directly to departments and wards. The Bedford Hospitals Charity recently marked its 25th anniversary and has raised over £10m for hospital projects during that period.

The generosity of all fundraisers is very much appreciated and allows us to invest in new equipment and facilities to improve both patient care and patient experience.

Volunteering

More than 200 volunteers at the Trust give their time freely to enhance the experience for our patients and complement the work of our staff.

Volunteers' activities are wide-ranging, and include helping patients filling out menu cards, making teas and coffee, visiting patients (with the Chaplaincy team) and helping out in admin/clerical areas.



Volunteering can be anything from a few hours a day to a few days each week, with some giving more than 20 hours a week of their time. We are grateful to all our volunteers and we thank them for their valuable contribution.

1.8 Compliments and Complaints

Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS).

Overview

The trust has a statutory obligation for the handling and consideration of complaints to ensure that complaints are dealt with efficiency and are properly investigated with action is taken if necessary. Supporting the formal elements of complaints the trust has a patient advice and liaison service (PALS) which works with patients to try and resolve their concerns informally and at local level. Both services act as intelligence around the themes, issues and departments that patients and relatives have concerns or compliments about.

The trust views our PALS service as being a resource for patients to access where concerns can be remedied quickly and may include such issues as unable to get an appointment at the right time. Concerns raised through PALS are normally resolved within 48 hours. When the concern can't be resolved in a timely manner, the patient or relative may wish it to become a formal complaint.

A formal complaint involves a more robust investigation with a response from the chief executive. When we are investigating a complaint we are guided by national requirements, such as our timeline for completing and answering a complaint which is currently 45 days.

At times a complaint may not be satisfied with the initial response and while we try to liaise with them to ensure they are satisfied they may wish to take their complaint to the Parliamentary and Health Services Ombudsman (PHSO) who may contact us to ask for more information.

During the year we had identified some failings within our complaints and PALS service and have worked diligently to improve, streamline and enhance how we work so we are providing a more robust approachable and learning service. To help us develop and learn from other organisations we worked with complaints colleagues from a neighbouring trust to undertake a peer review.

This review helped us shape our existing development and during the year we reviewed and developed our processes:

- Strengthening learning cycle for complaints to feed into business units and provide corporate 360 learning
- Introducing formal monitoring of the learning and long lasting implementation
- Stronger liaison with the patients experience lead so that complaints are immediately raised and wider monitoring
- Aligning internal reporting with our national reporting requirements (KO41)
- Launching complaint training for all staff using the learning and development portal for reflective training

Complaints

Complaints to the trust encompass a range of issues and departments and do not just relate to inpatient areas. The complaints can affect a number of departments as a patient moves throughout the hospital (perhaps admitted through A&E to a ward and is in need of an x-ray) and we keep a record of both the themes and the areas of complaint.

The national reporting themes (KO41) are centralised by government for cross-wide NHS comparison. **Table 1** shows the top five themes that complaints relate to. This table shows strategic national areas where we have received complaints.

Table 1 – KO41 themes for Apr 2013 – Mar 2014

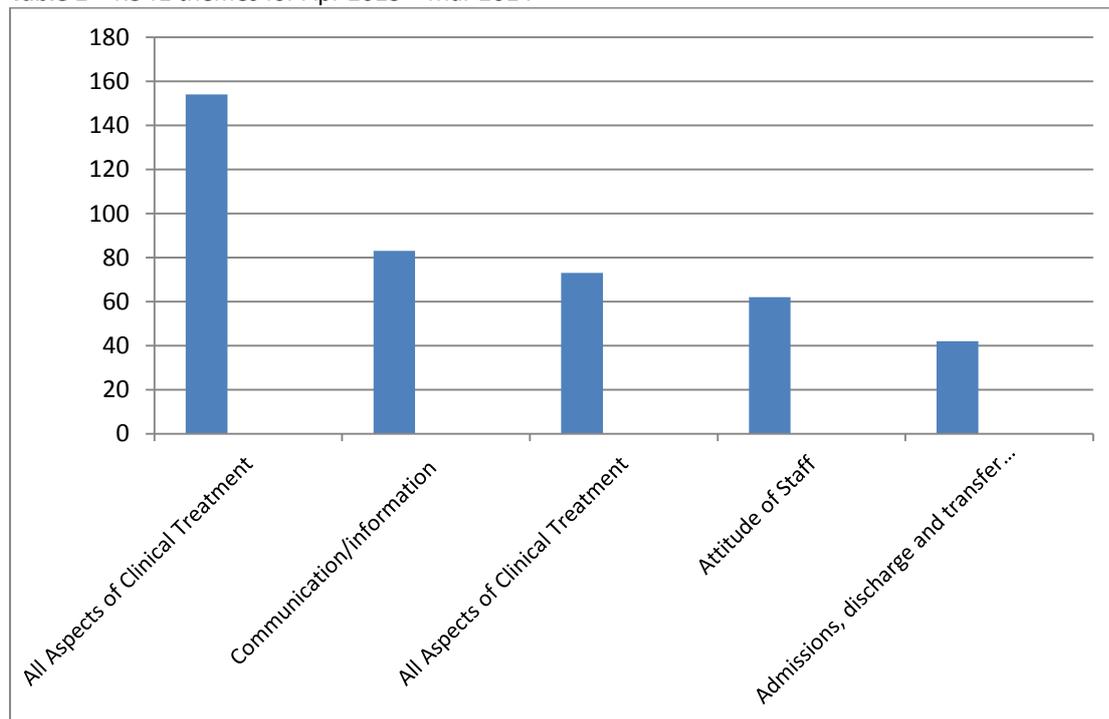
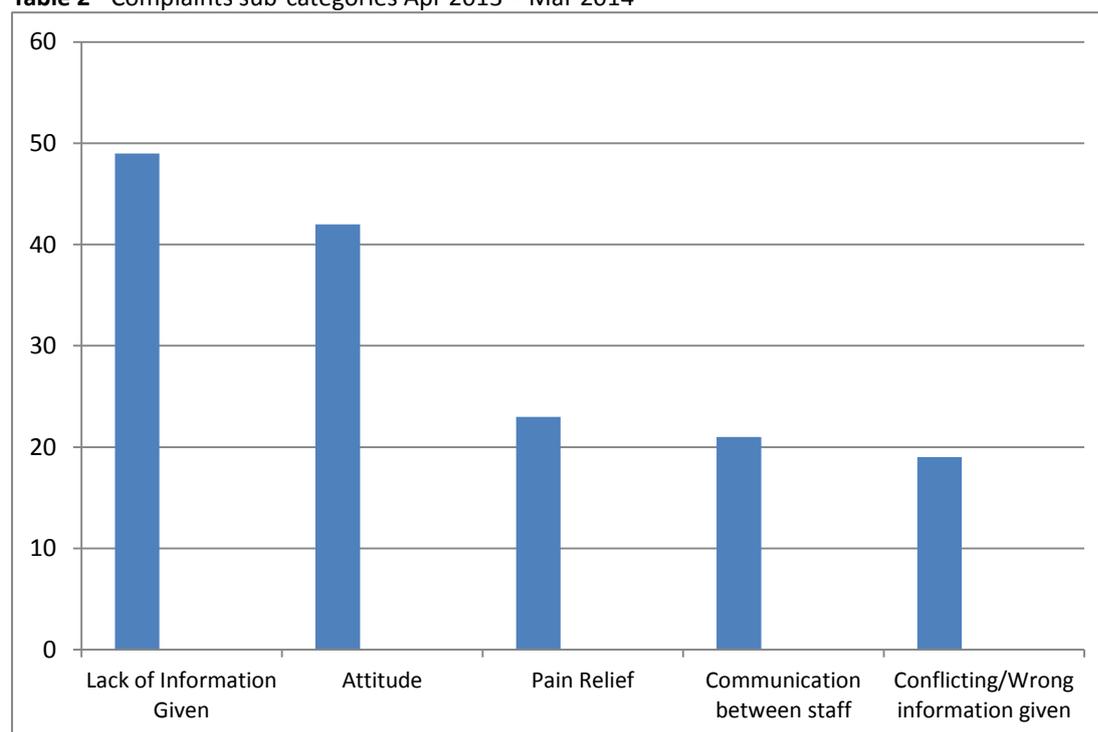


Table 2 shows the sub-categories which sit under the KO41. These sub-categories show more clearly the root cause of the complaint within a theme that we use at trust level to understand and change our behaviour or practices. It is the sub-categories that the trust uses to understand patient concerns. CBUs (clinical business unit) then use the sub-categories and the details on the complaint to develop actions at local level.

Table 2 - Complaints sub-categories Apr 2013 – Mar 2014



In investigating complaints we regularly find that poor communication and attitude are a cause for concern and run through an inpatient stay. It is quite often associated with a doctor not introducing themselves or not informing the patients and relatives of diagnosis or prognosis. It sometimes also relates to nursing staff not being clear about discharge planning or information around pain management. A range of issues that frequently arise in the sub-categories are:

- Poor attitude of clinicians in their engagement
- Poor communication and interpersonal skills of both nurses and doctors
- Poor record keeping and understanding of treatment plans (not explained properly)
- Delays in getting appointments or being able to reach teams to get information on appointments

Statistically we monitor the number of complaints that are opened and closed on a monthly basis. **Table 3** shows an annual comparison with the previous year. Over the course of 2013/14 there was an increase in the number of complaints received of 41% and we closed 75% more complaints than the previous year.

Over the course of the year we have seen an increase in the number of complaints that the trust is receiving. The rise in complaints is a trend that may continue to increase:

- Patients (and relatives) are more aware of their right to complaint
- Patients (and relatives) are more confident in submitting a complaint (and not be afraid of repercussions)
- Access to the internet allows people to complain more easily and to understand what their rights and responsibilities are

- Patients (and relatives) are exposed to more criticism of the NHS and expect higher services
- As people live longer we encounter and treat an older population with more complex needs and co-morbidities

We were able to close more complaints as:

- We invested more resources into the team
- Reviewed and developed our processes
- We developed more of an understanding with clinicians on the importance of learning and responding to complaints

In the KO41a return for 2013/14 we reported 285 complaints received, (complaints not investigated and those reported to the Ombudsman are not included in this national return). Of the 285 reported, 190 were upheld.

