



Bedford Hospital NHS Trust Annual Report 2014/15



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Section 1 Annual Review

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 2014/15.

We would like to thank our 2,600 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 ongoing support and commitment.



*Gordon Johns
Chairman*



*Stephen Conroy
Chief Executive*

We also recognise that without the help of hundreds of volunteers, the experience of patients at the hospital would be the poorer. And finally, our thanks to the Bedford Hospitals Charity and the Friend of Bedford Hospital for their tireless work in raising funds to improve services for all patients, and particularly those with cancer and dementia.

1.1 | Review of 2014/15

Last year was one of significant achievement for the Trust. Staff responded well to the challenges of the previous year, and the commitment by the Trust Board to improve quality began to impact on outcomes for patients.

Despite considerable operational pressures caused by an unexpectedly high demand, especially during the winter period which included the closure of wards due to norovirus, the Trust achieved the key NHS Constitution waiting times standards for the year.

- It met national access targets including cancer and Referral to Treatment waiting times.
- It was one of a minority of Trusts in the east of England region to deliver the 95% A&E target and typically through the winter period performed in the top 10% in the country.
- It met its targets for hospital acquired infection and made good progress in reducing incidents of harm, for example, venous thromboembolism (VTE) and pressure ulcers.

The Trust received an unannounced CQC inspection in August 2014 and subsequently received confirmation that it was meeting all national core quality and safety standards.

Following an intensive review by Health Education England East of England in October 2014, paediatric junior doctors have returned to the Trust and it now has a remodelled paediatric service providing excellent care.

In June 2014, the Trust published a clinical strategy that sets out a clear vision for the delivery of integrated primary, community and acute services and which strongly complements the vision for integrated care set out in the NHS five-year Forward View. There was some uncertainty about potential changes to the Trust last summer, but since then work started on a joint review with Bedfordshire CCG on developing sustainable acute and primary care services in North Bedfordshire.

In December 2014 the Trust received formal accreditation for its expanding endoscopy unit. This was a key objective for the year, and together with the substantial capital redevelopment enabled it to become the cancer bowel screening centre for Bedfordshire.

It was evident therefore that the Trust's aim for 2014/15 of prioritising quality and safety was successful. This though meant considerable pressure on the Trust's financial position, resulting in a £19.8m adjusted deficit and thereby not achieving the cumulative breakeven target. Plans are under development with a clear priority to return to ongoing financial viability, which will take a number of years to deliver. We will not veer from our commitment to quality, but we do anticipate making changes with development of new models of care, including more integrated care in the community, and further improvements to hospital services.

1.2 | Highlights and Achievements

A selection of the Trust's news articles provides some insight into key events and achievements.

Bedford Hospital team recognised by Royal College of Physicians

A Bedford Hospital Cardiologist and his team were recognised for their commitment to hosting clinical examinations for trainee doctors in March 2015.

Consultant Cardiologist, Dr Awais Bokhari, pictured with members of his team, was presented with the award by the Chair of Examiners at the Royal College of Physicians (RCP), Dr Simon Page.

The team has hosted MRCP PACES Clinical Examinations for the college since 2005 and Bedford Hospital is the only centre in the country to consistently host three examinations in the same year, which are designed to test the clinical knowledge and skills of trainee doctors hoping to enter higher specialist training.



Dr Bokhari and his team collecting their award

Staff give Bedford Hospital the thumbs up

Bedford Hospital was rated in the top 20 acute Trusts in the country for staff engagement and the top 20% for motivation, according to the 2014 NHS staff survey results published by the Picker Institute in March 2015.

The results show it was also among the 20 per cent of best scoring hospitals for staff feeling satisfied with the quality of work and patient care they are able to deliver and recommending Bedford Hospital as a place to work or receive treatment.

The annual survey is an important way of ensuring that the views of NHS staff inform continued local improvements. Staff were selected at random and asked to complete an anonymous questionnaire covering topics ranging from job satisfaction, bullying and harassment, to support with training and development, maintaining health and wellbeing and raising concerns.

Results of the survey are summarised into 29 key findings, with Bedford Hospital scoring in the top 20% of acute Trusts for 16 indicators and better than the NHS average for 23. Only two areas for the Trust fell below the national average.

The NHS staff survey results are published online at www.nhsstaffsurveys.com

Direct contact for D/deaf people launches at Bedford Hospital

Bedford Hospital, in conjunction with Access Bedford and Healthwatch Bedford Borough, launched a new and confidential direct email service for D/deaf people in March 2015.

DeafHelp@bedfordhospital.nhs.uk allows D/deaf people to email the hospital's Switchboard directly, 24 hours a day, for enquiries rather than phoning.

Access Bedford said: "We are very excited about this new direct email address for D/deaf people. It's so important and as far as we are aware this is the first of its kind."

Endoscopy improvements recognised in latest inspection

Bedford Hospital's endoscopy unit has undergone a 'significant transformation' over the past year, according to a report by the Joint Advisory Group (JAG) on Gastrointestinal Endoscopy that was issued in February 2015.

The unit underwent an inspection in December, where it was assessed against clinical quality, patient experience, workforce and training.

The report praised the unit for offering an 'excellent, modern and patient-centred experience' and was awarded full accreditation after it met all the standards.

The accreditation came midway through building work to improve and expand the unit, as part of a £3.3 million investment programme to ensure the unit can meet future demand, whilst also improving the experience for our patients.

The work, which is expected to be completed by the summer of 2015, will see the creation of two new endoscopy rooms, reception area, single-sex changing and consultation rooms, decontamination unit, improved waiting area, upgraded existing endoscopy rooms, new state-of-the-art endoscopy equipment and expanded single-sex recovery area.

Bedford Hospital Medical Director, Colette Marshall, said: "Our endoscopy unit is an essential service for our hospital and local community and the number of patients using our service is increasing by 20 per cent a year.

"Our investment demonstrates our commitment to providing the highest standards of care to patients undergoing an endoscopic procedure both now and in the future."

Bedford Hospital supports Kate Granger's campaign

Bedford Hospital joined a massive social media movement on 2 February 2015.

The 'Hello my name is...' campaign was spearheaded by Dr Kate Granger, a young hospital consultant who has terminal cancer, to improve the patient experience. Kate became frustrated with the number of staff who failed to introduce themselves to her when she was in hospital.

Colette Marshall, Medical Director, said: "We are delighted to support this campaign, which highlights the importance of treating patients as people and shows how the smallest things can make the biggest difference."



Medical Director Colette Marshall supporting #hello my name is...

Bedford Hospital achieves Baby Friendly accreditation

Bedford Hospital achieved the prestigious Level 3 Baby Friendly Award in February 2015, following an assessment visit in October 2014. It is currently the only hospital in Beds, Herts and Bucks to be Baby Friendly accredited.

The Baby Friendly initiative was set up by UNICEF and the World Health Organisation. It works with UK public services to protect, promote and support breastfeeding, and to strengthen mother-baby and family relationships, which is important for all babies, not only those who are breastfed.

During the visit to Bedford Hospital in October, mothers were asked about their experiences of infant feeding. It follows previous assessments where staff were interviewed and the service's policies and procedures examined. The report found that an overwhelming 85% of mothers were 'very happy' with the overall care from the maternity service.

Nina Fraser, Director of Nursing, said: “Our maternity service is rated among the best in the country by those using our services. This latest achievement means that both hospital and community services are fully accredited, giving mothers and babies in the area access to high quality, seamless and consistent care and advice on infant feeding.”

Bedford Hospital’s new facilities for dementia patients are officially opened

In December 2014, Bedford Hospital officially opened its new and improved dementia-friendly facilities: Harpur and Elizabeth wards.

The new wards were created as part of a £1million project with Bedford Borough Council to create four new pioneering specialist environments to support dementia care across Bedford. It follows a successful bid for Department of Health funding.

The wards (together with two community facilities) were carefully designed to benefit patient’s physical and mental health. Changes include colour-zoning, ‘familiarisation’ areas that enable patients to settle more quickly and a communal entertainment area where patient interaction is encouraged.



Nursing staff at the official opening of the improved dementia-friendly facilities

Director of Nursing Nina Fraser, said “The fantastic new facilities available on Harpur and Elizabeth wards will allow us to deliver outstanding tailored care to these patients, their families and their carers.”

Thumbs Up for Maternity Open Day

Bedford Hospital’s Maternity department held a successful open day in October 2014, attracting families and prospective parents from across Bedford, Sandy and Biggleswade.

The event, held at Cygnet wing, was attended by more than 70 visitors and attendees were invited to take a tour of the facilities and to meet the unit’s friendly team to discuss the range of care offered for expectant parents.

Bedford Hospital and Cranfield University win a prestigious collaboration award

Bedford Hospital and Cranfield University celebrated winning the first ever Public-Private Collaboration Award in October 2014, which aims to acknowledge effective partnerships across both private and public sectors.

Dr Mohammed Wasil, Assistant Director of Research and Development at Bedford Hospital, Professor Len Gelman of Cranfield University and the President of the International Institute of Acoustics and Vibration, were awarded the prize at the annual event for their work in developing a new tool for the early diagnosis of Osteoporosis and bone fractures.

The new tool is a mobile, automatic, low-cost, radiation-free and reliable tool for detecting problems with bones. It can be used by a wide range of health professionals and in situations where other scans are impractical.

Bedford Hospital staff celebrate pressure ulcer achievement

Bedford Hospital celebrated 150 days without an avoidable grade three pressure ulcer for the first time.

The milestone was celebrated on Tuesday 26 August 2014 with a presentation, and ward staff from across the hospital were recognised for their efforts with a specially-made cake.

Director of Nursing Nina Fraser said: “Preventing pressure ulcers is one of the most important indicators for patient safety and our performance in the last 150 days reflects the quality of care that we provide at Bedford Hospital.

“This achievement is testament to the hard work of our nurses and care workers in preventing our patients from experiencing a pressure ulcer.”

In addition to 150 days without a grade 3 pressure ulcer, no patient has experienced a grade 4 pressure ulcer for a number of years.



Nursing staff celebrating 150 days without an avoidable grade 3 pressure ulcer

Bedford Hospital Takes Part in 2014 River Festival

Bedford Hospital participated in Bedfordshire Clinical Commissioning Group's *All About Your Health* marquee at the town's biannual River Festival on 19 and 20 July 2014, alongside a range of other health and care partners.

- The Trust's Consultant Dermatologist, Dr Burova, was on hand to offer mole checks;
- The Dietetics department offered advice on fats and sugars, as well as carrying out BMI (Body Mass Index) checks;
- The Infection Control department used portable hand washing basins to promote good hand washing techniques;
- The Carers' Lounge, Friends of Bedford Hospital, and Hospital Radio Bedford all promoted the good work they do; and
- In a separate marquee, the Aortic Aneurysm Screening (AAA) and Organ Donation teams were also raising awareness of their services.



The dietetics team in front of their stand at the Bedford River Festival

Hospital staff and patients celebrate 10 years of cardiology excellence

Staff and patients at Bedford Hospital's Cardiology department celebrated the 10th anniversary of the Cardiac Catheterisation Suite on the 3 July 2014.

In 2004, the department moved from its outdated building to occupy two floors in the hospital's brand-new Beeden House.

Since moving to the new unit, more than 11,000 angiograms, 1,500 pacemaker implants and 1,300 stenting procedures have been performed.



Consultant Cardiologist Dr John Cooper hosted the event, which was attended by Councillor Randolph Charles.

NHS Careers Taster Day at Bedford Hospital

Students from Biddenham International School and Sports College came to Bedford Hospital on in June 2014, where they had the opportunity to learn all about the variety of jobs available in the NHS.

More than 20 students took part in the event, which featured staff from nursing, midwifery, dietetics, occupational therapy, physiotherapy and the University of Bedfordshire.



Biddenham School students learning about the role of a physiotherapist

The students also took part in quizzes to show them the different roles that they might interested in or may suit them better, handled practical training equipment which is used by clinical departments, and questioned staff about their jobs.

1.3 Charitable Support, Fundraising and Voluntary Services

The hospital is incredibly fortunate to receive ongoing support from the local community and charitable groups, including the Bedford Hospitals Charity, the Friends of Bedford Hospital, local Lions groups, Rotary groups, local businesses, and many more.

Local people continue to give generously by supporting charitable fundraising initiatives and in donating money directly to departments and wards at the hospital.

This generosity is very much appreciated and allows us to invest in new facilities, equipment and training to improve the quality of care we provide and enhance the experiences for everyone using our services.