Table 3 – comparison of open and closed annual complaints

	2012 / 13		2013 / 14				2012 / 13		2013 / 14	
	Open	Closed	Open	Closed			Open	Closed	Open	Closed
April	22	25	21	32		Oct	15	11	24	25
May	13	4	39	26		Nov	24	14	25	31
June	18	22	32	30		Dec	15	11	22	22
July	27	17	33	52		Jan	18	17	25	21
Aug	14	19	23	30		Feb	13	33	20	22
Sep	21	12	18	33		Mar	24	34	23	25

PALS (patient advice and liaison service)

A formal PALS contact is where more intensive or complex contact with services and the patient is needed to resolve the issue. At times, a PALS issue will be escalated to a formal complaint as an internal mechanism for managing complex issues without resources and to embed the learning; or at the patient's request to ensure a detailed investigation.

Over the year the top five themes which mirror those of complaints are:

- Delay in surgery
- Staff attitude

- Unable to contact departments
- Discharge concerns
- Poor communication

Table 4 - comparison of open and closed annual PALS contacts

	2012 / 13		2013 / 14				2012 / 13		2013 / 14	
	Open	Closed	Open	Closed			Open	Closed	Open	Closed
April	70	58	47	21		Oct	138	127	71	61
May	97	102	52	55		Nov	117	110	49	42
June	98	130	98	72		Dec	81	95	99	64
July	99	117	96	134		Jan	126	110	121	132
Aug	107	104	54	43		Feb	100	100	59	64
Sep	86	82	83	92		Mar	105	89	82	58

Over the course of the year PALS has taken the opportunity to review its processes. Electronically recorded statistical activity now exclude signposting, advice about primary care and general hospital information which previously was recorded. The value of the recording of the information was reduced by the time taken to record this formally on the database. The new process was introduced in August so from that month there is a difference in the statistical activity. Over the year, therefore, we have recorded opening 26% fewer and closing 31% fewer contacts.

However, while we do not record the actual data, reducing our statistical picture of activity, we do 'log' the activity. Overall there has been an increase in PALS contacts and concerns raised through the service.

Recordable activity within the PALS service can be hard to quantify. While complaints have an obligation to respond within a deadline there is no solid recommendations for PALS.

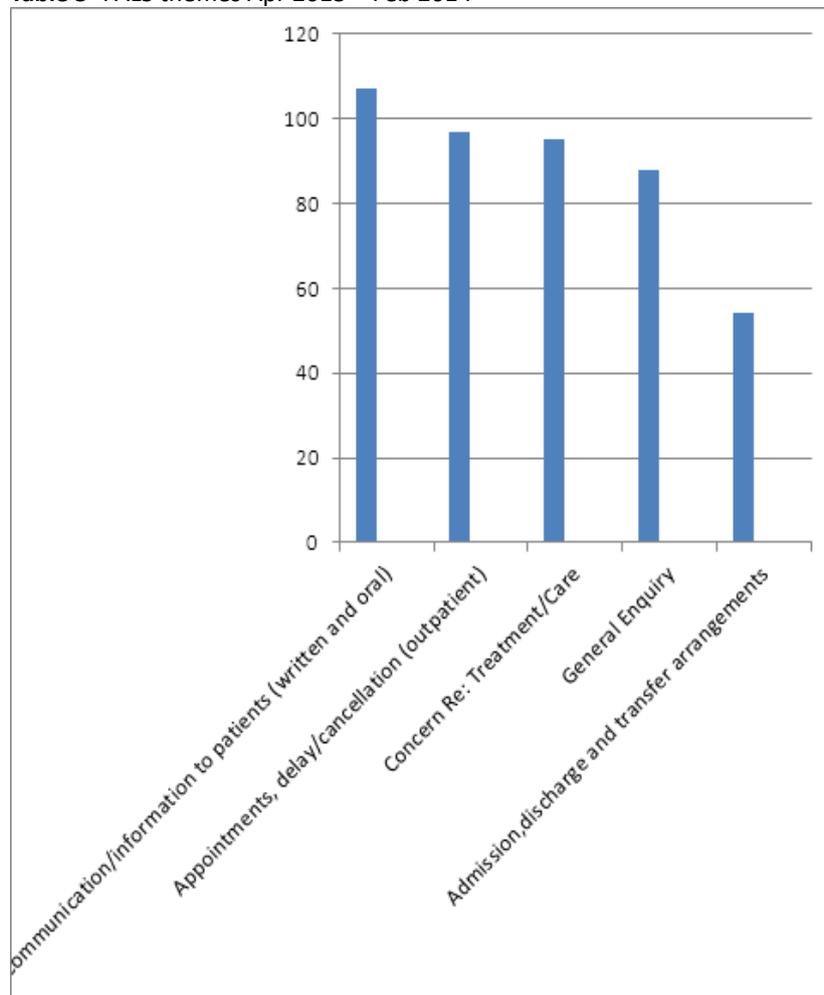
Good practice suggests that a PALS concern should be managed and closed within 48 hours and if it can't be it should be escalated to formal complaints.

However, there are times when a concern is, by its value, not a formal complaint but will take more than 48 hours to action and close.

Table 5 shows the top five themes for PALS contacts. These themes in comparison to the previous year (2012/13) are consistent overall, but communication rose from being the third major concern to being the first. In the previous year 'appointments' were the fifth largest concern and this year it has risen to the second. These relate to concerns from patients not

able to get an appointment; get in touch with the appointments team; or having to wait too long for an appointment.

Table 5- PALS themes Apr 2013 – Feb 2014



General enquiry relates to enquiries ranging from families of deceased patients requiring information to feedback i.e. suggested improvements to services to information about patient pathways and helping with patient expectation.

Learning

Over the year we have developed stronger learning processes ensuring that patient services, such as wards, radiology, and outpatients value and learn from complaints and concerns. Some of this has been driven by the chief executive ensuring his complaint responses are shared with clinicians and managers and some as a result of our learning and training internally with all staff.

In addition, the service is working closely with the matron for patient experience so that learning is not just managed at local level but shared across the trust. Governance is also leading on strengthening the process so that wider learning (complaints, claims, incidents, and SIs) is embedded across the organisation.

Listening and learning includes:

- Feedback to doctors on issues and mitigations on incidents, SIs and complaints
- Increased awareness of staff with regard to being clear and efficient in communicating with patients and relatives
- Improvement of meal time management
- Identifiable information at all wards so the public know who to raise concerns with
- Quality boards providing information on complaints and issues and how the trust has responded and learned
- Raising awareness of complaints and PALS through new posters and leaflets for all patient areas and services
- Hospital at night where more senior clinicians are available to attend to patients
- Noise at night – where we have introduced more awareness of the effect of noise both at night and in more sensitive areas
- Weekend working with more consultants available for advice and patient management
- A large scale review of our records management with Bedford University including use, accuracy, storage and management
- Improvement of meal time management
- Identifiable information at all wards so the public know who to raise concerns with

During the year we have introduced clearer processes to identify and highlight learning to the complainant. While all responses from the chief executive inform the complainant where we have changed our practices, we now highlight the resulting actions in a table within the response.

Duty of Candour

As with all NHS trusts we have a duty of candour – this simply means we have a duty to ensure we are open and honest in our investigations and in the information we provide to patients and complainants. If, during the course of the investigation we discover that we acted wrongly, even if this was not known by the complainant, we will inform them and attempt to rectify the situation if it is possible.

We are committed, and will continue to be in the coming year, to be transparent and honest in our investigations and disclosures.

Compliments

The compliments that are received corporately span many services of the hospital and are not related directly to inpatient areas. They can be given at ward / service level and include both those to individual members of staff and to services as a whole.

All service areas statically record their compliments and send to the PALs team. Individuals and teams named in compliments get included in the chief executive bulletin as part of our process to celebrate achievements and successes.

Table 6 shows the scale of compliments the trust receives and include:

- Cards: either directly to a ward or to the chief executive
- Donations: either money or equipment
- Gifts: normally small gifts to staff such as sweets. Any large gift items must be declared to the trust board secretary

Table 6

Compliments and Cards/Donations/Gifts – April 2013 – Mar 2014			
	Cards	Donations	Gifts
April 2013	142	8	110
May 2013	93	5	117
June 2013	142	0	128
July 2013	117	2	84
August 2013	100	4	88
September 2013	70	1	65
October 2013	72	2	91
November 2013	89	3	82
December 2013	116	7	112
January 2014	100	6	60
February 2014	125	16	66
March 2014	133	2	85
Total	1,299	56	1,088

General themes of compliments include:

- Professionalism of staff
- Staff are always pleasant, friendly, approachable
- Excellent care delivered with compassion
- Caring attitude whatever the pressures
- Hot meals of a good standard

Clwyd/Hart

Following the tragic events at Mid-Staffs the government launched the Francis enquiry which investigated all the issues and influences surrounding the deaths of patients at the hospital. Part of that investigation highlighted that the hospital as a whole did not value the information arising from complaints or have adequate procedures in place to cascade information of for staff to act on information arising from complaints.

Consequently, on the publication of the Francis report a specific enquiry into NHS complaints was launched – the Clwyd Hart Review. This report examines how complaints in NHS hospitals are acted on. Appendix 1 shows the recommendations for all NHS hospitals, the recommendations cover:

- Improving the quality of care
- Improving the way complaints are handled

- Ensuring independence in the complaints procedures
- Whistleblowing

This review recently published its finding and recommendations. Bedford Hospital have, over the last year, made changes to the processes and procedures and reporting that we use in complaints, which were highlighted in Clywd Hart. But there are other good practices recommendations that we need to consider and develop. Some of these will; be within our central complaints team and others will be needed to be embedded within CBUs – lead and monitored by CBU leads and the CBU quality committees.

PHSO (Parliamentary and Health Service Ombudsman)

The role of the Ombudsman is to ensure that we have managed, investigated and resolved a complaint in a thorough and transparent manner. While any complainant is entitled to refer their complaint to the Ombudsman, we always strive to try to resolve a complaint through local resolution. However, where we are unable to do so, we will support the complainant in their referral to the Ombudsman.

During the year we saw a rise in the number of complaints being investigated by the Ombudsman. This may be as a result of a number of factors:

- The Ombudsman investigating 50% more complaints that are referred to her
- An increase in the number of complaints the hospital is receiving
- The public becoming more aware of the existence of the Ombudsman

Nine Complaints were reported to the PHSO this financial year. Of these, the position at the year-end was that one was not investigated, one was not upheld and one was partially upheld, with six still under consideration The current position is that two were not investigated, two were not upheld, three were partially upheld and two are still being investigated.

Two final reports were received this financial year which refer to complaints opened in previous years, and both were partially upheld.

1.9 Serious Incidents and Never Events

Serious Incidents

Serious Incidents in healthcare are relatively uncommon but when they occur, the NHS has a responsibility to ensure there are systematic measures in place for safeguarding people, property, NHS resources and reputation. This includes the responsibility to learn from these incidents to minimize the risk of them happening again.

It is important that the Trust has a robust safety culture to help facilitate this wider learning. This includes the promotion of an incident reporting, culture and effective incident management. All staff at the Trust are encouraged to report any patient safety incident on Datix (incident and risk system) for investigation and learning which is shared across the organisation.

In order to provide national consistency in the definition of a serious incident, and clear roles, responsibilities and timescales for completing serious incident (SI) investigations, the National Patient Safety Agency (NPSA) launched the first release of a National Framework for Reporting and Learning from Serious Incidents Requiring Investigation in March 2010. The Trust has adopted this framework in full as the basis of its serious incident policy.

Never Events

Never events are serious, largely preventable, patient safety incidents that should not occur if the available preventative measures have been implemented by healthcare providers. The Department of Health agrees the list of Never Events annually (currently 25). These are reportable as level two serious incidents and require high level scrutiny and monitoring.

External Reporting

All serious incidents and never events are reported to the Bedfordshire Clinical Commissioning Group. From 1 July 2012, organisations were required to upload incidents to a national database STEIS (Strategic Executive Information System). STEIS is a Department of Health system to standardise SI reporting, allowing users to report and view serious incidents and never events for their areas of responsibility. The Commissioners receive automatic notification of provider incidents via STEIS.

Reporting and Investigation Timeframes

When an incident occurs, it is to be reported on Datix reporting system within 24 hours. If the incident is considered to meet the serious incident or never event criteria an early management report (EMR) is prepared. This enables the executive team to make an informed decision as to whether the incident is to be declared as serious incident or not. The incident is uploaded to STEIS within one working day of the declaration. The Trust has also agreed with commissioners that an incident that is suspected to meet the serious incident criteria can be communicated to them in advance, while further supporting information is

being collected. This allows the Trust to collate a detailed report and meet the contractual deadline of reporting all serious incidents within 48 hours of the incident being identified.

Serious incidents are required to be investigated, with a final report and action plan submitted to commissioners, within 45 working days. From April 2013, level two serious incidents and never events that may need for a more in-depth investigation are allowed 60 working days for investigation. There are cases where an investigation takes longer than the prescribed time frame and any extension is agreed with commissioners.

Reported Never Events

During the last financial year the Trust reported two never events. The first involved a 'wrong tooth extraction' (May 2013) and the second related to 'retained foreign object following removal of a medical device' (February 2013).

Wrong tooth extraction: This incident occurred on 22 November 2012 and only came to be known and declared as a serious incident on 28 May 2013. It relates to a patient who was referred by their dentist to have a wisdom tooth extracted and the wrong tooth was removed. The patient had to be referred back into Bedford Hospital to have the correct tooth taken out. The main cause was related to error by the operating surgeon, who removed a tooth which was in front of the tooth to be removed.

Summary of the recommendations:

- Emphasized the importance of identifying correct teeth to be extracted at the pre-operative visit
- To have available a dentally qualified/competent approved health care professional who can cross check individual teeth extractions in theatre
- The WHO check list was to be modified to allow the entry of date and type of operation

Retained foreign object following removal of a medical device: A patient had a surgical procedure in early 2013 and a medical device for pain management was inserted. This device was removed prior to the patient's discharge. A small plastic tube remained in situ. This came to the attention of the patient, who attended the GP and was referred back to Bedford Hospital for the removal of the plastic tube. This was completed under local anaesthetic in January 2014.

This incident is still under investigation and part of the recommendation put forward is to introduce a check list on removing this device, training staff on how to remove this particular device and reporting the incident to the MHRA as equipment failure.

Pressure Ulcers

In financial year 2013/14, there were 27 grade three pressure ulcers reported (an increase when compared to the previous financial year 2012/13 which had 22). The majority of the pressure ulcers developed on heels of patients. Eight pressure ulcers were deemed

‘unavoidable’. Unavoidable pressure ulcers occur when accurate assessment, appropriate care planning, implementation and monitoring are in place and still a pressure ulcer develops.

Contributory factors to hospital acquired pressure ulcers were:

- Incomplete risk assessments
- Failure to implement care needs identified from assessments
- Failure to follow turning regimes
- Availability and timely utilisation of pressure relieving equipment
- Failure to effectively monitor pressure damage under Plaster of Paris

Incomplete documentation to support care is a common theme throughout.

The tissue viability lead nurse, with matrons and ward managers, has undertaken improvement work utilising the SSKIN bundle to eliminate all avoidable ulcers. Training is being provided by the tissue viability nurses on pressure area care and pressure ulcers are being monitored through the safety thermometer. All grade three pressure ulcers have action plans specific to each individual case, and these are monitored through the Serious Incident Panel and Quality Board.

Fractured Neck of Femur Resulting from Patient Falls

A total of six cases were reported during the financial year 2013/14, which is a significant reduction from previous years. The six cases were isolated and there is no causative links between them.

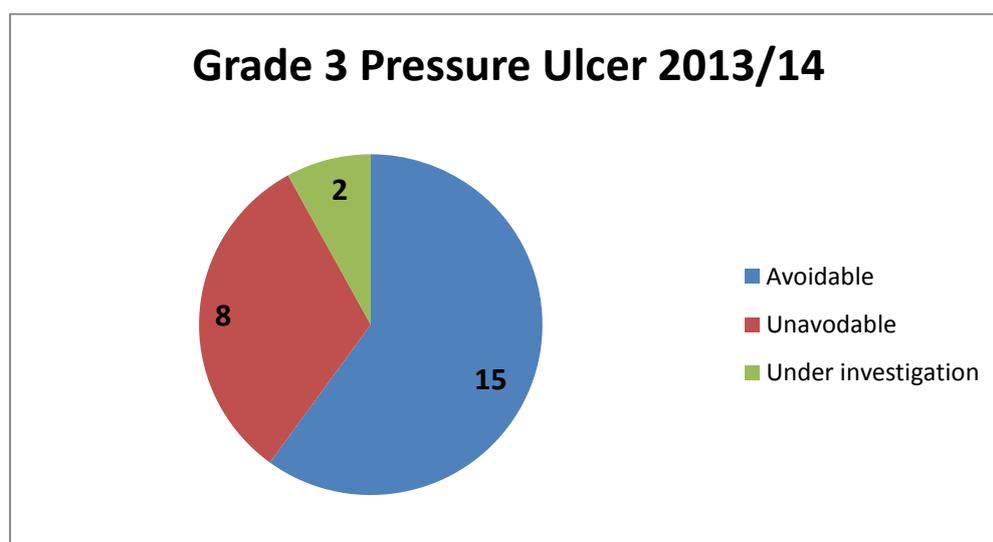
Root Causes Identified from Investigations

All serious incidents and never events have recommendations made by the lead investigators, and action plans are developed based on the findings of the investigation. The action plans are managed and monitored through the appropriate business unit and, on a periodic basis, an update is given to the Serious Incident Panel.

	2013/2014												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	Total
New Serious Incidents declared	2	9	7	2	7	5	7	1	2	4	6	6	58

Bedford Hospital has declared 58 serious incidents between 1st April 2013 and 31st March 2014 and this included two never events, as discussed below.

Type of incident	Number
Child serious Injuries	1
Failure to Act upon Test Results	1
Maternal Death	1
Communication	1
Delayed treatment	1
Drug Incident (General)	1
Child death	3
Confidential Information Leak	2
Never event	2
Unexpected Death (General)	2
Sub-Optimal Care of the Deteriorating Patient	5
Communicable Disease and Infection Issue (norovirus)	5
Fractured neck of femur following inpatient falls	6
Grade 3 Pressure ulcer	27
Total	58



Conclusion

The financial year 2013/14 has seen a total of 58 reported serious incidents. Of these serious incidents, two were never events. Pressure ulcers account for the majority of serious incident reported (27 cases). The majority of incidents were classified as ‘moderate harm’.

The Trust is committed to learning from and working to prevent serious incidents and patient safety is at the heart of the organisation’s objectives and culture. Systems to encourage reporting have been strengthened throughout the year, as have governance processes around both reporting and learning. This work will continue into next year, linked to the Trust’s ambition for harm-free care.

Section 2.0	Statutory Information
	Location and Services
	Equality
	Risk Management
	Environmental Issues
	Emergency Preparedness
	Principles for Remedy
	Counter Fraud Policies
	Compliance with the NHS Constitution
	The Trust Board
	Governance
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	Sickness absence and ill Health retirements
	Off Payroll Engagements

2.0 Statutory Information

Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS).