Examples during the year have included the donation of furnishings for the improved dementia facilities on Harpur and Elizabeth wards by Bedford Hospitals Charity and the Friends of Bedford Hospital.

The Bedford Hospitals Charity also funded hysteroscopy equipment as part of work to develop an ambulatory hysteroscopy gynaecology service and new equipment for children who require echocardiography.

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.

Our volunteers carry out a wide range of tasks, from helping patients to complete menu cards and assisting with mealtimes, to visiting patients (with the Chaplaincy team), helping out with admin and clerical functions, manning reception areas and acting as 'runners' for various clinics.



The volunteers' Christmas party in 2014

Volunteering can be anything from a few hours a day to a few days each week and we are very grateful to each and every volunteer for their valuable contribution.

Section 2 Strategic Report

Note - Except where otherwise stated, all figures for 2012/13 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.

2.1 Environmental matters

The hospital has a transport and travel plan, prepared in conjunction with partner agencies, which is 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, which means there is very high demand for parking spaces.

The Trust has included environmental sustainability considerations as part of the new tender process for the management of car parking at the Trust. A comprehensive travel survey was also carried out in 2014/15 to assess the travel patterns of staff and will be used to examine ways to continue to support green travel opportunities.

There is an active bicycle users' group within the hospital and the Trust is committed to invest additional funding to improve cycling facilities over the course of the next two years.

Please refer to the charts in the Sustainability report (section 3) 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. Please see section 3 (Sustainability report) for full information.

2.2 The Trust's employees

Bedford Hospital is committed to promoting the equality and diversity agenda. This commitment is made to staff working within the organisation and to the patients and public that we serve. We recognise that discrimination is both unlawful and unacceptable.

The Trust re-launched its Code of Conduct during the year which outlines the Trust's expectations of its staff to respect colleagues, patients and visitors.

The Trust is an equal opportunities employer and has held accreditation as an Investor in People for more than 10 years, as well as 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.

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. Since 2012, the Trust has been working on its Equality Delivery System and meets annually with stakeholders to monitor the Trust's progress against four key equality objectives:

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

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

Ethnicity

Black and Minority ethnic (BME) staff account for 24% of the workforce, with white staff making up 72% of the workforce. The remaining 4% of the workforce categorised themselves as ‘other’ (1.3%) or have not stated their ethnic origin (2.6%). These figures remain very stable, with the percentage of BME staff unchanged from last year. When compared to the 2011 census data, there continue to be broad similarities between the employed staff at the Trust and the ethnic origin of the local population.

Disability

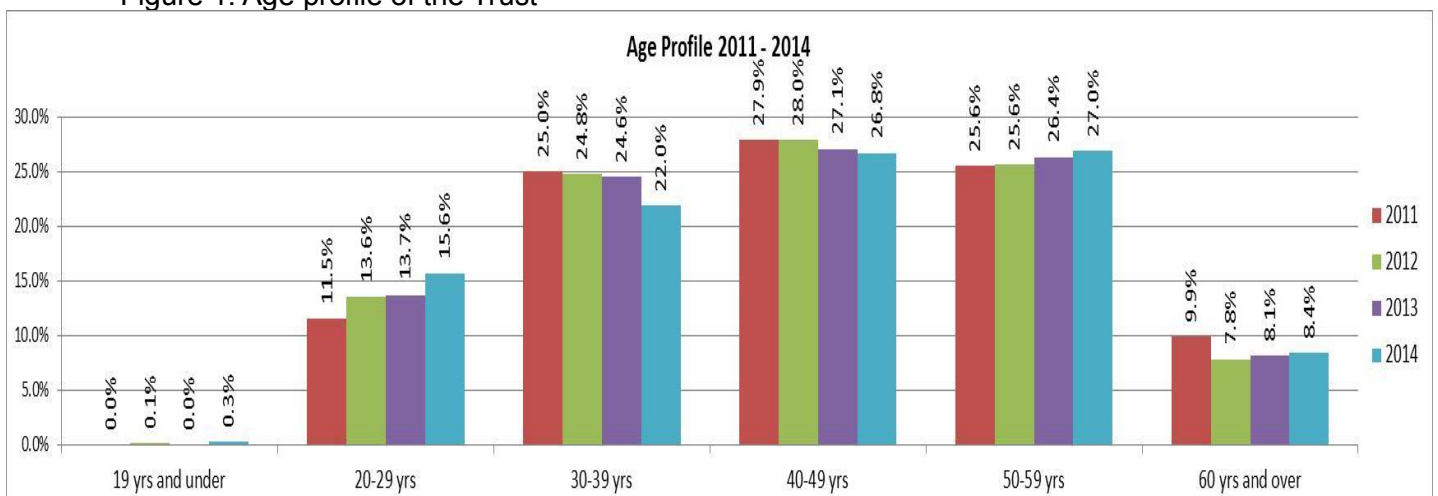
The Trust holds disability information for 82% of staff employed either permanently or on a fixed term basis and 2% of staff have declared that they have a disability; however, the true number of staff with a disability is likely to be higher. The data validation exercise carried out in 2014 has resulted in improved data capture on disability but there are still almost 1/5 of Trust employees that have not declared whether they have a disability.

Age

More than one third of staff are aged 50 years or over. Thirty per cent of qualified nurses and midwives are aged 50 or over and almost 50% of administrative and clerical staff are within this age group.

Just under 38% of staff are aged between 19 and 39 years with more than 35% aged 50 years or over. Estates and ancillary, managers and senior managers and administrative staff all have around 50% or more of their staff aged 50 years plus. There is a noticeable decrease in the proportion of staff aged 30 to 39 years compared to previous years, with some of this reduction offset by an increase in the proportion of staff aged under 30 years. There is also a noticeable rise in the proportion of staff aged 50 to 59 years and a continued slight increase in the proportion of staff aged 60 years and above.

Figure 1: Age profile of the Trust



(Source: Equality and Diversity Report 2014: Workforce Information – October 2014)

Gender

Table 1: Gender distribution of Trust employees

At end March 2015	Female	Male	Total
All employees	2,081	567	2,648
Other senior managers	102	128	230
Directors	4	4	8

*figures represent the gender of staff on the Trust's payroll and therefore exclude staff members who are on secondment, are interim or volunteer their services to the Trust.

At end March 2015	Female	Male	Total
All employees	78.59%	21.41%	100.0%
Other senior managers	44.35%	55.65%	100.0%
Directors	50.0%	50.0%	100.0%

*figures represent the gender of staff on the Trust's payroll and therefore exclude staff members who are on secondment, are interim or volunteer their services to the Trust.

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.

2.3 Social, community and human rights issues

As the largest employer in Bedford the Trust is acutely aware of its role within the community. It makes every effort to engage with its staff, patients and public on an ongoing basis. This includes a range of electronic and face-to-face communication and engagement opportunities for staff (such as the monthly Chief Executive's Roadshow, weekly newsletter, intranet site and staff council), the Trust's active Patient Council and attendance at community events, such as the Bedford River Festival in 2014.

Human rights are central to the commitment to eliminating discrimination, not just in terms of our policies and processes but also in creating the right environment and making it everyone's responsibility to achieve the fundamental principles of fairness, respect, equality, dignity and autonomy. This environment can foster improved working relationships and directly improve the experience and outcomes for our patients. The Trust's recently-opened dementia friendly wards, for example, are a tangible demonstration of its commitment to this.

2.4 Performance against key performance indicators

Operational Performance

Despite considerable operational pressures, especially during the winter period which included the closure of wards due to norovirus, Bedford Hospital has continued to maintain its solid performance in meeting quality and waiting time targets. Some of the key themes are explained below, with table 4 providing a full breakdown of service activity and key performance indicators.

- A&E attendances during the year increased, due in part to the reinstatement of paediatric services, but mostly an increase in adult attendances in line with the national trend;
- There was however a notable increase in emergency admissions, particularly for frail and elderly patients during the winter months;
- Despite the rise in admissions, the Trust was one of a minority of Trusts in the east of England region to deliver the 95% A&E target and at regular times during the winter period was performing in the top 10% in the country;
- Bedford Hospital's maternity services continue to be a popular choice for mothers; however the number of babies delivered decreased slightly in 2014/15 - possibly linked to a reduced birth rate locally;
- The Trust met national access targets for Referral to Treatment waiting times;
- It also met cancer waiting times targets for one-month and two-month waits; however it did not achieve the two-week waiting time target overall due to capacity within its breast service during the summer months of 2014, but has now recovered and the Trust has been above target since;
- The Trust met its target for *Clostridium difficile* infections but did not achieve its MRSA target due to a single case at the beginning of 2014/15;
- The Trust continues to reduce incidents of harm, such as VTE and avoidable pressure ulcers.

Financial Performance

The Trust delivered an outturn deficit of £19.8m, after an adjustment of £0.5m, in respect of donated government grant asset reserve elimination. (In 2013/14, the Trust reported £8.7m deficit after the net effect of asset impairments - £0.8m). During 2014/15 it became clear that for a number of reasons detailed below, the original planned deficit of £6.8m could not be delivered. Following discussions with the TDA and after external validation, the Board at its October meeting accepted the revised outturn plan of a £20.7m deficit. The actual deficit generated was £0.9m better, as a result of higher actual income and lower actual costs.

There are a number of factors driving the financial performance in 2014/15, including:

- Increased non-elective activity that resulted in reduced income as elective activity was displaced
- Increased non-elective activity resulted in additional costs as additional beds were opened and safely staffed at premium costs.
- Income loss through the application of business rules, penalties and the marginal rate adjustment
- Operational pressures resulted in slippage in the Transforming for Excellence programme resulting in costs being greater than plan.

The income and expenditure outturn for the Trust is summarised in table 2.

Table 2: Income and expenditure for the Trust

	2014/15 (£000s)	2013/14 (£000s)
Income	164,094	158,810
Pay costs	109,388	99,972
All other costs	75,154	68,305
Net surplus/ (deficit)	-20,235	-9,467
Technical adjustment (see above for explanation)	481	764
Adjusted Net Surplus/(deficit)	-19,754	-8,703

The Trust invested £8.8m in 2014/15 in estates developments, service developments, IM&T and medical equipment. Key projects include:

- Endoscopy unit - £1.9m
- Vital Signs – monitoring equipment - £0.5m
- Dementia Project _ £0.3m
- IM&T equipment - £2.8m
- Nursing technology equipment - £0.5m

The net assets held by the Trust are summarised in table 3.

Table 3: Net assets held by the Trust

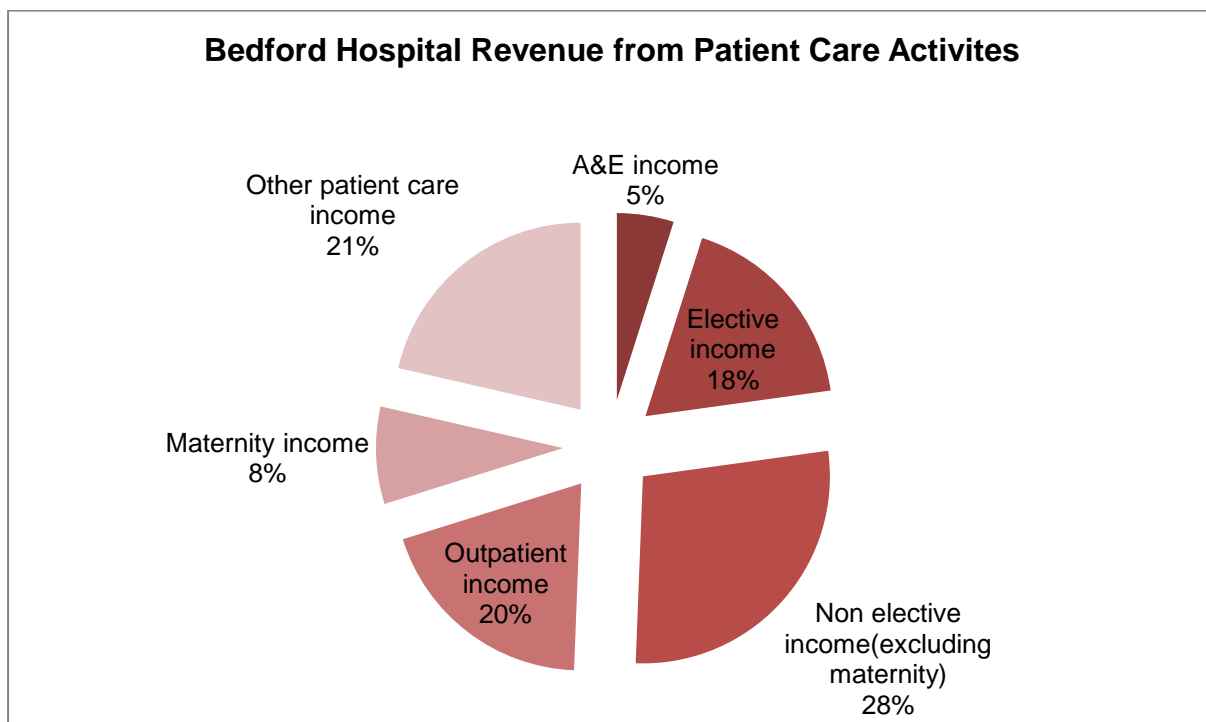
	2014/15 (£000s)	2013/14 (£000s)
Net assets	95,798	90,798
Financed by:		
Public Dividend Capital	104,745	83,534
Retained earnings	-41,851	-22,617
Revaluation reserve	32,904	29,881

In addition the cash position deteriorated more rapidly than planned with the result that the Trust received additional cash through PDC, to ensure it remained solvent and maintained its cash liquidity position.