Location and Services

Bedford Hospital was established more than 200 years ago to provide hospital services to local residents. It became an NHS Trust on 1 November 1991, under Statutory Instrument 1991 No 2329 "to own and manage hospital accommodation and services provided at Bedford Hospital and associated hospitals".

Bedford Hospital NHS Trust is a 400 bed district general hospital providing 24-hour accident and emergency services, acute medicine, maternity, paediatrics and a range of surgical specialties.

The majority of the Trust's services are provided from its premises at the South Wing site, Kempston Road, Bedford. A small number of clinical services are delivered from Gilbert Hitchcock House (North Wing), Kimbolton Road, Bedford. The Trust continues to examine ways of reducing the use it makes of Gilbert Hitchcock House for delivering clinical services.

The hospital is situated in the county town of Bedford and serves a catchment population of more than 270,000 people, predominantly from north and mid Bedfordshire. The hospital's lead commissioner is Bedfordshire CCG. The hospital provides inpatient vascular surgery for the whole of Bedfordshire and Luton and Milton Keynes, and the cardiac catheterisation laboratory also sees Luton and Milton Keynes patients on a regular basis, and has a specialist laser centre.

The hospital is a major employer in the local area, with a workforce of some 2,600 employees.

Staff are employed on national terms and conditions of service apart from executive directors, who are employed on locally determined terms and conditions with salaries determined by the Trust Board's Remuneration Committee.

Past and present employees are covered by the provisions of the NHS Pension Scheme. Details of how the pension scheme is accounted for are included in note 9.5 to the Trust's annual accounts. Residential accommodation for staff is provided in housing association properties nearby, with on-call accommodation provided on-site.

The Trust has a system of regular communication to its staff via weekly and monthly briefings and with the use of the hospital's intranet. The Trust also discusses relevant policies and other matters of concern with a well-established JSMC (Joint Staff and Management Committee) which meets on a monthly basis.

Equality

The Trust is an equal opportunities employer and holds accreditation as an Investor in People (2012) and the Disability Tick award scheme, run by Job Centre Plus. The Trust has written policies covering human resources issues, health and safety matters, and corporate and clinical issues. Copies can be obtained from the Freedom of Information office.

The Trust is committed to promoting an environment that values diversity in its workforce. Managers are responsible for ensuring employees of the Trust are treated equally and fairly and not discriminated against on the grounds of the following protected characteristics: age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race including nationality and ethnicity, religion or belief, sex and sexual orientation, membership of a trade union or any other unjustifiable reason.

The Trust has an overarching equality and diversity strategy identifying the direction of the Trust. The Trust has a Single Equality Scheme (established in 2009/10). Progress against the scheme is monitored by the Trust's Equality and Diversity Committee, which includes representatives from all business units, human resources and patient groups. In 2012, the Trust endorsed its Equality Delivery System which measures the organisation's performance against four key equality objectives; these are:

1. better health outcomes for all
2. improved patient access and experience
3. empowered, engaged and well supported staff
4. inclusive leadership at all levels.

This is a four-year programme which involves a diverse range of community groups in assessing progress.

Staffing: Gender distribution of Trust employed

	Female	Male	Total
All employees	2,047 (78.4%)	563 (21.6%)	2,610
Other senior managers	99 (44%)	126 (56%)	225
Directors	4 (44.4%)	5 (55.6%)	9

Notes:

'All Trust Employees' includes all staff on a fixed term or permanent contract. Bank staff are not included.

'Other Senior Managers' includes all staff working at bands 8a and above plus Consultants. Staff counted as 'Directors' are excluded.

Staff included in 'Directors' are executive directors paid very senior manager rates plus non-executive directors.

Risk Management

The Trust Board reviews risks against the Trust's principal objectives on a regular basis and an agreed system of internal control is in place. This is described in the Annual Governance Statement, which also discloses serious untoward incidents involving data loss or breaches of confidentiality. The Annual Governance Statement is in Section 2.2.

Environmental Issues

The hospital has a transport and travel plan, prepared in conjunction with partner agencies, designed to reduce traffic congestion and pollution associated with vehicle movements to and around its sites. The local planning authority places limits on car parking spaces associated with developments at the hospital. There is an active bicycle users group within the Trust's staff. Please refer to the charts in previous sections for details of energy consumption. The Trust uses locally grown and sourced food in its restaurants, and in patient meals. Waste recycling facilities have been extended in the year to minimise waste going to landfill or incineration.

Emergency Preparedness

Resilience is led nationally by the Civil Contingencies Secretariat (CCS) and the local health economy receives guidance and direction from the NHS Commissioning Board in order to ensure compliance with relevant emergency preparedness frameworks.

As a category 1 responder, the Trust's business continuity is supported by threat-specific emergency plans, which are prepared and tested in partnership with the Bedford and Luton Local Resilience Forum (BLLRF). The hospital has a resilience committee, which meets regularly to monitor and oversee performance and the management of preparedness.

Principles for Remedy

The Trust fully supports and implements the PHSO's Principles for Remedy to secure suitable and proportionate remedies for complainants whose complaints are upheld and, where appropriate, for others who have suffered injustice or hardship as a result of the same maladministration or poor service. We aim to be fair and to take responsibility, to acknowledge failures and apologise for them, to make amends, and to use the opportunity to improve our services.

Counter Fraud Policies

The Trust has taken all reasonable steps to comply with the requirements set out in the code of conduct for NHS managers and has appointed its internal auditors to provide an accredited counter fraud specialist service. Their remit also includes compliance with the Bribery Act.

Compliance with the NHS Constitution

Based on the reports it receives, the board is able to provide reasonable assurance that it is compliant with the rights and pledges within the NHS Constitution and has had regard to the NHS Constitution in carrying out its function. *(Please see section 1.4 NHS Constitution)*

The Trust Board

The Trust was established as a NHS Trust under statutory Instrument 1999 No 2329. The Board is corporately responsible, within the regulations and policy guidelines issued by the Secretary of State, for setting the strategic direction of the Trust, and monitoring performance against its both strategic and operational objectives. The objectives set out on pages 12 and 13, recognise the need to work in partnership with other bodies, including the NHS Trust Development Authority, NHS England, Clinical Commissioning Groups and other health providers across the whole health economy.

The Trust is part of a range of clinical networks, including cancer, stroke, critical care and neonatal, designed to ensure that specialist services are available to the local community.

The Trust also works with local government and a wide range of statutory and voluntary bodies to ensure that a good patient experience is provided in a safe, efficient and economical way.

The Trust Board comprises a chairman and five non-executive directors, who are considered to be independent as they were appointed by the Secretary of State for Health on the recommendation of an independent Appointments Commission, and five executive directors appointed by the Board. Non-executive appointments are for a four year period, renewable for a further four years. Executive directors are on permanent contracts.

Changes to the Board in the year, were the confirmation in December of the Interim post holder as Chief Executive and the Chief Operating Officer taking maternity leave from November 2013. Full membership details are given in the following table.

Non- Executive Directors

Name	Post Held	Previous experience	Details of company directorships and other significant interests	Membership of Committees
Fiona Wilson	Chair from December 2011	Former senior BP executive and advisor to HM government NED/ interim 2.Chair of NHS Bedfordshire from 2005 to November 2011	Owner at Fiona M Wilson Consulting Ltd OGC High Risk Reviewer at BIS and DH	Remuneration (Chair to January 2013), Finance, Quality, Workforce
Gordon Johns	NED from February 2008, Vice Chairman from October 2009	Senior independent Director Occupied several senior roles in the financial services industry in the City of London over 36 years Former Director of Lazard Brothers, former Chief Executive of Kemper Investment Management Former Director of ING Financial Markets. Experienced in investment management, investment banking, business start-up, business development, business strategy, and regulatory compliance	Consultant to a fund of hedge-funds Trustee of, and investment adviser to, a charitable educational trust Chair, Director and Trustee of Lymphoma Association Chairman at Eaton Bray Parish Council	Remuneration (Chair from January 2013), Workforce (Chair), Finance, Quality

Duncan Gear	NED from June 2008	Significant experience in professional practice and industry at executive director level, prior to joining the then Department of Constitutional Affairs (now Ministry of Justice) as a senior civil servant. Appointed by the Home Secretary to the Police Complaints Commission (now IPCC) in 2000. Board member of the Solicitors' Regulation Authority. Chartered Accountant	Magistrate On the Board of the newly-created Solicitors Regulation Authority	Audit (Chair), Remuneration, Quality
Dr Dorothy Gregson	Associate NED from September 2012	Following a long career in public health, latterly as Director of Public Health for Bedfordshire, moved to take up the post of Chief Executive for Cambridge's Office of the Police and Crime Commissioner Medical qualifications, with specialism in Public Health	None	None
Paul Hutt	NED from October 2009	Occupied senior roles in public sector management and then human resource consulting over 30 years. Former Director with the Hay Group in London. Experienced in Human Resources (HR) strategy, HR consulting	Magistrate Human Resources Consultant (& Owner) at Paul Hutt HR Consulting	Remuneration, Quality (Chair), Audit, Workforce

		(especially reward and recognition), public sector management and business development.		
Deborah Kobewka	NED from May 2012	Held several senior roles over 25 years with IMS Health a company providing information, analytics and consulting services to the global healthcare industry, most recently as President Asia Pacific based in Singapore. Now working internationally as a management consultant advising on strategy, market entry, operational execution, start-ups, leadership development and mentoring.	Biochemist Vice President Commercial at GBI Consultant and Business Advisor at DKK Associates Ltd	Audit, Finance (Chair), Remuneration