The Trust's aim for 2014/15 of prioritising quality and safety was successful. This meant considerable pressure on the Trust's financial position, resulting in a worsening of its overall cumulative deficit to £18.285m (note 32 of the annual accounts) and resulting in the Trust not achieving its statutory breakeven target.

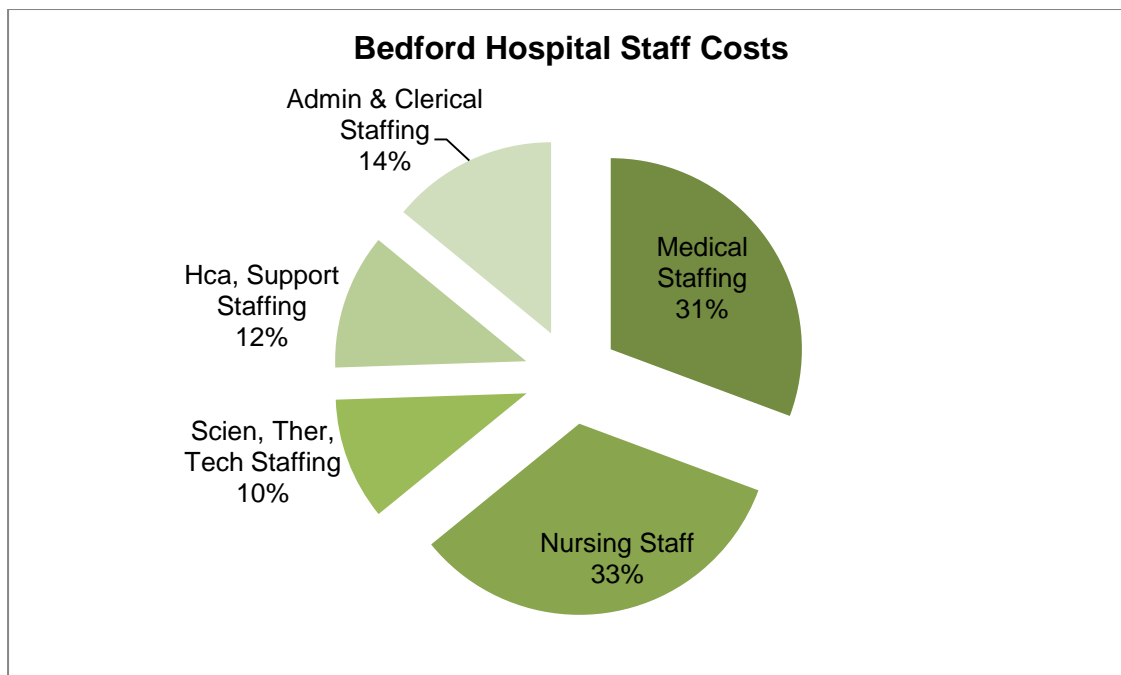
The largest proportion (33%) of Bedford Hospital's revenue from patient care activities comes from treating patients in Accident and Emergency and admitting patients in an emergency.

Figure 1: Bedford Hospital revenue from patient care activities



75% of Bedford Hospital's staff costs in 2014/15 (74% in 2013/14) came from the deployment of doctors and nurses.

Figure 2: Bedford Hospital staff costs



Overview

The Financial Strategy for 2015/16 and beyond, is to seek a return to ongoing financial viability, aligned to the development of new models of care and future organisational forms.

At present, as shown in the Long Term Financial Plan, The Trust is forecasting deficits in the next five years. Therefore without the radical change proposed in the new models of care The Trust will continue to need support through additional funding to operate, and will continue to miss its statutory breakeven duty.

A key step in delivering financial viability was to achieve the revised outturn position as agreed by the Board. The next key step is to ensure that the momentum that the Trust has created in meeting this target is maintained and improved upon in the next five years, especially in 2015/16. The context for this delivery will be the implementation of the new models of care that are under development and consideration at present. The new healthcare delivery models will allow a radical re-working of the Trust's cost base which will ensure the on-going financial viability of the Trust.

The elements of the Trust's Financial Strategy are:

- Achieve long-term financial viability by delivering annual financial plans over the next five years
- Achieve the required levels of efficiency savings by a combination of closely managing costs and collaborating with commissioners and other local stakeholders to deliver strategic change
- Capital investment on the site in order to 'right size' the estate, make it fit for purpose and deliver the healthcare provision required by the people of Bedford.

Key elements of the 2015/16 financial plan

- Year-end I&E forecast deficit of £16.2m
- Efficiencies planned to be achieved of £7.9m (4.4% of turnover)
- Year-end cash balance of £0.9m requiring £10.0m of revenue support and £6.0m capital financing loans
- Capital expenditure plans worth £12.9m.

Efficiency plans

The Trust has made good progress in developing efficiency plans and expects these to be worth £7.9m in 2015/16. The Trust's Delivery Support Unit continues to assist clinical business units and non-clinical departments in the planning and implementation of new efficiency interventions. The areas targeted for increased efficiency include, for example:

- Re-organisation of Trust bed-base to minimise use of escalation beds
- Improved theatre productivity supported by new theatre scheduling systems
- Standardisation of procurement and clinical supplies use
- Reducing the Trust's reliance on agency staff resulting in savings against agency premiums

Future Models of Care and Sustainability

The Trust recognised in 2012 that under the current Foundation Trust framework it was not sustainable as a standalone organisation in its current form. In 2013 Monitor, NHS England and the Trust Development Authority commissioned McKinsey to undertake a review of the health economies in Bedfordshire and Milton Keynes, which are both financially challenged.

The aim was to identify potential options for future sustainability for both areas. The review

published its progress report in October 2014. It produced two potential models centred on either Bedford Hospital or Milton Keynes Hospital becoming a major emergency centre and the other an Integrated Care Centre, no longer providing core acute and emergency services. No recommendation was made on which site should be what model. The review recognised that neither of these was wholly financially sustainable.

The main recommendation of the report for hospital services therefore, adopted by Bedfordshire CCG, was to undertake more detailed financial and capacity modelling of these models. This second phase programme of work, the *North Bedfordshire Acute and Primary Care Programme*, has therefore focused on developing the following:

- A clear strategy and contractual framework for care closer to home, underpinned by quality standards and robust clinical pathways.
- A model for a vertically integrated hospital and community system, enabling local services to better support vulnerable people to be cared for outside hospital and deliver swifter assessment, diagnosis, treatment and discharge from hospital.
- Defining core hospital services and networking of hyper-acute services to develop sustainable and '*modern district general hospital*' services that can meet the clinical standards of the future.

The outputs of the programme are a Strategic Outline Case containing evaluated options, supported by detailed financial modelling, that provide, subject to approval, a clinically and financially viable healthcare system for Bedfordshire within 5 years. The Strategic Outline Case will be submitted to regulators in mid to late June 2015.

During 2015/16 the Trust and CCG are working together to implement those schemes that enable the delivery of the strategic objectives outlined above. These include:

- Improved emergency clinical navigation.
- Development of an Integrated Discharge Team to concentrate on complex discharges.
- An enhanced Acute Assessment Unit, better equipped to cope with frail elderly patients and to turn around admissions rapidly
- Increased bed capacity for 'sub-acute' patients.
- Increased community geriatrics capacity.

Capital expenditure in 2015/16

The Trust plans to invest £12.9m in new assets in 2015/16. Asset depreciation in 2015/16 is forecast to be worth £6.9m but the Trust will need to spend an additional £6.0m to support its service strategy and manage new risks.

The most notable capital expenditure pressures will be:

- Improvement to the environment in Accident & Emergency
- Continued work to improve the ward environment for patients suffering with dementia
- Energy saving investments linked to the Trust's efficiency programme.
- General backlog maintenance

2.6 Trust Performance

Table 4: Service activity

Service Activity	National Standard	2014/15 (%)	2013/14 (%)	2012/13 (%)
A&E waits (less than four hours)	95%	95.10%	93.83%	95.01%
Two week referrals for suspected cancer	93%	90.21%	93.91%	94.76%
Cancer patients receiving treatment within one month of decision to treat	96%	100%	99.73%	99.63%
Cancer patients receiving treatment within two months of urgent GP referral	85%	89.27%	88.62%	87.49%
18 Weeks referral to Treatment Admitted	90%	90.71%	89.87%	93.83%
18 Weeks referral to Treatment Non-Admitted	95%	97.57%	97.10%	98.28%
18 Weeks Incomplete Pathways	92%	95.34%	95.52%	96.71%

Table 5: Service Quality

Service Quality	Standard	2014/15	2013/14	2012/13
Planned operations cancelled (on the day)	<0.8%	0.56%	0.76%	0.87%
Patients rescheduled within 28 days	>95%	96.45%	94.40%	93.46%
Delayed Transfers of care (average per week)	<3.5%	1.99	1.3	2.15
MRSA bloodstream infections	0	1	0	1
<i>Clostridium difficile</i> infections	18	14	11	17

Table 6: Activity information

Activity Information	2014/15	2013/14	2012/13
A&E attendances	67,139	63,915	67,750
Emergency admissions via A&E	17,824	13,647	12,964
Non-elective spells	21,123	20,997	22,165
Elective spells (not day cases)	3,776	3,734	3,812
Elective day cases	22,998	22,365	20,673
Total spells	47,791	47,096	46,650

Referrals			
Written referrals from GP for 1st Outpatient (OP) appointment	45,211	47,815	45,095
Other referrals for 1st OP appointment	19,628	17,412	16,321
Total referrals for 1st OP appointment	64,839	65,227	61,416
Outpatient Activity			
Consultant led 1st OP attendances	60,117	58,957	55,756
Other 1st OP attendances	21,089	18,130	17,423
Total 1st OP attendances	81,206	77,087	73,179
Consultant-led follow-up OP attendances (including with procedures)	97,495	103,062	102,886
Other follow-up OP attendances	115,816	102,517	97,590
Total follow-up OP attendances	213,311	205,579	200,476
Births (number of babies delivered by hospital midwives/ doctors)	2,924	3,016	3,203

2.7 Statutory basis

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 370-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.

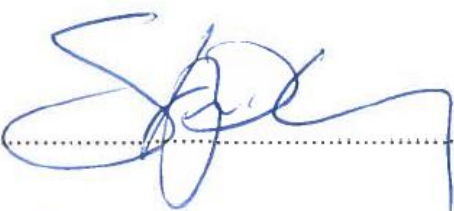
Staff are employed on national terms and conditions of service apart from executive directors, who are employed on locally determined terms and conditions with salaries determined by the Trust Board's Remuneration Committee.

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 9.6 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.

The Trust generated a deficit of £19.8m in 2014/15. The Trust has a clearly defined recovery plan and will continue to build on the improvement momentum built up during 2014/15 into future years. However it is also apparent that despite this recovery plan the Trust will continue to generate deficits over a five year period unless radical change is implemented.

As the strategic plan to deliver new models of care and future organisational forms is in development, the Trust is not meeting its statutory break-even duty, at this time. The directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

Signed..........Chief Executive

Date.....3 JUNE 2015.....

Section 3 Sustainability Report

Background

The NHS is transforming progressively 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 focussed 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

In early 2014 the Trust launched its *Sustainable Development Management Plan (SDMP) 2014-2020* and the associated *Sustainable Development Action Plan (SDAP)* which included a series of key targets and performance indicators relating to energy, waste, water, travel and procurement.

The 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 is an important element of the SDMP, with a commitment to an initial target reduction of 10% by 2015, 34% reduction by 2020 and 50% reduction by 2025.