Executive Directors

Name	Post Held	Previous experience	Details of company directorships and other significant interests	Membership of Committees
Stephen Conroy	Chief Executive (Acting from February 2013, substantive from December 2013)	Stephen first came to Bedford Hospital in May 2011 as Director of Strategy and Service Development. Prior to this, he spent 10 years in North Central London including a period as a PCT CEO and Programme Director for the North Central London Acute Services Review. He has 15 years of board level experience in the NHS (Acute, Community and PCT), has worked at senior level in local government and spent 5 years working as a consultant to the NHS on strategic change and process re-engineering.	None	Finance, Quality, Workforce
Ed Neale	Medical Director (from December 2005)	Consultant Obstetrician and Gynaecologist, Specialty Tutor 1993 – 1999, Deputy Clinical Tutor 1997 – 2001, Clinical Tutor	RCOG Examiner 1997 – date, School Governor 1997 – date, Assistant coach	Finance (alternate with Director of Nursing and patient Services), Quality, Workforce (from September 2013)

		2001 – 2004, Clinical Director (Obstetrics and Gynaecology) 1999 – 2002, Divisional Director (Women’s and Children’s Services) 2002 – 2005, Deputy Medical Director 2003 – 2005.	Bedford Junior Blues RUFC 2004 - date	
Nina Fraser	Director of Nursing and Patient Services (from September 2012 (initially interim))	Nina, who trained at Addenbrooke’s Hospital, joined the Trust from Northampton General Hospital, where she had specialised in quality and governance.	None	Quality, Finance (alternate with Medical Director)
Emma Goddard	Chief Operating Officer (from September 2011)	Emma joined the Trust from Hillingdon Hospital where she had worked in both operational and strategic roles.	None	Finance, Workforce
Don Richards	Director of Finance and Performance (from April 2011)	Before joining Bedford, Don was director of finance at NHS Kensington and Chelsea. He has also held director-level appointments at a number of acute trusts in the greater London area and worked extensively in the private sector. Don started his career as a biochemist before qualifying as an accountant	Owns 7m limited Has taken up a substantive appointment as Director of Finance at West Herts NHS Trust from June 2014	Finance, Workforce (from September 2013)

In the case of each of the persons who are directors at the time the report is approved, each has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

During the year, Board members have attended national events, Foundation Trust development workshops, visited other Trusts, and regularly met local stakeholders, especially local commissioners.

In 2013/14, the Board met in public on ten occasions, plus the AGM, held in September 2013. Members of the public and staff are invited to attend Board meetings and to raise questions. Details of meetings and papers are available on the Trust's website.

The Trust is accountable to public, professional and parliamentary scrutiny in respect of the quality of service it provides, and the effective control of its resources. All members of the Board have confirmed their commitment to maintaining the public services values of accountability, probity and openness.

The roles and membership of the Audit Committee, the Remuneration and Terms of Service Committee, Quality and Clinical Risk Committee, Finance Committee, and Workforce and Education Committee are outlined in the Annual Governance Statement (see page 80 onwards).

A Charitable Funds Committee, with the same membership as the Audit Committee and attended also by a representatives from the Bedford Hospitals Charity and the Hospital Friends discharges the Board's responsibilities as trustees for the charitable funds held by the Trust

In addition to membership of the sub-committees listed above, Non-executive directors chair appointments and other committees as required by the Trust's human resources policies and have a structured programme for quality monitoring visits to wards and departments

Governance

The Trust strives to ensure that its activities are managed to the highest standards and in line with recommendations and best practice. A range of corporate policies is in place, including a risk management strategy, equality and diversity strategy and raising concerns at work policy, as well as standing orders, standing financial instructions and reservation of powers/scheme of delegation. There are also in place comprehensive human resource policies and health and safety policies. All policies are reviewed regularly and are accessible both on the Trust's intranet and on paper. The Joint Staff and Management Committee

(JSMC) has a major role in reviewing human resources policies and other key policies relevant to staff.

The Trust Board has agreed the Trust's overall strategy, setting out objectives and the associated responsibilities of executive directors. The objectives are assessed for risk. These risks form part of the Risk Register, and the objectives form the basis of the Board Assurance Framework. The Board received updates of progress against the Board assurance framework monthly. The whole risk process was extensively reviewed in the latter half of 2012/13 and strengthened following external input from the Good Governance Institute (GGI).

The Trust Board Secretary is the designated officer for maintaining the registers of interests and of hospitality. The responsibility for freedom of information transferred from the Trust Board Secretary to the Assistant Director of Information and Business Intelligence in January 2014.

Where possible, the Trust tries to benchmark its activities against comparable organisations, using e.g. NHS Institute productivity metrics and Dr Foster ratings. In agreeing the board assurance framework and confirming continued compliance with the many statutory requirements and other regulations, the Board receives assurances from a range of external organisations, including the Care Quality Commission, who undertake unannounced visits, NHS Litigation Authority, Investors in People, Medical Schools' Deaneries, the GMC (which is responsible for regulating all stages of medical education in the UK), cancer network peer reviews, external and internal auditors, environmental health officers, health and safety inspectors, and scrutiny from the NHS Trust Development Authority, the Bedford Borough and Central Bedfordshire Health Overview and Scrutiny Committees and the two Bedfordshire Health Watch bodies.

External Audit

From August 2012, the Audit Commission appointed PricewaterhouseCoopers LLP as external auditor to the Trust. They have provided no additional audit services beyond those statutorily required. Fees paid for external auditors were £101,272 plus VAT, i.e. £121,526. The Trust's auditors require their staff to disclose conflicts of interest, and they have confirmed to the Trust that no staff with potential conflicts of interest were used in the audit of this Trust.

Remuneration Report

The executive directors of Bedford Hospital are employed on permanent contracts by the Trust, and have a notice period of six months, with the exception of the medical director, who is on a consultant's contract, and has a notice period of three months. Executive directors are not entitled to any special termination payments, and no provision has been made in the accounts for these items. Non-executive directors were appointed by the Appointments Commission for an initial term of four years, which can be renewed for one further term of four years.

No scheme for awarding executive directors' performance related bonuses linked to performance targets have been agreed by the remuneration committee for 2013/14. No director has a vehicle provided by the trust, and expenses are reimbursed at nationally agreed rates only for expenditure incurred on official business.

The tables on the following pages give details of salary and pension for the senior managers of the Trust, and details of contract start dates and end dates (where appropriate).

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

The median remuneration of the Trust's staff is the total remuneration of the staff members lying in the middle of the linear distribution of the total staff, excluding the highest paid director. This has been calculated based on annualised, full-time equivalent remuneration as at 31 March 2014. The calculation also includes agency and other temporary employees covering staff vacancies, but excludes consultancy services. Only the remuneration paid to the employee has been included.

The banded remuneration of the highest paid director, excluding accrued pension benefits, in Bedford Hospital NHS Trust in the financial year 2013/14 was £145,000-£150,000 (2012/13, £184,500). This was 5.29 times (2012/13, 7.2 times) the median remuneration of the workforce, which was £27,900 (2012/13, £25,500).

In 2012/13, the highest paid director was calculated to be the medical director. However, the Trust has now changed the basis for calculating the gross remuneration in respect of medical staff. This is based on guidance provided by the Healthcare Financial Management Association which clarified the situation where medical consultants were working, and being paid for, more than 10 sessions as this affects their whole time equivalent (WTE). The gross salary for the purposes of the pay multiples disclosure calculation has been rebased to 1.00 WTE.

In 2013/14, no employee received remuneration in excess of the highest-paid director (2012/13, none). Remuneration ranged from £14,000 to £145,000 (2012/13, £14,000 to £184,500).

For 2013/14, the ratio calculations exclude the MKCHS staff. This has had little impact on the workforce numbers which would affect the above ratios, when compared to 2012/13. The NHS continued to be subject to a pay freeze in 2013/14.

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

Executive Director and Non-Executive Director (Trust Board) Salary Information (audited)

Name and Title	Current Contract Start Date	Contract end date/ Non Executive renewal date	Leaving date where applicable	2013-14						2012-13						
				Salary	Expense payments (taxable)	Performance related Bonuses	Long Term performance pay and bonuses	All pension-related benefits	TOTAL	Salary	Expense payments (taxable)	Performance related Bonuses	Long Term performance pay and bonuses	All pension-related benefits	TOTAL	
				(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £5000) £000	Rounded to the nearest £100	(bands of £5000) £000	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £5,000) £000	
Ms F Wilson, Trust Board Chairman	2011	N/A	N/A	20-25						20-25						20-25
Mr D Gear, Non Executive Director	2008	2016	N/A	5-10						5-10						5-10
Mr G Johns, Non Executive Director	2008	2016	N/A	5-10						5-10						5-10
Mr P Hutt, Non Executive Director	2009	2014	N/A	5-10						5-10						5-10
Mrs D Kobewka, Non Executive Director	2012	2016	N/A	5-10						5-10						5-10
Mr J Harrison, Chief Executive	2011	N/A	Feb 2013							115-120					25-30	145-150
Mr E Neale, Medical Director	2006	N/A	N/A	170-175		30-35		45-50	250-255	180-185		30-35		(25-30)		185-190
Mrs N Fraser , Director of Nursing and Patient services	2013	N/A	N/A	90-95				75-80	170-175							
Miss E Jones, Director of Nursing and Patient Services	2010	N/A	Jul-13													
Mr A Warren, Director of Finance and Performance	2003	2012	December 2012							65-70				(35-40)		25-30
Ms E Goddard, Chief Operating Officer	2011	N/A	N/A	95-100				15-20	115-120	95-100					25-30	125-130
Ms E Doyle, Interim Chief Operating Officer	2013	N/A	N/A	60-65					60-65							
Mr D Richards, Director of Finance	2012	N/A	N/A	140-145				15-20	160-165	140-145				(0-5)		140-145
Mr S Daniells-Conroy, Chief Executive Officer (Acting)	2012	N/A	N/A	85-90					85-90	55-60				(10-15)		45-50
Mr S Daniells-Conroy, Chief Executive Officer (substantive)	2014	N/A	N/A	45-50				190-195	235-240							
G Opreshko, Interim Director of Workforce & OD	2013	N/A	N/A	70-75					70-75							

Note 1: N Fraser was confirmed as substantive Director of Nursing 1 April 2013

Note 2: E Goddard commenced Maternity Leave on 6 December 2013

Note 3: E Doyle and G Opreshko are employed through an Agency. The figures shown in the table above exclude charges for commission and VAT of a further £34,750. The total cost of the appointments was £167,550.