Governance and Reporting Processes

The Director of Finance (Don Richards succeeded by Colin Gentile and then David Meikle, Interim Directors of Finance) and the Trust Chair (Fiona Wilson succeeded by Gordon Johns) are the lead Executive and Non-Executive Directors respectively for sustainable development within the Trust.

The Trust's Estates Governance Group receives monthly reports relating to energy and water usage and tracking of progress against the carbon reduction targets.

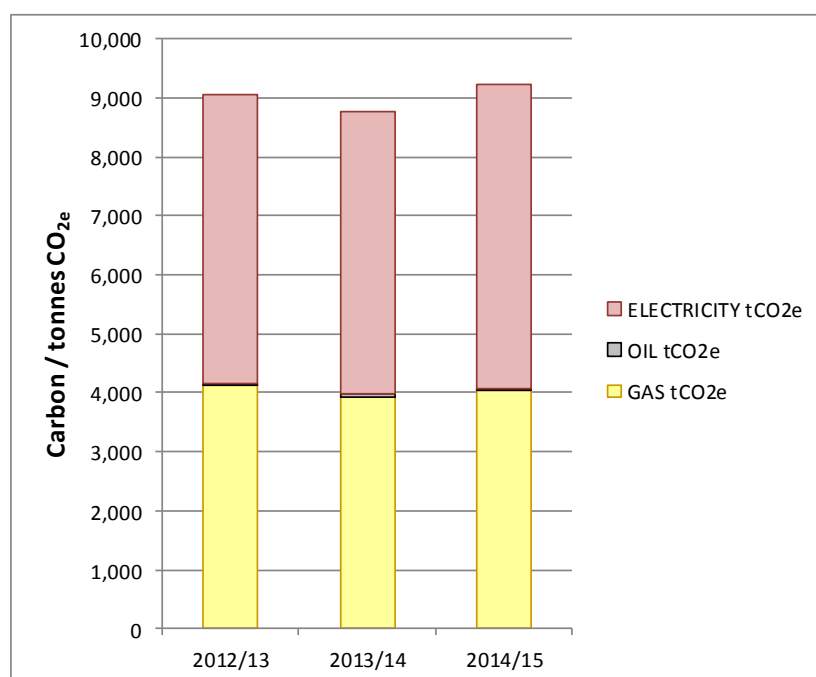
This Sustainability Report has been developed based on HM Treasury Guidance for public bodies and the annual reporting guide published by the Sustainable Development Unit. This report therefore incorporates three years of information where available (some data is estimated for 2014/15).

Energy

Table 7: Energy consumption, emissions and spend

Resource		2012/13	2013/14	2014/15
Gas	Use (kWh)	20,262,566	18,514,916	19,220,208
	tCO _{2e}	4,141	3,928	4,032
Oil	Use (kWh)	58,882	181,026	143,862
	tCO _{2e}	19	58	46
Electricity	Use (kWh)	8,621,205	8,424,348	8,317,581
	tCO _{2e}	4,909	4,797	5,151
Total Energy CO_{2e}		9,069	8,783	9,229
Total Energy Spend		£1,505,623	£1,525,292	£1,563,444

Figure 3: Carbon emissions from energy



Energy Commentary

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 some progress towards realising the initial carbon reduction of 10% by 2015 against a 2007 baseline, achieving a 2.9% reduction to date.

Table 8: Progress towards carbon emissions target from energy

Year	2007/08	2014/15
Carbon emissions from energy consumption / tonnes CO _{2e}	9,504	9,229
% reduction / increase	-	-2.9%

In terms of our overall energy efficiency, measured in terms of energy consumption per 100m³ of heated volume, we have improved from 94 GJ/100m³ in 2001/02 to around 61 GJ/100m³ in 2014/15, achieving the NHS mandatory target for acute hospitals.

Energy efficiency and sustainability measures include:

- 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 90,000kWh of renewable electricity since its installation in 2010.
- The Trust invested around £50,000 during 2014/15 to replace existing lighting with improved low energy LED lighting in various areas including the Cygnet Wing, Switchboard, Main Ward Block and OMF reception.
- External LED lighting has also been installed in outside areas around the Pharmacy, Chest Clinic and Critical Care Complex.
- A scheme to install voltage optimization equipment to bring about reductions in electricity consumption, has been approved for the Britannia Place Complex part of the site and will be installed in the early part of 2015/16.
- Air Conditioning upgrades to modern inverter-driven units have been undertaken in Theatres 5 & 6 and Lower Theatres at a cost of around £60,000.
- Around £14,000 has been invested to provide inverter controls for various air handling units.
- A new Combined Heat and Power (CHP) and Low Temperature Hot Water boiler plant were installed in the early part of 2015 at a cost of around £460,000. This will deliver an energy efficient solution for heating and electricity supply to parts of the main ward block and Cygnet Wing. Commissioning and testing is scheduled for April 2015 with the plant becoming fully operational from May 2015, providing the following benefits:
 - annual electricity consumption saving of 1,101,000 kWh
 - annual gas consumption saving of 135,000 kWh
 - annual carbon saving of 620 tCO₂e
 - £127,000 energy spend saving in first year
- The Trust's main electricity supply contract for 2014/15 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). Participants are required to monitor their carbon emissions from gas and electricity consumption and to purchase allowances at £16.40 per tonne of CO₂. In 2014/15 the cost to the Trust of carbon allowances is expected to be in the region of £150,000. The aim of the scheme is to provide a financial incentive to large consumers of energy to improve their 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.

The Trust is replacing old R22 and R12 CFC refrigerant Air Conditioning and Refrigeration plant on a priority basis, and so far this has included Lower Theatres, Theatres 5 and 6, Cygnet Wing main chiller and Catering walk-in fridges.

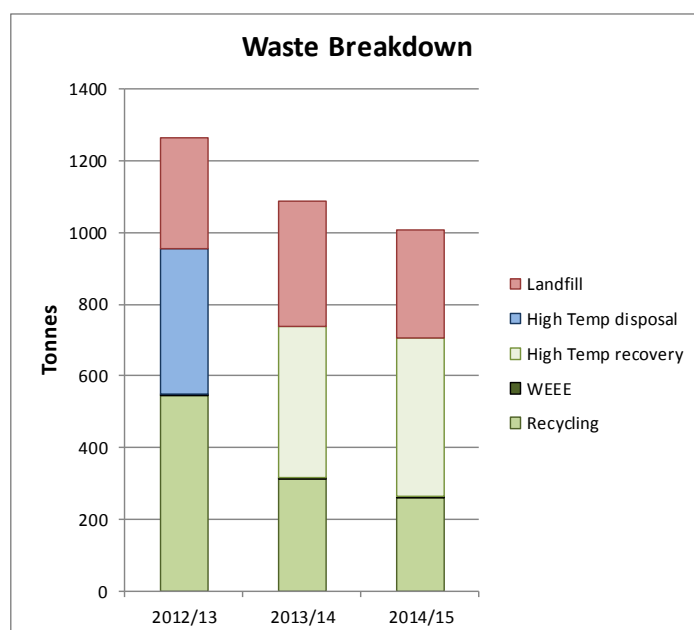
Waste

Table 9: Breakdown of Trust waste generation and emissions

Waste		2012/13	2013/14	2014/15
Recycling	(tonnes)	545	311	259
	tCO _{2e}	11.45	6.5	5.4
WEEE	(tonnes)	6.5	5	4
	tCO _{2e}	0.14	0.10	0.08
High Temp recovery	(tonnes)	0	422	443
	tCO _{2e}	0	8.8	9.2
High Temp disposal	(tonnes)	403	0	0
	tCO _{2e}	8.46	0	0
Landfill	(tonnes)	311	351	301
	tCO _{2e}	76	86.0	73.7
Total Waste (tonnes)		1265.5	1089	1007
% Recycled or Re-used		43.07	28.60	25.72
Total Waste tCO_{2e}		96.05	101.4	88.38

Notes: Recycling comprises Mixed recycling + Confidential Waste + WEEE + Metal + Food Waste
High Temp Recovery comprises Orange Bag waste + HTI + Offensive

Figure 4: Waste generation breakdown



Waste Commentary

The Total Waste Management contract with Tradebe has continued to deliver savings to the Trust. However recycling waste levels for 2014/2015 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 not been delivered.

The very high levels of bed occupancy throughout the last twelve months and the recent winter vomiting outbreak has dramatically increased all waste streams within the Trust. High cost, clinical waste disposal has been particularly affected.

A recent external audit by ISSL has confirmed compliance with current waste legislation and the quarterly carriage of dangerous goods audits continues to demonstrate good waste management practice.

Water

Table 10: Water usage and spend

Water		2011/12	2012/13	2013/14	2014/15
Mains	m ³	76,005	81,903	82,129	86,470
	tCO _{2e}	69	75	75	79
Water and Sewage Spend		£160,265	£170,940	£180,305	£171,559

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 minimise 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 organisation.

As part of this scheme, water consumption is continually monitored via automated loggers. Any unusual consumption patterns, which may be caused by leaks or faulty equipment, are highlighted and immediately investigated in order to minimise water waste, providing environmental and financial benefits. In 2014/15 this process helped to identify a number of issues, including overflowing water tanks caused by faulty level control valves and a leaking water mains pipe within a duct.

Transport

Table 11: Transport emissions

Trust Travel	2012/13	2013/14	2014/15 (estimated)
Employee Commute (tCO _{2e})	3,018	2,594	2,806
Business Travel (Road) (tCO _{2e})	193	213	203
Patient Transport (tCO _{2e})	74	76	75
	3,285	2,883	3,084

This section covers transport emissions associated with the Trust's *directly operated fleet* (e.g. courier and maintenance vehicles), the *'grey fleet'* (i.e. vehicles operated or owned by staff used that are used on official business journeys), *staff commuting* to and from work, and *non-emergency patient transport* vehicles. The emissions of the directly operated and grey fleet together make up the business travel emissions shown in the table above. The employee commute emissions are based on staff parking permit and postcode data.

The distance commuted by staff reflects the geography of the area with road systems requiring significant additional mileage over the straight-line route, even when staff live close to the hospital. The data also showed that a significant proportion of staff live outside Bedford in surrounding towns and cities including Milton Keynes, Luton, Cambridge and Wellingborough.

Each tonne of carbon dioxide produced by the grey fleet cost the trust about £1,700 in mileage payments. Therefore as well as the emissions reduction benefit, there is also a

significant financial incentive for the Trust to reduce business mileage undertaken by staff using their own private vehicles.

In September 2014, the Trust conducted a staff travel habits survey in order to analyse staff travel patterns and help with the implementation of its Travel Plan. In conjunction with the results of similar surveys undertaken since 2000, the findings indicate that there has been a 12% reduction in the number of staff travelling to work by car as driver alone, matched by a switch towards cycling and walking. There has been a slight decline in public transport use over the same period. Throughout the period, the proportion of staff arriving by car has steadily declined, from 84% in 2000 to 70% in 2014.

Increased congestion in the Trust's car parks has been caused by the introduction of controlled parking zones in the streets adjacent to the hospital, which has then resulted in more staff applying for a permit to park on site.

A travel group, comprising external specialist advisors and senior management was set up to evaluate a number of opportunities to improve parking at the Trust. As a result of this work, a car parking strategy paper was developed with a number of key recommendations, which was approved through the Trust's (including Executive Management Committee, JSMC and Staff Council). These recommendations took into account the findings from the staff travel survey and informed the tendering process for the Trust's car parking management contract.

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 tCO₂e.

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 is in place and is supported a sustainable procurement strategy. The policy has been 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;
- Ongoing 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; and
- Engagement with key partners including suppliers, commissioners, end users, Estates, Pharmacy, other Trusts and CCGs.