Note 4: S Daniells-Conroy was appointed as substantive Chief Executive in December 2013

Note 5: Mr Warren went on secondment March 2011 and Mr Richards joined Bedford Hospital on an interim basis in March 2011. Mr Richards became the substantive Director of Finance in January 2012. Mr Warren completed his secondment December 2012 and did not receive remuneration from Bedford Hospital from that point.

Note 6: E Jones was on secondment and her salary was paid in full by other NHS bodies

Executive Director and Non-Executive Director (Trust Board) Pension Information (audited)

Name and Title	2013/14							
	Real increase/(decrease) in pension at age 60 (bands of £2,500) £000	Real increase/(decrease) in pension lump sum at aged 60 (bands of £2,500) £000	Total accrued pension at age 60 at 31 March 2014 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2014 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2014 (bands of £5,000) £000	Cash Equivalent Transfer Value at 31 March 2013 (bands of £5,000) £000	Real increase/(decrease) in Cash Equivalent Transfer Value £000	Employer's contribution to stakeholder pension £000
Mr S Conroy, Chief Executive (acting)	7.5-10	25-27.5	25-30	85-90	610-615	400-405	202	0
Chief Executive Officer (substantive)								
Mr E Neale, Medical Director	2.5-5.0	7.5-10	45-50	145-150	1,030-1,035	925-930	86	0
Mrs N Fraser, Director of Nursing & Patient Services	2.5-5.0	(0)-(2.5)	5-10	5-10	125-130	75-80	50	0
Ms E Goddard, Chief Operating Officer	0-2.5	0	5-10	0	45-50	30-35	13	
Mr D Richards, Director of Finance & Performance	0-2.5	(0)-(2.5)	30-35	85-90	710-715	645-650	49	0

In the budget on 23 March 2011, HM Treasury confirmed its intention to review the basis for the calculation of CETVs payable from public service schemes, including the NHS Pension Scheme. The review was undertaken and revised guidance was issued on 26 October 2011.

For the calculation of CETVs as at 31 March 2014 NHS Pensions have followed the revised guidance and have used the updated Government Actuary Department (GAD) factors in their calculations.

The new factors will have differing impacts of the CETVs of the individuals concerned depending on their age and normal retirement age.

Exit Packages agreed in the year

Exit package cost band (including any special payment element)	2013-14			2012-13		
	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages by cost band Number	Number of compulsory redundancies Number	Number of other departures agreed Number	Total number of exit packages by cost band Number
Less than £10,000	0	1	1	0	13	13
£10,001-£25,000	0	3	3	3	11	14
£25,001-£50,000	0	0	0	1	4	5
£50,001-£100,000	0	1	1	1	1	2
Total number of exit packages by type (total cost)	0	5	5	5	29	34
Total resource cost	0	133,202	133,202	186,182	478,668	664,850

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme and MARS scheme. This note provides an analysis of exit packages agreed during the year. Where the trust has agreed early retirements, the additional costs are met by the trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the year.

BHT ran a Mutually Agreed Resignation Scheme (MARS) in the year to support delivery of efficiency plans and 5 staff left using the scheme at a cost of £133,202

Exit Packages – other departures

	2013/14		2012/13	
Agreements	Total value of agreements	Agreements	Total value of agreements	
Number	£	Number	£	
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	5	133,202	26	416,000
Contractual payments in lieu of notice	0	0	8	248,850
Total	5	133,202	34	664,850

Sickness Absence and Ill Health Retirements

Information on staff sickness for the 2013/14 financial year is provided in the table below:

	2013-14	2012-13
	Number	Number
Total Days Lost	18,895	16,772
Total Staff Years	2,135	2,076
Average working Days Lost	<u>8.85</u>	<u>8.08</u>
	2013-14	2012-13
	Number	Number
Number of persons retired early on ill health grounds	7	0
	£000s	£000s
Total additional pensions liabilities accrued in the year	403	0

The DH provides sickness absence figures for all NHS organisations. Figures are reported on a calendar year basis and the disclosure requires only total number staff years, total days lost, and calculated absences per staff year. All bodies are required to use the same figures in their FMA forms and accounts. NHS bodies are advised that they should not attempt to update the figures used in the FMA returns to a financial year base, even if they have the ability to do so. The DH also provides ill health retirement information for all NHS organisations.

Off Payroll Engagements

A Treasury requirement for public sector bodies to report arrangements whereby individuals are paid through their own companies (and so are responsible for their own tax and NI arrangements, not being classed as employees) was introduced in 2012-13. The requirement remains in place for 2013-14.

For all off-payroll engagements as of 31 March 2014, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2014	9
<i>Of which, the number that have existed:</i>	
for less than one year at the time of reporting	9
for between one and two years at the time of reporting	0
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0

For all new off-payroll engagements between 1 April 2013 and 31 March 2014, for more than £220 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014	6
Number of new engagements which include contractual clauses giving BHT the right to request assurance in relation to income tax and National Insurance obligations	0
Number for whom assurance has been requested	0
<i>Of which:</i>	
assurance has been received	0
assurance has not been received	0
engagements terminated as a result of assurance not being received	0

Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	2
Number of individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	8

The Trust has undertaken a risk based assessment as to whether assurance is required that the individual is paying the correct amount of tax and NI. The Trust has concluded that the risk of significant exposure in relation to these individuals is minimal.

The above disclosure has not been audited and there is no requirement for the information to be audited.

Off payroll engagement of Board members

Interim staff were employed to cover 2 Executive director roles at BHT. One appointment was to cover a period of maternity leave for the Chief Operating Officer. The contract is for the period November 2013 to June 2014. The other appointment was to provide leadership to the Human Resources function, as Director of Workforce and Organisational Development, and to help ensure BHT became compliant with the Care Quality Commission staffing outcomes of 'supporting workers', and 'staffing'. This appointment was for the period October 2013 to April 2014.

Section 2	Annual Accounts 2013/14
2.1	Statement of the Chief Executive's Responsibilities as Accountable Officer of the Trust
2.2	Annual Governance Statement
2.3	Independent Auditors' Report to the Directors of the Board of Bedford Hospital NHS Trust
2.4	Conclusion on Arrangements for Securing Economy, Efficiency & Effectiveness in the Use of Resources
2.5	Statement of Director's Responsibilities in Respect of the Accounts
2.6	Annual Accounts 2013/14

2.1 STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Trust Development Authority. These include ensuring that:

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

In considering the Trust's arrangements for securing financial resilience, the Trust's External Auditors highlighted that the Trust is forecasting to make an in year deficit for the next four years without significant organisational form change. The Auditors noted at the time of the audit that the Trust did not yet have robust plans in place to achieve approximately £0.4m of its target savings of £8.1m for 2014/15.

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



Signed.....Chief Executive

Date 4 JUNE 2014

2.2 Annual Governance Statement 2013/14

Note - Except where otherwise stated, all previous year figures **exclude** Milton Keynes Community Health Services (MKCHS).

Scope of responsibility.

While the Board is ultimately accountable for internal control, I as Accountable Officer, and Chief Executive of this Board, has responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accountable Officer Memorandum.

All Board members have confirmed that they are aware of, and will abide by, the NHS Code of Conduct and Code of Accountability and a refresher session for the Board was delivered by Capsticks in March 2014.

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. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of the objectives of the 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. In response to issues identified in the year, there have been considerable changes to the system of internal control in place in the Trust during the year ended 31 March 2014, and the revised system continues up to the date of approval of the annual report and accounts.

The governance framework of the organisation.

The Board of Directors is responsible for achievement of the organisational objectives and my role as Chief Executive is to agree the objectives of the Executive Directors. The Board of Directors is responsible for ensuring that internal controls – financial, clinical, organisational - are in place and the effectiveness of these controls are regularly reviewed. The Executive Management Board (termed the Executive Management Committee following a governance review in September 2013) ensures that action is taken to implement controls and address any shortcomings. The Trust Board is appraised of the operational effectiveness of the organisation through review at every board meeting via an operational report, in scorecard form, which sets out performance against the key

standards across the range of risk- activity, quality, finance, human resources. The Trust has a governance framework, approved by the Board, including Standing Orders, SFIs, scheme of delegation and a risk management strategy to ensure that staff are aware of their responsibilities.

An objective for 2013/14 was to demonstrate improved governance and management of risk and work has progressed in this area. Following concerns raised by the GMC and Health Education England in July and the CQC in August, described in the Significant Issues section below, the Trust engaged the Good Governance Institute (GGI) to review the Governance structure of committees and reports. Subsequently, the Trust adopted the GGI recommendations for an improved Board Assurance Framework (BAF).

Board sub committees are Audit, Finance, Quality and Clinical Risk and Workforce and Education Committees, meeting regularly and reporting to the Trust Board following each meeting, and Remuneration and Charitable Funds Committees which meet as required. The GGI have been engaged for a further piece of work to ensure the governance committees work effectively.

The Audit Committee, comprised of three non-executive directors and chaired by Duncan Gear, reviews the Board Assurance Framework, key risks, financial control systems and receives regular reports from the internal and external auditors and the local counter fraud specialist. Key work in the year has continued to be the improvement of the Board Assurance Framework, and ensuring prompt and effective responses to internal audit reports.

Other areas covered include private patient charging and the development of new asset accounting processes.

The Finance Committee, comprising three non-executive and four executive directors and chaired by Deborah Kobewka has continued to provide a forum where detailed consideration is given to the major financial issues facing the Trust. These have centred on achievement of the very challenging Transforming for Excellence programme, monitoring cash flow and its implications for the capital programme, reviewing the clinical tendering risks and opportunities facing the trust, including the CPS consortium bid for pathology services and the impact of the MSK tender, and accounting processes.