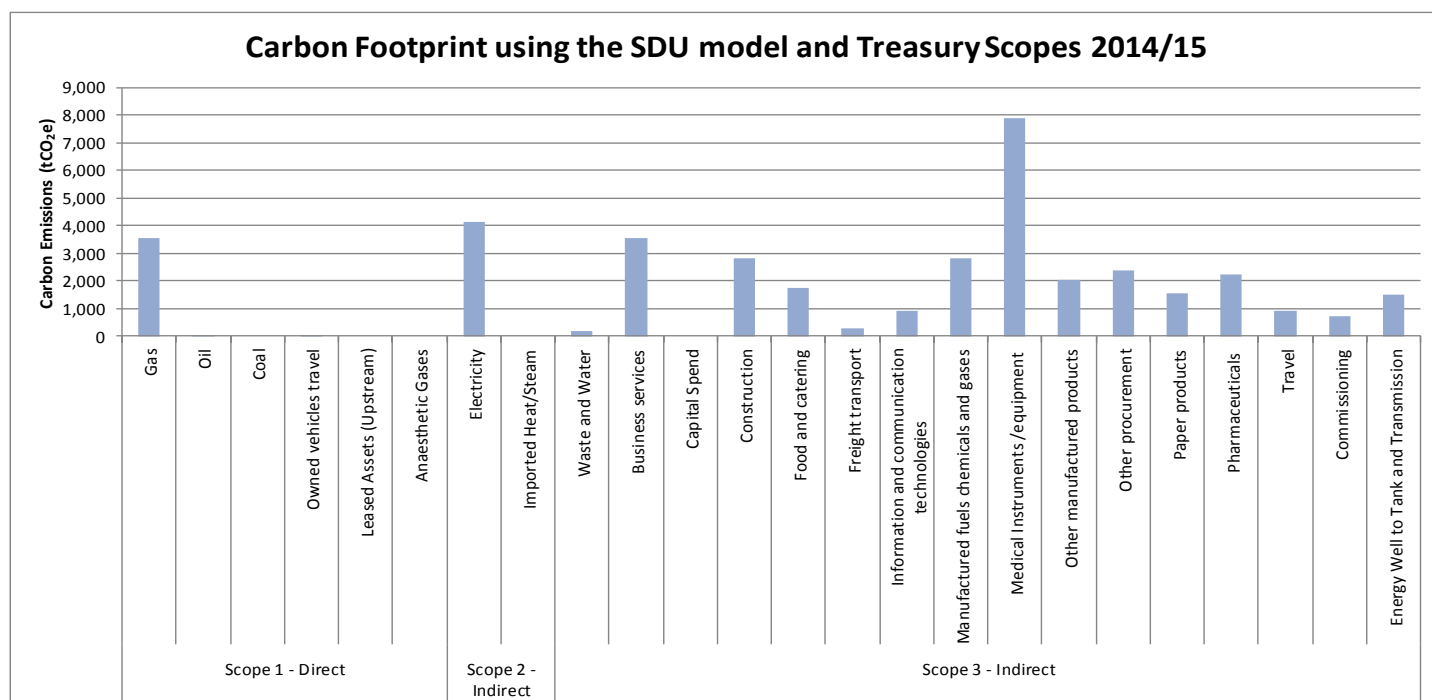
Other relevant actions are set out in the SDAP.

Overall carbon emissions profile

Based on the above data the overall carbon footprint for the Trust in 2014/15 is estimated to be 39,357 tCO₂e. Some of this is estimated pending up to date collation and analysis of 2014/15 data.

As figure 5 shows, pharmaceuticals, equipment and appliances, purchased healthcare, electricity and gas represents the largest contributors to this.

Figure 5: Breakdown of the Trust's carbon footprint



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; and
- 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.

Section 4 Quality information

4.1 Compliments and Complaints

Overview

The Trust has a statutory obligation for the handling and consideration of complaints to ensure that complaints are dealt with efficiently and are properly investigated and 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/relatives/carers to try and resolve their concerns informally and at local level. Both services act as intelligence around the themes, concerns and departments which patients and relatives have concerns or compliments about.

The trust views the PALS service as being a valuable resource for patients/relatives/carers to access where concerns can be remedied quickly at ward or departmental level. These may include concerns about being able to get an appointment at the right time or not enough information at ward level. 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; if the issues are complex, the PALS department may escalate the concern to a formal complaint.

A formal complaint involves a more robust investigation with a response from the chief executive. When investigating a complaint we are guided by national requirements, we have a local target of 45 working days in which to complete an investigation and respond to the complainant.

At times a complainant 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 further to the Parliamentary and Health Services Ombudsman (PHSO) who will review the case using information we provide and consider further investigation and recommendations.

Our complaints and PALS services have worked diligently to improve and enhance the service we provide to patients/relatives/carers. In the past six months the team has received seven thank you letters for the way their complaint was managed and resolved.

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.

Figure 6: Top five themes of complaints from April 2014 – March 2015

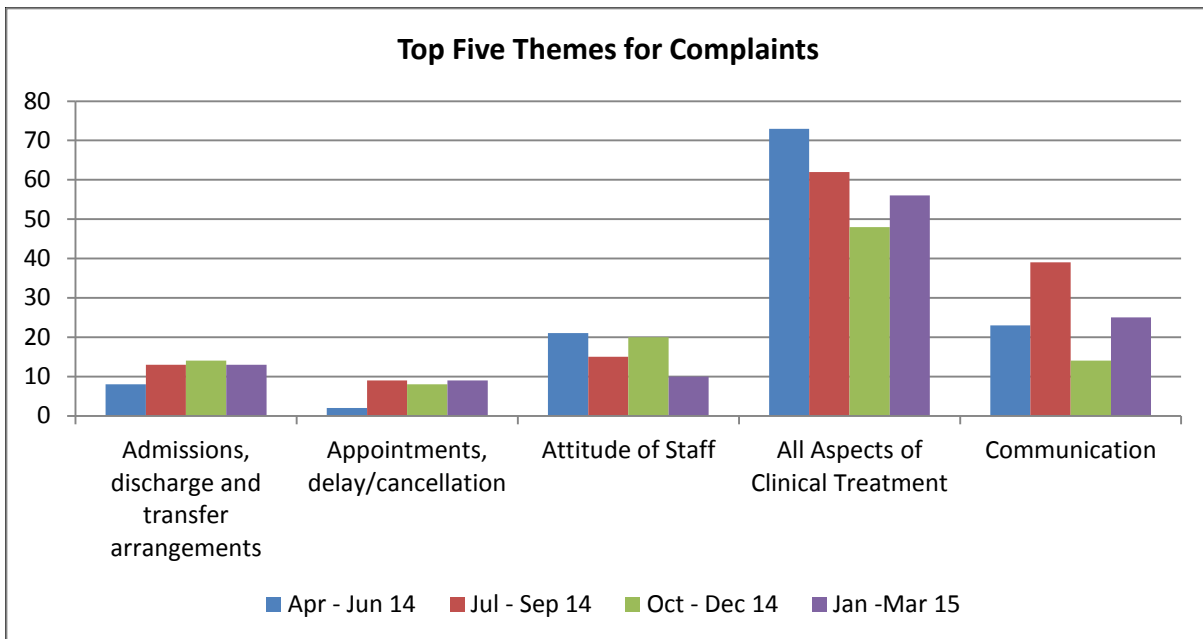
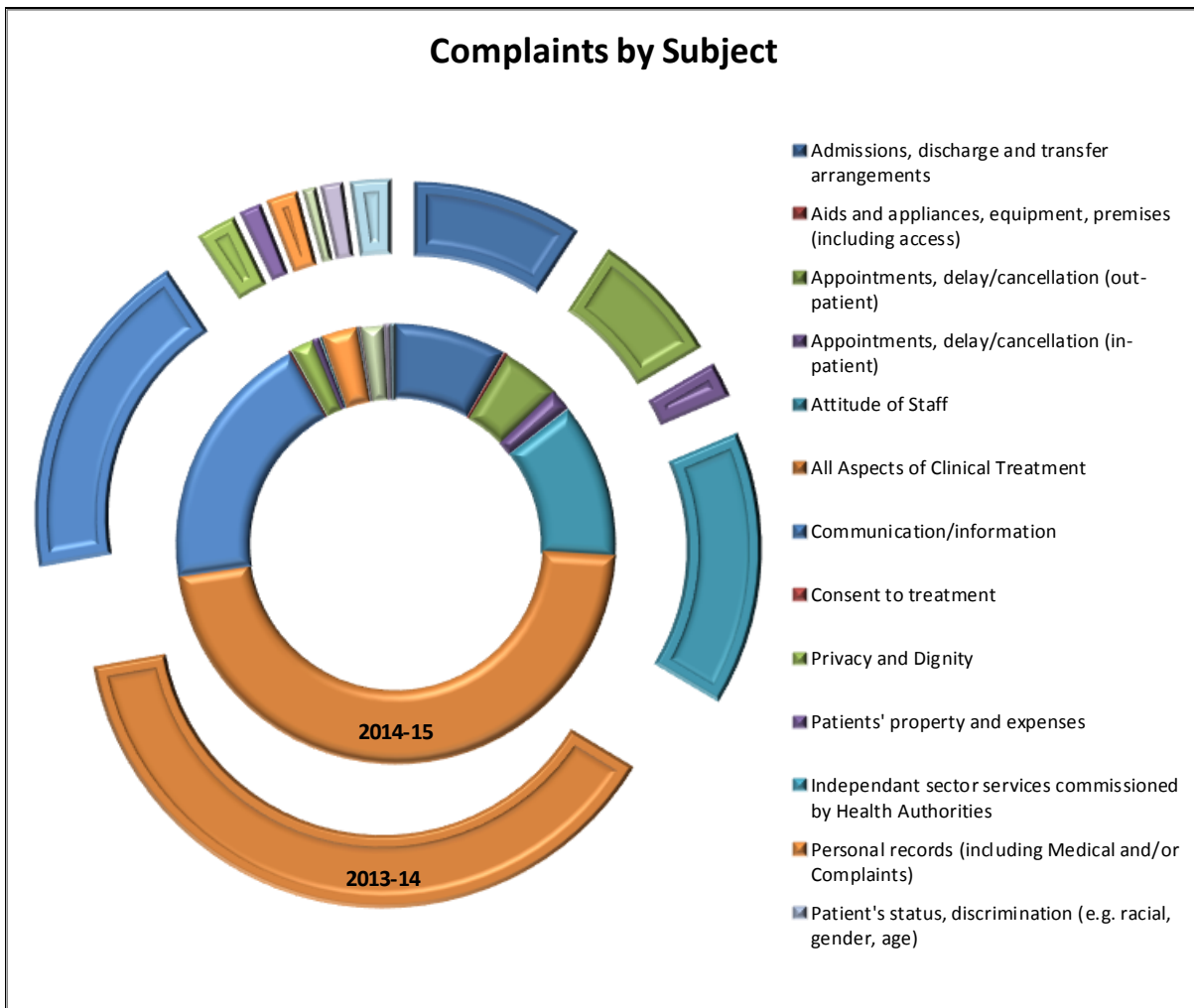


Figure 7: A comparison between 2013/14 and 2014/15, showing that the areas of concerns are very similar across both years.



When investigating complaints we find regularly that poor communication and attitude of staff are a cause for concern and run through an inpatient stay. This can be associated with a doctor not introducing themselves, or not informing the patients and relatives of diagnosis

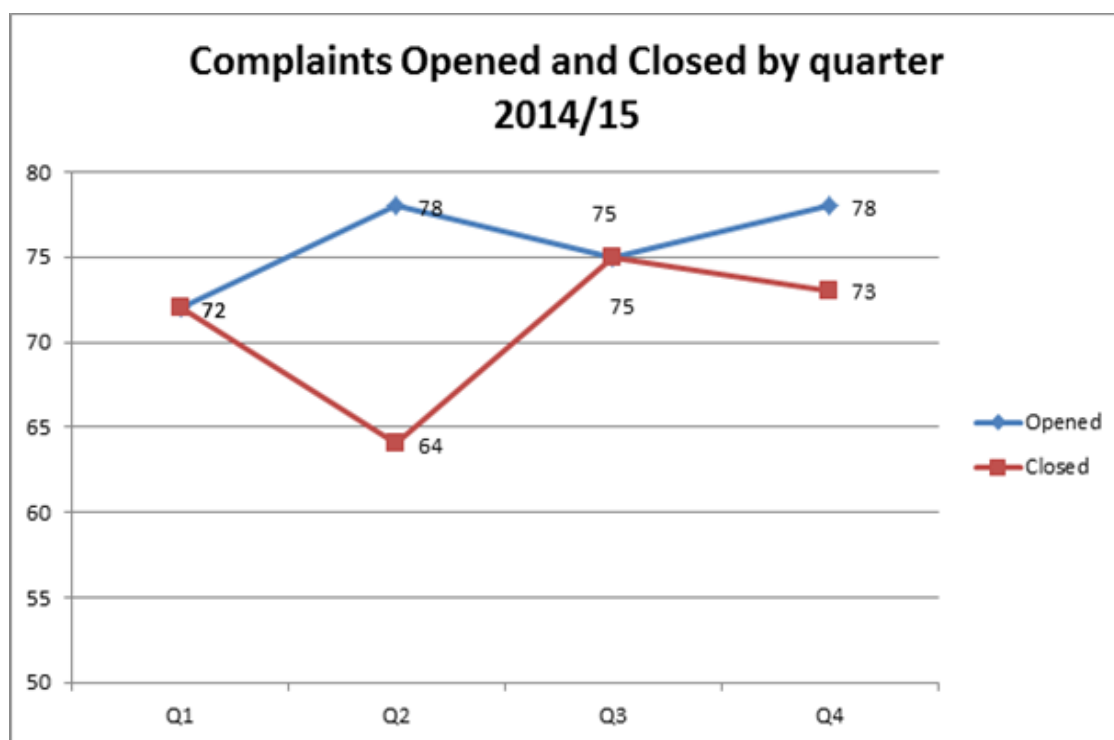
or prognosis. It can also relate to nursing staff not being clear about discharge planning or information around pain management for example. A range of issues that frequently arise in the sub-categories are:

- Poor attitude of clinicians in their engagement
- Poor communication and interpersonal skills of clinical staff
- 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
- Not keeping families of frail or vulnerable patients informed of the treatment plans or discharge plans

Figure 7 shows an annual comparison with the previous year. Over the course of 2014/15 there was a similar number of complaints compared to the previous 12 months. Generally complaints tend to rise after the hospital has been unusually busy.