The Quality and Clinical Risk Committee under the chairmanship of Paul Hutt has four non- executive directors as members, including for the first half of the year the Associate NED with a clinical background, the clinical executive directors and the Chief Executive. The purpose of the committee is to provide assurance to the board that there is in place an effective system of quality and clinical governance, clinical risk management and internal controls across the clinical activities undertaken by or within Bedford

Hospital NHS Trust, to support the organisation's objectives. This includes monitoring of mortality and approval of the clinical audit plan. It oversees the preparation of the Quality Account, and reviews the action taken in response to Serious Incidents and never events. Serious incidents are also reported to public Board meetings.

The committee is working on quarterly cycle to review progress against the Trust's three quality objectives, patient safety, patient experience and clinical effectiveness. The committee has also reviewed implementation plans to successfully meet concerns raised by the CQC.

The Workforce and Education Committee, chaired by Gordon Johns, first met in April 2013, with the role of providing assurance to the Trust Board that there is an effective structure, process and system of control for workforce governance, that there is progress towards achievement of the workforce and education objectives and on the adequacy of the proposed mitigation of high-level risks. Its membership is four non-executive directors and four executive directors, together with the Director of Workforce. Its terms of reference were later revised to strengthen its assurance role around education and training provision across professional disciplines.

The Remuneration and Terms of Service Committee, chaired by the Senior Independent Director, and including all non-executive directors, makes decisions on the remuneration and terms of service of directors and senior managers, taking into account comparative data from other Trusts. It also reviews the performance of the Chief Executive and through him, the other executive directors and determines any changes to remuneration. In the current year no cost of living increases and no bonuses have been paid to directors, and all claimed business expenses have been paid at the nationally agreed NHS rates.

The Charitable Funds Committee, with the same membership as the Audit Committee and attended also by representatives from the Bedford Hospitals Charity and the Hospital Friends discharges the Board's responsibilities as trustees for the charitable funds held by the Trust.

Membership of and attendance at the main committees is set out in the following table.

(figures are for number of meetings attended out of meetings eligible to attend; blanked out columns indicate that the director is not a member of that committee)

Name	Role	Post held	Board	Finance	Audit	Quality & CR	Workforce & Education
Ms F Wilson	Chair	From December 2011	9/10	11/12		9/11	8/8
Mr S Conroy	Chief Executive	From February 2013	10/10	8/12		9/11	7/8
Mrs N Fraser	Director of Nursing	From September 2012	9/10	8/12		10/11	4/8
Mr D Gear	Non-Executive Director	From 2008	9/10	3/4	8/8	8/11	
Ms E Goddard**	Chief Operating Officer	From September 2011	6/6				
Dr D Gregson	Associate Non-Executive Director	From September 2012	8/10			5/6	
Mr P Hutt	Non-Executive Director	From 2009	10/10		7/8	11/11	5/8
Mr G Johns	Vice Chairman	From 2008	10/10	11/12		11/11	7/8
Mrs D Kobewka	Non-Executive Director	From May 2012	10/10	11/12	6/8		4/8
Mr E J Neale	Medical Director	From 2006	9/10	5/12		9/11	1/2
Mr D Richards	Director of Finance	From March 2011	9/10	12/12			

*The Medical and Nursing Directors have alternate membership of the Finance and Workforce Committees.

** Maternity leave from December 2013

Operational management is through the Executive Management Committee, comprising the Executive Directors, Associate Medical Directors and other key heads of service. The Trust has made good progress in many key areas:

Better patient experience, with no cases of MRSA bacteraemia in the year, and a reduction in cases of hospital - acquired clostridium difficile to 11. Severe falls and severe pressure ulcers (grades 3 and 4) have also reduced compared to the previous year. The Trust did however experience in the year two never events – the extraction of the wrong tooth and a retained foreign object. Actions have been taken to avoid repetition.

Improved staff survey results, with Bedford Hospital in the top 20% of Trusts for staff answers to seven different questions, with notable increases in the proportion of staff who receive health and safety training and equality and diversity training.

There were fewer changes to the Board in the year, with just my appointment as permanent Chief Executive, and the Chief Operating Officer taking maternity leave. There have however been in post interim Directors for Workforce and Transformation.

Key issues for the board during the year have been:

- Managing the challenging financial situation including the financial consequences of the paediatric service change (see below)
- Reviewing its strategic direction, in the context of a Monitor/TDA/NHSE review of local services
- Managing changes to paediatric services, following the decision by the GMC to withdraw junior doctor training (a re-inspection is due in April 2014)
- Responding to issues raised by the CQC following its inspection in July, the November report found significant improvements across the board and all concerns
- Responding to clinical service tendering opportunities eg continued involvement in proposals to centralise pathology services and MSK tendering
- These issues are discussed in more detail in the significant issues section below

With its composition of Chair and non-executive directors appointed by the Appointments Commission through open competition and thus considered independent and outnumbering the executive directors, the Board believes that it is compliant with best corporate governance practice.

The hosting arrangement for Milton Keynes Community Health Services (MKCHS) within a Transforming Community Services hosted partnership arrangement ceased on 31 March 2013, and therefore no risks/ governance issues remained with the Trust in 2013/14.

Risk Assessment

The issues of paediatric training and the subsequent CQC inspection indicated that the risk assessment processes in the Trust were not working as effectively as they should. The Board therefore took urgent steps, engaging the GGI, to improve processes, including a seminar to review strategic risks, linked to the Trust objectives, the introduction of a new risk assessment computer system, various monitoring processes, including the Board 3x3 visit programme (of monitoring visits to wards) and a thorough review by an experienced risk and compliance manager of all the risk currently identified. A Risk and Compliance Board was established to review the principal risks and moderate them before they are considered by the appropriate management boards and assurance committees. The Board aims to gain assurance from each of its committees that risks are being appropriately managed.

Risks identified on a bottom up basis by managers and those with a residual risk rating of 15 or more (using a 5x5 matrix) including those from failure to maintain compliance with CQC registration, are reported immediately to the relevant EMC members for management review and are included in the Board Assurance Framework, together with the principal risks. Each department and CBU regularly reviews all risks and their ratings in light of mitigating actions and ensures learning is captured and fed back.

The following systems and processes are in place for managing and monitoring risk:

- Comprehensive risk strategy
- Clear division between assurance and operational responsibilities;
- Revised terms of reference for all committees;
- Devolution of responsibility and accountability for risk assessment and management throughout the organisation;
- Identification and quantification of risk using a common assessment tool;
- A risk register, based on a single risk management database, (Datix);
- A board assurance framework that had developed by 31st March to contain sufficient information to provide assurance to the Trust Board and Senior Management over the effectiveness of the controls in place to manage the Trust's significant risks.
- An adverse incident reporting system;
- Developed policy framework including policies on Fraud and bribery, Observing the 7 principles of Public Life and Whistle-blowing;
- Sound recruitment practices and training
- A major incident plan that is fully compliant with the requirements of the NHS Emergency Planning Guidance 2005

The Trust's Board Assurance Framework is integrated with the risk register and indicates the risk against achievement of the Trust's objectives. These were set in April 2011 for a three year period and include as main areas of focus objectives to:

- Improve patient experience
- Improve patient safety
- Improve clinical effectiveness
- Maintain or exceed delivery of external targets
- Maintain and increase market share
- Develop robust and innovative teaching and research
- Ensure the Trust is a well governed and financially viable organisation
- Continue to develop a high performing, accountable workforce
- Make the best use of the estate
- Develop as a good corporate citizen

These have been revised for 2014/15 and aligned with the new CQC domains

1. Safety
2. Effectiveness
3. Caring
4. Responsiveness
5. Well led

and risks have been aligned to these objectives in the draft BAF for 2014/15.

Risks to data security are managed and controlled through the Information Governance Board which has agreed policies and procedures which include a Caldecott Guardian, control of access to systems, encryption and monitoring, and which reviews performance against the information governance toolkit. The trust maintained its level 2 grading and achieved a marginally improved score of 71%.

During 2013/14, 58 Serious Incidents were reported to the CCG including two information governance issues, one a clerical error in addressing an envelope and the other, a transmission of patient – identifiable information to the CCG. Of the other 56 incidents, 27 were cases of grade 3 or 4 pressure ulcers, and 6 were falls which resulted in a fracture of the neck of femur.

I am satisfied that there is no evidence of any systematic failure of control,

The Risk and Control Framework

There is a risk management strategy in place which:

- Is endorsed by the Board
- Sets out the Trust's structure for Governance and the aims for managing risks to patients, staff visitors, contractors and to service quality.
- Outlines the organisational and individual responsibilities and arrangements for risk management
- Sets out the systems and processes by which the aims will be achieved.

The strategy is easily available to all staff via the Trust's intranet and is reviewed regularly by the Board to ensure it remains appropriate and current.

The Trust has a designated counter fraud specialist service, provided through its Internal Auditors, which offers a pro-active approach to fraud awareness and prevention.

The Trust Board has overall responsibility for overseeing the management of risk. I have overall responsibility for governance (clinical, non-clinical and business), which includes risk management. This responsibility is exercised through the designated accountability of executive directors

- Director of Finance - Finance and estates risk. The post holder is currently also the Senior Information Risk Owner
- Medical Director - Clinical risk. The post holder is currently also the Caldecott Guardian
- Director of Nursing and Patient Services - risk management, non- clinical risk, risks associated with support services
- Chief Operating Officer - risk associated with access targets and delivery of activity.
- Director of Workforce and OD - risks associated with human resources.

The Trust recognises that risk is individualistic by nature and as such can be difficult to predict.