Statistically we monitor the number of complaints that are opened and closed on a monthly basis.

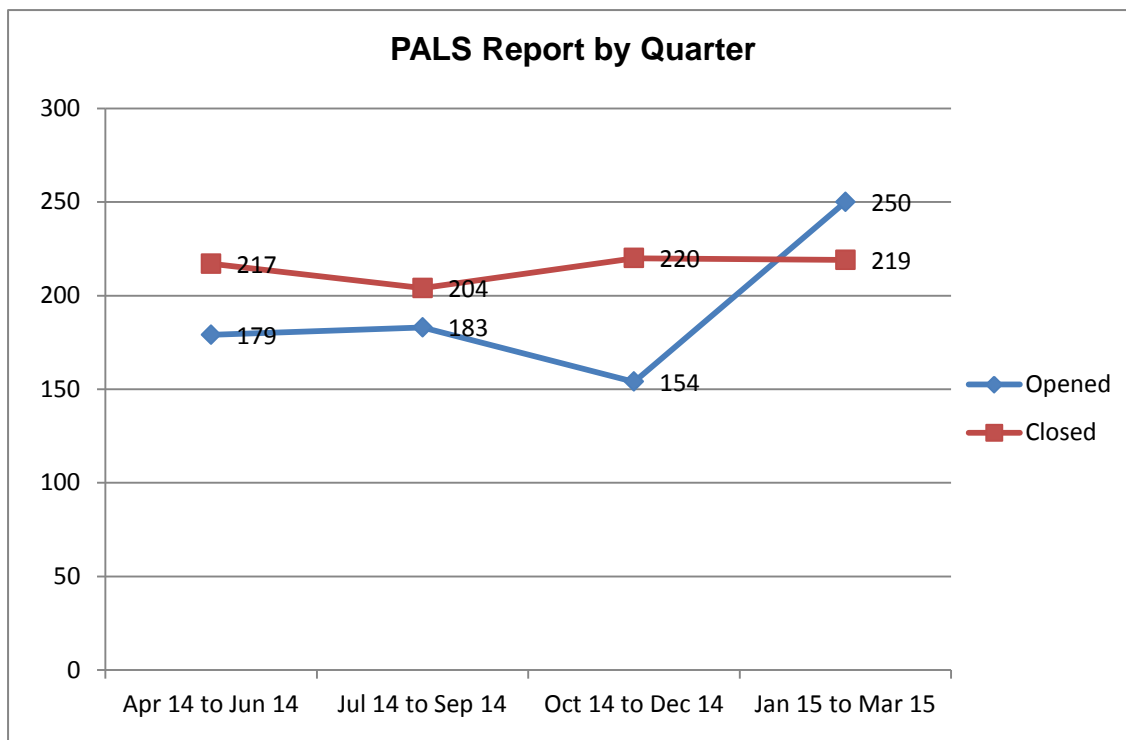
Figure 8: A comparison of open and closed annual complaints



PALS (patient advice and liaison service)

The PALS service can be a simple signposting and/or advice service or a formal PALS contact is where more complex contact with services and the patient is needed to resolve the concerns. Occasionally the relationship between the patient and the members of the service can breakdown and PALS can help to support the patient and provide mediation. At times, a PALS issue will be escalated to a formal complaint as an internal mechanism for managing complex issues and to embed the learning; or at the patient's request to ensure a detailed investigation.

Figure 9: A comparison of open and closed annual PALS contacts



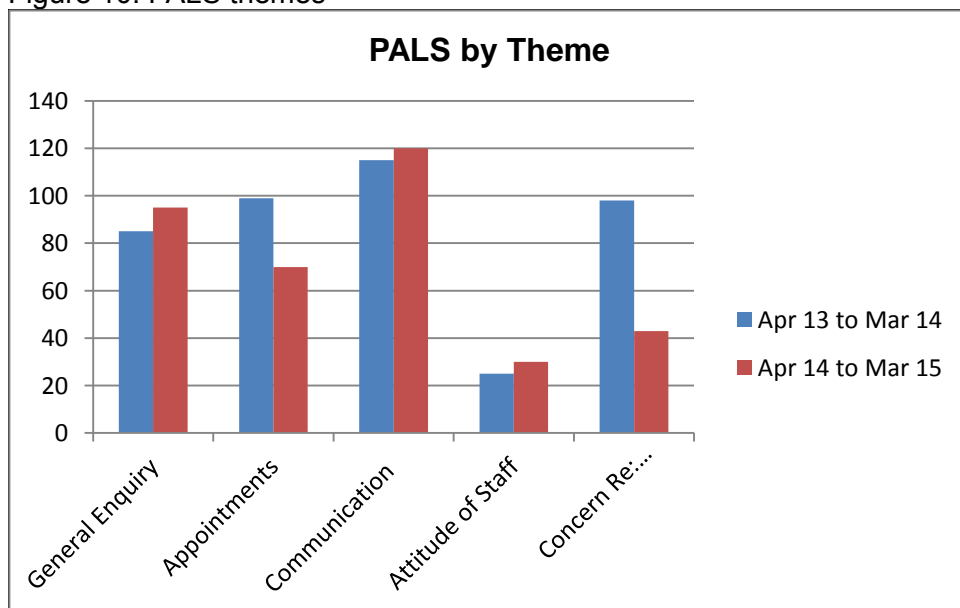
Recordable activity within the PALS service can be hard to quantify. While complaints have an obligation to respond within a deadline there is no solid recommendation for PALS.

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 a formal complaint.

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.

Figure 10 shows the top five themes for PALS contacts. These themes in comparison to the previous year 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.

Figure 10: PALS themes



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.

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 may 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 and give a sincere apology and explanation.

Compliments

The compliments that are received corporately span all services of the hospital. 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 record their compliments and send to the PALs team. Individuals and teams named in compliments are included in the weekly staff newsletter (The Week) as part of our process to celebrate achievements and successes.

Table 12 shows the scale of compliments the trust receives.

- 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 12: Compliments and cards, donations and gifts during 2014/15

Compliments and Cards/Donations/Gifts – April 2014 – Mar 2015			
	Cards	Donations	Gifts
April 2014	108	9	94
May 2014	134	6	112
June 2014	103	7	81
July 2014	116	7	104
August 2014	107	4	74
September 2014	99	8	81
October 2015	111	3	83
November 2014	83	3	84
December 2014	80	72	4
January 2015	35	5	0
February 2015	163	1	0
March 2015	145	1	25
Total	1,284	126	742

Historically, there have been some difficulties in the formal recording of compliments and we now have a robust way to record compliments since January 2015. Now we are able to acknowledge each compliment and formally record them on datix web. This is due to the contribution of our two volunteers who give up their time on a regular basis to collect and record this information.

General themes of compliments include:

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

Complaints Matter report by the Care Quality Commission (CQC) published in December 2014

This report describes how complaints and concerns fit into CQC's new regulatory model, and it presents early findings on the state of complaints handling in hospitals and other service providers. The report has been influenced by the Francis inquiry, and the Clwyd - Hart complaints review. The CQC review complaints and concerns in their new approach to regulation embedding complaints and concerns in CQC's regulatory model and this has two aims:

- To improve how we use the intelligence from concerns and complaints to better understand the quality of care.
- To consider how well providers handle complaints and concerns to encourage improvement.

The report states there is far too much poor practice in NHS providers' responsiveness and treatment of people who make complaints. This is backed up by findings in patient surveys. The CQC's new and more thorough methods of reviewing complaints handling will allow inspectors to get a more comprehensive picture of the state of complaints. There is wide variation in the way complaints are handled and much more could be done to encourage an open culture where concerns are welcomed and learned from.

Most providers have complaints processes in place, but peoples' experience is not consistently good.

The CQC will continue to work closely with partners so that everyone – regulators, providers, professionals and commissioners – makes the shift to a listening culture that encourages and embraces complaints and concerns as opportunities to improve the quality of care.

Since this report was published an action plan has been developed to ensure we comply with the recommendations which should be complete by June 2015.

The trust has embarked on hosting 'listening events' and the second event was held on 14 April 2015 following a successful pilot event in July 2014. This event was advertised locally and internally to encourage patients, past and present to come forward and discuss their experiences, good and bad, with members of staff (including the chief executive, medical director, the director of nursing and members of the complaints and PALS team). Actions from the event will be fed back to staff and patients and will help to shape future events and service improvements.

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 more complaints than before
- The public becoming more aware of the existence of the Ombudsman

Six complaints have been raised to investigation by the PHSO in the past 12 months. Of the investigations completed by the PHSO, two have been partially upheld, one was not upheld and one was withdrawn by the family following a local resolution meeting. Recommendations from the ombudsman are formulated into an action plan which is shared with the complainant.

Learning from complaints, PALS and concerns

From December 2014, actions and learning from complaints are being monitored by the complaints team. Governance is also leading on strengthening the process so that wider learning (complaints, claims, incidents, and SIs) is embedded across the organisation.

During the year we have introduced clearer processes to identify and highlight learning to the complainant. Responses from the chief executive inform the complainant where we have changed our practices.

- ✓ 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
- ✓ Identifiable information at all wards so the patients and public know who to raise concerns with.
- ✓ 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, the lack of this level of service has been highlighted by several complainants in the past.
- ✓ Weekend working with more senior clinical staff available for advice and patient management.
- ✓ Display notices asking staff and patients to be quiet in corridor between the day surgery unit and elective orthopaedic wards.
- ✓ An audit of discharges from accident and emergency over night to monitor whether they are they appropriate.
- ✓ Teaching sessions for junior doctors have included the following subjects; care and treatment of dog bites, the importance of listening to parents' concerns and the importance of listening to the patient when they describe how they feel.
- ✓ Administrative staff have been reminded of the importance of telephoning patients as well as sending letters when appointments have been changed.
- ✓ Presenting a case study to teams following a delay in the diagnosis of a patient.
- ✓ PALS presentation and information to staff at induction.

During the past 12 months we have joined the national '# *hello my name is...*' campaign, which is designed to raise the awareness of clinical staff to the importance of introducing themselves to patients and their relatives. We have also launched five 'always' events to improve communication.

Always events

1. 'Hello my name is... I am a nurse and here to
2. Smile and be positive
3. How can I help you?
4. Listen
5. Did you understand everything

Next steps

From April 2015 we have commenced a complaints satisfaction surveys to complainants to monitor the complainant's experience of the complaints process in line with the CQC

Complaints Matter report. Other steps include appointing a non-executive director to champion the patient experience agenda, improving learning from complaints, PALS, Claims, Compliments and PHSO investigations and improving recording, reporting and learning from all patient experience feedback.

4.2 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 minimise 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 and management of a serious incident, Bedford Hospital follows the NHS England Serious Incident Framework. (This framework was updated on 27 March 2015 and came into effect from 1 April 2015). The framework contains a number of changes from the previous framework published in March 2013 and the Trust is currently working to ensure the key changes are incorporated into local incident reporting and investigation policies and procedures.

Never Events

Never Events are a particular type of serious incident that are wholly preventable, where guidance or safety recommendations that provide strong systemic barriers are available at a national level and should have been implemented by all healthcare providers. Each never event has the potential to cause serious patient harm or death; there is evidence that the category of Never Event has occurred in the past and the occurrence is easily recognised and clearly defined (*Never Events Framework April 2015*).

External reporting

All serious incidents and never events are reported to Bedfordshire Clinical Commissioning Group. This is done through uploading of the incidents to a national database known as STEIS (*Strategic Executive Information System*). Commissioners receive automatic notification of provider incidents via STEIS.

Reporting and investigation timeframes

When an incident occurs, it is expected that the incident will be reported onto the Datix incident reporting system within 24 hours of occurrence. 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 should be declared a serious incident under the SI framework. If the incident is deemed to be a Serious Incident, it must be uploaded onto STEIS within 48 hours of the incident being reported (via Datix).

In line with the SI framework, the Trust has 60 working days to complete a comprehensive internal investigation incorporating an investigation report and action plan and six months to complete an independent investigation from the date the incident was declared on STEIS.

Serious Incidents declared in 2014/15

During the financial year 2014/15, the Trust declared a total of 71 Serious Incidents. This is in comparison to 58 incidents in 2013/14. All Serious Incidents were subject to a Root Cause Analysis (RCA) investigation, including recommendations and action plans based on the findings of individual investigations. Implementation of the actions is managed and monitored through the appropriate business unit and through the Serious Incident Review Panel (SIRP).

Table 13: New Serious Incidents declared

2014/15	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March	Total
New Serious Incidents declared	4	2	14	5	7	13	5	6	7	2	2	4	71

Types of Incident:

The type or category of incident with the highest number of Serious Incidents reported in 2014/15 relates to pressure ulcers (see section below). The second highest category relates to patient falls resulting in serious harm, of which there were 12 incidents. The third highest category of Serious Incident related to the deteriorating patient, of which there were eight.

A full breakdown of the incident types can be found in Table 14.

Table 14: Incident types

Type of incident	Number
Pressure Ulcers	20
Falls resulting in serious injury	12
The deteriorating patient	8
Incorrect insertion of lens (IOL) Moorfields	3
Neonatal death	3
Failure to act on blood test results	2
Delayed diagnosis	2
Intra-uterine death (IUD)	1
Management of a baby with perinatally acquired HIV infection	1
Colposcopy Screening	1
Never Event Gynae	1
Mal-administration insulin	1
Failure to monitor hypoglycaemia	1
Plaster of Paris applied to incorrect limb	1
Removal of POP and tension button	1
NG tube not x-rayed	1
Insertion of a percutaneous tracheostomy	1
Treatment of sickle cell crisis	1
Failure to obtain consent	1
Death following Pulmonary Embolism	1
Patient death during an Interventional Radiology Procedure	1
Medica CT scan transmission failure	1
Acute Kidney Injury	1
CPE Outbreak	1

Type of incident	Number
Norovirus Outbreak	1
Delayed referral to tertiary centre	1
Telecommunications failure	1
Research Governance	1
Total	71

Pressure ulcers

In the financial year 2014/15, there were 20 grade three pressure ulcers declared as serious incidents, which is a significant improvement in performance compared to 27 in the financial year 2013/14. Of the 20 pressure ulcers declared, 11 were deemed to be 'unavoidable' and nine 'avoidable' (compared to 19 'unavoidable' and eight 'avoidable' in the previous financial year). Two of the avoidable pressure ulcers that were declared in 2014/15 occurred at the end of 2013/14.

Key Learning Points:

- Daily quality and safety rounds by matron and ward managers implemented.
- Reinforced use of re-positioning charts, especially in surgery for all dependent and lower limb vascular patients.
- Trial use of SAFE/ROFF Charts on Shand Ward.
- Use of pressure relieving mattresses for all patients with vascular complications.
- Ward-based training for staff provided by the TVN team, particularly in Surgery.
- Reinforced importance of completing risk assessments, including use of the SSKIN bundle.
- Clinical Support Workers (CSW's) no longer undertaking Waterlow scores and other risk assessments to avoid inaccurate Waterlow scores.
- Daily removal and checking of patient's skin for patients with TED stockings.
- Reinforced importance of good documentation in recording all care given, including when a patient refuses care.
- Review of staffing levels and skill mix and recruitment to nursing vacant posts in Surgery.
- Link Nurse Study Day (October 2014) reinforced correct classification and use of SSKIN Bundle.

Serious injury as a result of patient falls

Between 1 April 2014 and 31 March 2015 there were 12 serious incidents reported relating to patient's sustaining severe harm following a fall. This compares to six incidents in financial year 2013/14. Of the 12 incidents, nine incidents related to patient's sustaining a fractured neck of femur (# NOF); one related to a patient with a hip prosthesis sustaining a peri-prosthetic fracture; there were two falls resulting in a patient's death; one death was due to natural causes, the patient suffered a stroke which resulted in the fall and the other case is currently under investigation.

Key Learning Points:

- Ensuring that risk assessments, care planning and evaluation are undertaken to identify high risk patients and ensure that care is appropriate.
- Patients at high risk of falls to be in an observable area on the ward close to the nurses' station.
- High risk patients are identified in daily quality meetings and escalated for review by the matron or falls lead. Staffing levels are also reviewed at these meetings and nurse resources allocated to the areas at increased risk.
- For patients at high risk of falls, increased observation including one-to-one nursing provided where appropriate.

- Spot check nursing care documentation by senior nursing staff to ensure high standards maintained.
- Patient safety champion in post and patient safety programme underway which includes a falls prevention project.

Deteriorating patient incidents

Between 1 April 2014 and 31 March 2015 there were 8 serious incidents reported relating to deteriorating patient's compared to 5 in financial year 2013/14. The cardiac arrest prevention team continue to audit all cardiac arrests and any areas of concern are reported through the Datix Incidents reporting system.

Key learning points:

The following key actions and learning is taking place in relation to SIs involving the deteriorating patient:

- Sepsis 6 stickers introduced to acute admission areas;
- Purchasing of sepsis trolleys for ED & AAU; same have been sourced; awaiting a quote. Ward areas will have a sepsis box;
- Mandatory annual cardiac arrest prevention training incorporates training on sepsis;
- Implementation of NEWS (*National Early Warning Score*) and new observation chart. Trial to be undertaken on Howard ward before Trust-wide roll out. New observation chart will incorporate urinary output and includes a prompt on recognition of sepsis and sepsis care bundle;
- Ongoing training of staff; ILS course for qualified staff and BEACH training course for clinical support workers. ILS and ALS training courses all include teaching and assessment on the recognition and treatment of sepsis;
- Technology Fund bid successful for the purchase of a track and trigger system;
- 'Ward a week' training implemented by Cardiac Arrest Prevention Team to target high risk areas for training (recognition of deteriorating Patient/ Sepsis/ PAR or BLS if required);
- Implementation of Hospital at Night and subsequent improved out of hours response for urgent access;
- Introduction of TEP (*Treatment Escalation Plans*) in all areas since 2014. There is currently a draft of a combined Decision tool on TEP and DNACPR under development;
- Currently exploring a system to review all bloods daily (Sepsis Nurse) to identify those patients at risk of Sepsis.

Reported Never Events

During the last financial year the Trust reported one Never Event. The Never Event was declared in June 2014. This was in relation to the removal of a Fallopian tube. The case was subject to an external review. A number of recommendations have been made which are being incorporated into local actions. The Never Event action plan is being monitored through the Serious Incident Review Panel (SIRP), through the Serious Incident log and through the Women and Children's Clinical Business Unit.

Key learning points:

The key learning points identified from this Never Event include:

- Introducing a standard consent form for ectopic pregnancy;
- Introducing a team pause if a discrepancy occurs between ultrasound and operative findings;
- Ensuring all operative findings are clearly documented on the operation sheet countersigned by the consultant;

- Taking photographs at all laparoscopies for possible ectopic pregnancies, especially when findings conflict with ultrasound.

Conclusion

The financial year 2014/15 has seen a total of 71 reported serious incidents. Of these serious incidents, one was a never event. Pressure ulcers account for the majority of serious incident reported (20 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. The patient safety campaign was launched in 2014/15 and there are 12 patient safety projects currently underway to improve patient safety in a number of areas, including those linked to themes identified from an analysis of serious incidents. 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.

4.3 | Quality Account

The Trust produces an annual Quality Account which gives a comprehensive overview of the quality of care provided by the Trust. These can be found on the Trust's website.

Section 5 Directors' Report

5.1 The Trust Board

The Trust was established as a NHS Trust under statutory Instrument 1991 No 2329. The Board is corporately responsible, within the regulations and policy guidelines issued by the Secretary of State, and set out in the Trust's Standing Orders, Standing Financial Instructions and Scheme of Delegation, for setting the strategic direction of the Trust, and monitoring performance against its both strategic and operational objectives. The Trust has a duty 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 a member of a number of well-developed clinical networks across Bedfordshire, Hertfordshire and surrounding areas including the East of England cancer, cardiac and stroke networks. It is an arterial hub for vascular services (commissioned by NHS England) and part of the Beds, Herts and Bucks Maxillofacial Network.

In addition there are strong existing clinical networks with Addenbrooke's (Cambridge University Hospitals NHS Foundation Trust) for cancer, paediatrics, neurology and Otoneurology (ENT). There are network arrangements with the Luton & Dunstable Hospital NHS Foundation Trust for stroke and head and neck cancers, and Northampton General Hospital for plastics. Pathology services are provided by Viapath, and Ophthalmology is sub-contracted to Moorfields Hospital NHS Foundation Trust.

Medical education links are primarily with the University of Cambridge which continue to develop and potentially, from 2016, also with the University of Buckingham which has recently established a new medical school. Nursing, midwifery and allied professionals students are provided with the University of Bedfordshire and given the historical and geographical links this relationship allows the Trust to work closely with the university to design innovative healthcare roles for the future workforce.

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 the NHS Appointments Commission (prior to October 2012) and the appointments panel of the NHS Trust Development Authority (for appointments and re-appointments from 1 October 2012); 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 permanent appointments.

There were a number of changes to the Board during 2014/15. This included the appointment of a new Chair, Mr Gordon Johns, and two new Non-Executive Directors. Full membership details are given in the following table.

Table 15: Non- Executive Directors

Name	Post Held	Previous experience	Details of company directorships and other significant interests	Membership of Committees
Gordon Johns	<p>Chair from January 2015</p> <p>Vice Chairman from October 2009</p> <p>NED from February 2008,</p>	<p>Senior independent Director to December 2014.</p> <p>Occupied several senior roles in the financial services industry in the City of London for more than 36 years</p> <p>Former Director of Lazard Brothers.</p> <p>Former Chief Executive of Kemper Investment Management.</p> <p>Former Director of ING Financial Markets.</p> <p>Experienced in investment management, investment banking, business start-up, business development, business strategy, and regulatory compliance</p>	<p>Consultant to a fund of hedge-funds</p> <p>Trustee of, and investment adviser to, a charitable educational trust</p> <p>Chair, Director and Trustee of Lymphoma Association</p> <p>Chairman at Eaton Bray Parish Council</p>	<p>Remuneration (Chair from January 2015), Finance, Quality and Clinical Risk, Charitable Funds, Workforce (Chair until disbanded in November 2014)</p>
Fiona Wilson	<p>Chair Interim from December 2011, confirmed January 2013 to December 2014</p> <p>- Resigned from Trust Board.</p>	<p>Former senior BP executive and advisor to HM government.</p> <p>NED/ interim Chair of NHS Bedfordshire from 2005 to November 2011</p>	None	<p>Remuneration Committee (Chair), Finance, Quality and Clinical Risk, Workforce</p> <p>Resigned from Trust Board December 2014.</p>

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	Audit (Chair), Remuneration, Quality and Clinical Risk, Charitable Funds.
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	Chief Executive for the Office of the Police and Crime Commissioner Cambridgeshire.	None
Paul Hutt	NED from October 2009 – September 2014	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 (especially reward and recognition), public sector management and business development.	Magistrate Human Resources Consultant (& Owner) at Paul Hutt HR Consulting	Remuneration, Quality and Clinical Risk (Chair), Audit, Workforce. Resigned from Trust Board September 2014.