The key risks were identified in March 2014 as being:

1. Causing avoidable harm and distress to patients
2. Increase in SHMI outside the expected range
3. Unknown impact of the tendering of MSK services
4. The withdrawal of junior doctors from one or more specialties
5. Failure to achieve the emergency access target
6. Failure to meet endoscopy JAG assessment requirements
7. Fragile consultant staffing models
8. Failure to meet the agreed year-end financial position
9. Cash flow shortfall
10. Impact of the review of health services in Bedfordshire and Milton Keynes
11. Rapid turnover in the executive management team

In the year, the Board has had a seminar on risk management. Senior managers are encouraged to attend Managing Safety training and the trust's training programme includes generic training in risk assessment, as well as training in specific areas such as COSHH (Control Of Substances Hazardous To Health) The Trust's weekly staff e bulletin now includes a section on learning from issues as well as highlighting risk areas.

Quality Account

The Trust has, as required, prepared a Quality Account for the year, which sets out a review of the Trust's quality performance in 2013/14 as well as setting out priorities for quality improvement in 2014/15. Areas specifically included are

- Oncology Services: The Primrose Unit and the Pomi-T Study
- Dementia: Joint working and the Butterfly Scheme.
- Clinical Pathology Accreditation.

- Falls: Reducing the severity of falls and mortality rates for fractured neck of femur
- Paediatrics:
 - Summary of events leading up to the withdrawal of junior doctors
 - Impact on services
 - Response from the Trust
 - Current situation
 - Lesson learned
- Complaints
- CQC: Improving compliance.

There has been positive feedback on the account from Bedford Borough Healthwatch, Bedford Borough Council Adult Services and Health Overview and Scrutiny Committee, Central Bedfordshire Council Social Care Health and Housing Overview and Scrutiny Committee and local commissioners. Confirmation of this feedback is contained in the Quality Account 2013/14.

Review of the Effectiveness of Risk Management and Internal Control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion substantially derived from the conduct of risk-based plans generated from a robust and organisation-led Board Assurance Framework. As such, it is one component that the Board takes into account in making its AGS. His opinion is:

‘Based on the work undertaken in 2013/2014, significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation’s objectives, and that controls are generally being applied consistently. However, some weaknesses were identified that put the achievement of particular objectives at risk.’

Action plans have been agreed to overcome the weaknesses identified by internal audit in arrangements for recognising and managing private patient income, payroll controls, and financial systems.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal

control provide me with assurance. The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

My review is also informed by:

- The work of our external auditors
- The work undertaken by internal auditors and clinical audit in recommending improvements to control systems and testing compliance with controls
- Regular performance reviews of care quality commission standards, and other performance measures.
- External assessments

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, and reports to the Executive Management Committee (EMC) from the Clinical Business units, (which address quality and risk issues), the Quality Board, Information Governance Board, Risk and Compliance Board, Professional Advisory Committee and Health and Safety Committee. Lessons learned from incidents have been followed up through action plans as part of the Trust's commitment to be a learning organisation. Good assurance on quality has been achieved through e.g. the independent 'Dr Foster' rankings, hospitals' standardised mortality index (SHMI), the Care Quality Commission's most recent unannounced inspection reports, NHSLA accreditation, accreditation as an Investor in People, and various awards achieved e.g. CHKS top 40 hospitals for ten successive years.

Multi-agency and multi-disciplinary meetings between the Trust, CCG and local authorities identify potential risks e.g. by monitoring safeguarding initiatives for both children and vulnerable adults, reducing delayed discharges, ensuring effective plans for use in the event of a major incident or disaster.

Active participation in the local overview and scrutiny committees enables them to be informed of the risks facing the trust, and vice versa. The Trust, working with partner agencies, continued to have in place business continuity plans to deal with a range of scenarios, including those resulting from climate change. It has also taken part in the Good Corporate Citizen initiative and has developed a sustainability management plan based on the latest national guidance.

Based on a review of evidence to support compliance, the board is able to provide reasonable assurance that it is compliant with

the rights and pledges within the updated NHS Constitution and has had regard to the NHS Constitution in carrying out its function.

Significant Issues

The Trust has faced a number of significant issues in the year. In addition to the national issues of NHS finance, changing service models, activity pressures and hard to recruit staffing areas, there have been specific local issues:

- The first was the provision of paediatric services, where following concerns raised about the training experience offer to junior doctors, trainees were withdrawn by Health Education England in liaison with the General Medical Council. This led to interim changes to paediatric service provision, with inpatient paediatrics, A&E access for under 19s and open access services all temporarily suspended at the Trust and re-provided by neighbouring hospitals. Determined action, including a Trust commissioned external review of all junior doctor training and the appointment of additional consultants have led to a restoration of the majority of services, under a modern and sustainable service model. A further GMC inspection took place in April and a phased return of trainees planned – this is the first time the GMC has returned trainees following withdrawal. The loss of activity and the extra cost of staffing have had a considerable impact on the Trust's finances, and the temporary loss of services caused the Trust significant reputational damage.
- Concerns were subsequently raised in July by the Care Quality Commission in respect of people's privacy, dignity and independence; provision of appropriate information and support regarding their care or treatment; care not being consistently delivered in line with people's individual and assessed needs; nutrition and hydration; discharge processes; consistently identifying the possibility of abuse and preventing abuse from happening; accommodation for Accident and Emergency patients; staffing levels; staff training and supervision; systems to assess and monitor the quality of service and to manage risk to health, safety and welfare. Following the successful implementation of a wide-ranging action plan, which included the appointment of additional staff, revised documentation and considerably strengthened monitoring, all concerns, apart from further embedding of risk management, were resolved by October and the latest CQC visit in November 2013 confirmed that there were no significant concerns.

The Trust continues to work with commissioners, preferred contractors and other providers, both NHS and private sector, to seek more clinically and cost effective services in response to clinical service tendering, while recognising the potential risks to existing direct service provision. To date, no final outcomes are known.

Areas of control weaknesses identified in internal audit reports as having weaknesses in control included: arrangements for recognising and managing private patient income, payroll controls, making claims for additional reporting sessions in radiology, setting timescales for CIP schemes and information governance. Weaknesses in these arrangements have been strengthened. The two reported never events were investigated under the serious incident process and an action plan developed to prevent recurrence.

The Parliamentary and Health Services Ombudsman has issued final reports in the year on five cases involving the Trust, opened over several years. One was not upheld. In the others, involving medication, issues with an appointment and complaint handling, and two involving discharge arrangements, recommendations were made and action plans have been developed. In one of the discharge complaints, a redress payment was made. The outcome of five cases was still awaited at the end of the year.

The Trust is cooperating with the CCG, local authority, Monitor and NHS Trust Development Authority review of services in Bedfordshire/ Milton Keynes, which builds on the work previously undertaken by the Healthier Together programme.

The Trust's External Auditors have qualified the Value for Money conclusion because of concerns about the Trust's financial resilience in view of its deficit in the year and the ones anticipated in 2014/15 and beyond.

Accountable Officer : Name Stephen Conroy

Organisation: Bedford Hospital NHS Trust

Signature



Date 4 JUNE 2014

2.3	Independent Auditors' Report to the Directors of the Board of Bedford Hospital NHS Trust
2.4	Conclusion on Arrangements for Securing Economy, Efficiency & Effectiveness in the Use of Resources

Independent auditors' report to the Directors of the Board of Bedford Hospital NHS Trust

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view, of the state of the Trust's affairs as at 31 March 2014 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to the National Health Service in England.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Bedford Hospital NHS Trust, comprise:

- the Statement of Financial Position as at 31 March 2014;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Taxpayers' Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is the accounting policies directed by the Secretary of State for Health with the consent of the Treasury as being relevant to the National Health Service in England.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on other matters prescribed by the Code of Audit Practice

In our opinion:

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as being relevant to the National Health Service in England.

Other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice issued by the Audit Commission requires us to report to you if:

- in our opinion, the Governance Statement does not comply with the Trust Development Authority's Guidance or is misleading or inconsistent with information of which we are aware from our audit;
- we refer a matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because the Trust, or an 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; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 88, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the accounting policies directed by the Secretary of State, with the consent of the Treasury, as being relevant to the National Health Service in England.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Part II of the Audit Commission Act 1998, the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Board of Bedford Hospital NHS Trust in accordance with Part II of the Audit Commission Act 1998 as set out in paragraph 44 of the Statement of Responsibilities of Auditors and of Audited Bodies (Local NHS bodies) published by the Audit Commission in April 2014, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Basis for qualified conclusion

In considering the Trust's arrangements for securing financial resilience, we identified that the Trust is forecasting to make an in year deficit for the next four years and does not have robust, costed and quality impact assessed plans in place to achieve its target savings of £8.1 million for 2014/15. In addition it does not have plans to achieve positive net cash flow outturns and a sustainable net cash position in the long term.

Qualified conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission on 15 October 2013, except for the matters reported in the "Basis for qualified conclusion" paragraph above, we are satisfied that, in all significant respects, Bedford Hospital NHS Trust has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014.

What a review of the arrangements for securing economy, efficiency and effectiveness in the use of resources involves

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission on 15 October 2013, as to whether the Trust has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Our responsibilities and those of the Trust

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Certificate

We certify that we have completed the audit of the financial statements of Bedford Hospital NHS Trust in accordance with the requirements of Part II of the Audit Commission Act 1998 and the Code of Practice issued by the Audit Commission.



Clive Everest (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
10 Bricket Road
St Albans
Herts
AL1 3JX

Date:

6 June 2014

- (a) The maintenance and integrity of the Bedford Hospital NHS Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

2.5

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

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

In considering the Trust's arrangements for securing financial resilience, the Trust's External Auditors highlighted that the Trust is forecasting to make an in year deficit for the next four years without significant organisational form change. The Auditors noted at the time of the audit that the Trust did not yet have robust plans in place to achieve approximately £0.4m of its target savings of £8.1m for 2014/15.

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

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

By order of the Board


4 JUNE 2014 Date.....Chief Executive


4 JUNE 2014 Date.....Finance Director

Year ended 31 March 2014

2.6 Annual Accounts 2013/14

See separate Annual Accounts document 2013/14

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