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, Remuneration, Workforce
Anthony McKeever	NED from October 2014	Started his career at the Department of Health and for the last 25 years has served on the Board of numerous NHS organisations at a national, regional and local level. In 1992, he led a government taskforce that helped the NHS eliminate excessive waiting times and has since worked as Chief Executive at several NHS Trusts, including acute hospitals, a mental health provider and commissioning organisations, helping them to improve performance. In 2010, he served as a member of the Future Forum, conducting a listening exercise and offering independent advice on proposed	Managing Director, MACS et al Ltd	Finance (Chair), Audit, Remuneration

		NHS reform. He has also been CEO at the UK subsidiary of a US technology company (January 2012 – January 2014), before returning to consultancy and interim work (April 2015).		
Dr Carol McCall	NED from October 2014	Qualified pharmacist, and a Faculty Fellow of the Royal Pharmaceutical Society. She is a Senior Healthcare Advisor, specializing in compliance, governance and risk and has significant international business experience including in the pharma industry. Carol's expertise lies in commercial operations, international supply chain, strategic planning, change management and market development. She has worked as a Director and Senior Advisor for very large homecare providers and has a strong track record at European director level in pharmaceuticals.	None	Quality and Clinical Risk (Chair), Audit, Remuneration

Table 16: 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 and Clinical Risk, Workforce
Colette Marshall	Medical Director from April 2014	Consultant Vascular Surgeon who previously worked for ten years at University Hospitals Coventry and Warwickshire. Colette has a master's degree in Health Services Management and a background in the healthcare commissioning sector working with Clinical Commissioning Groups in Coventry and South Staffordshire.	Governing Body Member South East Staffordshire and Seisdon Peninsula CCG	Finance, Quality and Clinical Risk, Workforce

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 and Clinical Risk, Finance
Emma Goddard	Chief Operating Officer (from September 2011) (Maternity leave Dec 2013 to November 2014. Resigned at the end of maternity leave absence to take up a substantive role at Milton Keynes NHS Foundation Trust)	Emma joined the Trust from Hillingdon Hospital where she had worked in both operational and strategic roles.	None	Finance, Workforce
Eileen Doyle	Interim Chief Operating Officer (from Dec 2013)	Eileen joined the Trust on an interim basis from Lewisham NHS Trust where she had worked with the team heading up the dissolution of South London NHS Trust and the subsequent acquisition of services in Greenwich and Sidcup. Prior to that she has held Operational Director roles in a number of Trusts since 2005.	None	None
Don Richards	Director of Finance and Performance	Before joining Bedford, Don was director of finance at NHS Kensington and Chelsea. He has	Owner of 7m limited Has taken up a substantive	Finance, Workforce (from September 2013)

	(from April 2011 to June 2014.)	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	appointment as Director of Finance at West Herts NHS Trust from June 2014	Resigned from the Trust Board in June 2014.
Colin Gentile	Interim Director of Finance and Performance (From June 2014 to Dec 2014).	An experienced interim director of finance who has filled the role in over 10 Trusts	Owner of Cogent Health Solutions	Finance
David Meikle	Interim Director of Finance and Performance (From Jan 2015)	<p>An experienced finance director having worked in both the private and public sectors at a senior level for a number of years.</p> <p>Started in the NHS as a national finance trainee and on qualification moved to the private sector as a management consultant. In this period he also obtained his MBA from Henley Management College.</p> <p>Re-joined the NHS as a finance director of an acute trust and since that time has had a number of Director and Chief Executive roles across all areas of the NHS.</p>	<p>Owner of Peckwater Consulting</p> <p>Consultant and advisor to Prederi Consulting</p>	Finance

5.2 Statement as to disclosure to auditors

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 and development workshops, visited other Trusts, and met local stakeholders regularly, especially local commissioners.

In 2014/15, the Board met in public on 11 occasions, plus the AGM, held in July 2014. 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 section 8).

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

5.3 Additional disclosures

Pension Liabilities

See Section 6 – the Remuneration Report, table 22 and note 9.6 in the Trust's published accounts.

Directors' / Members' interests

See Section 5 – the Directors Report, tables 15 and 16.

External auditor's remuneration

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 £97,877 plus VAT, i.e. £117,452 in 2014/15. 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.

Table 17: Sickness Absence and Ill Health Retirements

Staff Sickness absence and ill health retirements

	2014-15	2013-14
	Number	Number
Total Days Lost	19,728	18,895
Total Staff Years	<u>2,208</u>	<u>2,135</u>
Average working Days Lost	<u>8.93</u>	<u>8.85</u>
	2014-15	2013-14
	Number	Number
Number of persons retired early on ill health grounds	0	7
	£000s	£000s
Total additional pensions liabilities accrued in the year	0	403

The Department of Health (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.

Cost allocation and charges for information

The Trust has complied with HM's Treasury guidance on setting charges for the year. The majority of Trust income is covered by the tariffs which apply under the National Tariff Payment System rules issued for 2014/15.

Disclosure of personal data related incidents

Risks to data security are managed and controlled through the Information Governance Board which has agreed policies and procedures which include a Caldicott Guardian and Senior Information Responsible Officer (SIRO), control of access to systems, encryption and monitoring, and which reviews performance against the information governance toolkit. The Trust made a Level 2 compliant submission of the Information Governance toolkit on 30 March 2015 meeting national requirements.

No IG incidents were categorised as major harm and did not require reporting to the Information Commissioner as the scoring criteria did not constitute an Information Governance Serious Incident

Employee consultation

The Trust remains fully committed to ensuring that all staff have access to information and opportunities to engage in decision-making.

Staff are able to receive information and engage using a wide range of forums and channels and results from the latest staff opinion survey show improvements in involving staff in important trust decisions, where the Trust was rated in the top 20 acute Trusts in the country for staff engagement and the top 20% for motivation.

There is regular engagement with Trade Unions and professional organisations through the monthly joint staff management committee. The Trust also has a Local Negotiating

Committee and Medical Staff Committee.

The Trust has a weekly staff newsletter, which departments are asked to print and display, a hospital intranet site and the Chief Executive undertakes monthly roadshows to provide a face-to-face update for staff and to answer any questions.

Equality disclosures

The Trust is an equal opportunities employer and has held accreditation as an Investor in People (for over 10 years) as well as 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 Equality Act 2010 specifies that public sector organisations, such as Bedford Hospital NHS Trust, are required to publish information to demonstrate how we are meeting our Public Sector duties. As such, the Trust has published its Annual Equality Delivery System report on its website.

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. Since 2012, the Trust has been working on its Equality Delivery System and meets annually with stakeholders to monitor the Trust's progress 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.

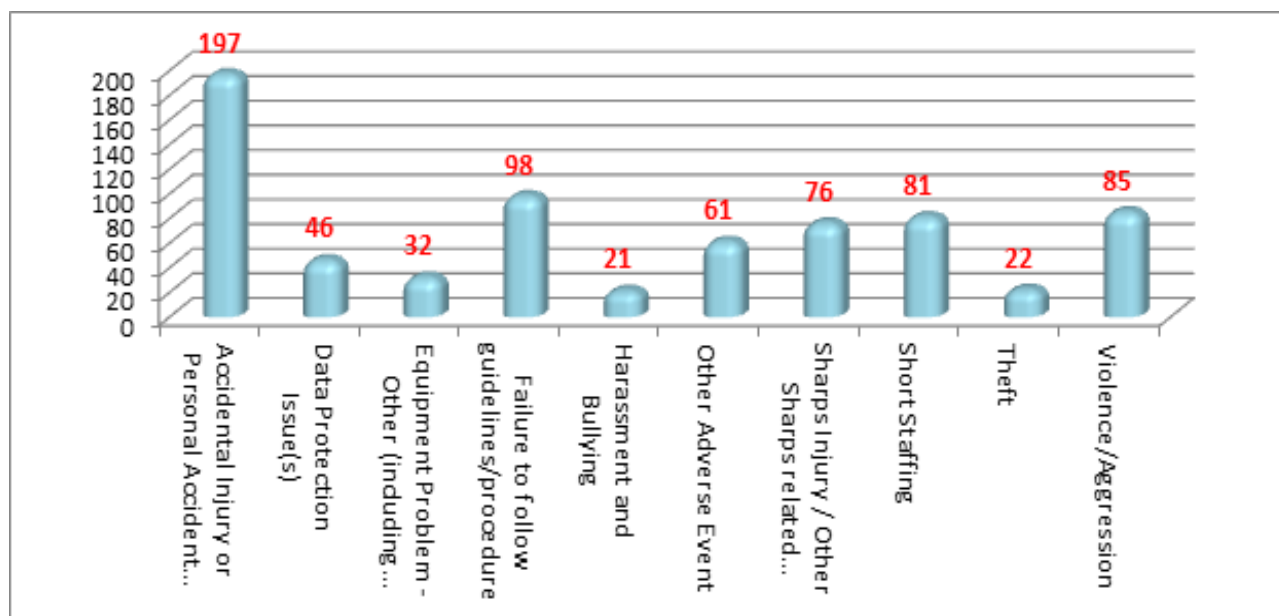
Health and Safety

Bedford Hospital NHS Trust has a duty of care to ensure that it has formal management systems in place to provide a safe working environment for staff, visitors and patients. This duty of care is underlined through current legislation and is enforceable by law.

Potential for harm comes from a number of sources - the size of the site, the nature of the organisation, substances used, building work, traffic flow, maintenance and the working environment. Naturally, risks associated with these activities need to be measured, recorded and minimised where possible.

The total number of non-clinical incidents/accidents recorded on the Trust's Datix system between 1 April 2014 and 31 March 2015 totalled 946. This shows a reduction of 9% (93 incidents) on the previous year.

Table 18: Top ten incidents (non-patient) from 1 April 2014 to 31 March 2015



Any health and safety incidents that resulted in major injury were reported to the Health and Safety Executive as required under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations, 1995 (RIDDOR).

The total number of non-clinical RIDDOR-reportable incidents fell by 25% between April 2010 and March 2014; however, between 1 April 2014 and 31 March 2015, the number of non-clinical RIDDOR-reportable incidents has increased by 45%.

Health and Safety awareness is being promoted in a number of ways throughout the hospital. Currently increased awareness is being achieved in the following ways:

- Weekly walk around in selected areas by the Health and Safety Manager.
- Monthly work place Inspections of all Trust areas, internally and externally by specialist staff.
- A health and safety tweet is added to the staff weekly newsletter on a fortnightly basis.
- New Health and Safety display cabinets will be placed in key areas of the hospital displaying a different topic each month, along with Health and Safety leaflets holders.
- One-stop-shop on the Trust intranet – promoting HSE regulations; Approved Codes of Practice (ACOPs) etc.
- Working to achieve the Occupational Health and Safety accreditation ISO18001-funding in place.
- All new staff attending corporate induction are provided with an individual CD, this CD contains all relevant health and safety information.

Work Place Inspections

In order to maintain a safe working environment, it is essential that all areas of the Hospital are inspected regularly; this is achieved by carrying out workplace inspections on a quarterly basis. In 2014 the number of areas selected for inspection has doubled from 20 to 40.

The work place inspections are now carried out by subject matter experts: Health and Safety, Fire, Security, Emergency Planning, Infection Control, Manual Handling, Medical Records and Maintenance staff.

After these inspections, a formal report is generated, (which includes photographs) any deficiencies are identified and brought to the attention of the respective line manager for remedial action. The inspection report is forwarded to the Health and Safety Committee.

Risk Assessment Audit

An audit of the following risk assessments are being carried out in every department/area within the Trust; the aim is to ensure that the Trust is fully compliant in regard to risk assessments:

- Work Place Risk Assessments
- Control of Substances Hazardous to Health (COSHH)
- Display Screen Equipment (DSE)

Work Place Audits

Each year the Health and Safety Manager has been tasked to do a number of formal audits within the hospital. The three audits selected for 2015 are: Control of Substances Hazardous to Health (COSHH), Personal Protective Equipment (PPE) and Lone Working.

Staff from various areas/departments take part in the audits; this provides a wide spread of staff and skills from across the Trust.

Fire Safety

Fire safety is a major priority within the Trust. The Trust 'Fire Safety Action Group' meets on the first Tuesday of every month to look at all fire safety related issues and an action plan is produced; the Fire Safety Action Group reports up to the Health and Safety Committee.

Fraud

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

Table 19: Better Payments Practice Code

Measure of compliance	2014-15 Number	2014-15 £000s	2013- 14 Number	2013-14 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	61,284	74,531	42,071	58,804
Total Non-NHS Trade Invoices Paid Within Target	52,490	66,189	30,337	45,720
Percentage of NHS Trade Invoices Paid Within Target	85.65%	88.81%	72.11%	77.75%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	1,101	11,138	988	10,045
Total NHS Trade Invoices Paid Within Target	814	9,116	608	6,962
Percentage of NHS Trade Invoices Paid Within Target	73.93%	81.85%	61.54%	69.31%

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 2014/15, the Trust's performance under the better payment practice code was: 88.81% by value and 85.65% by number of non NHS invoices and 81.85% by value and 73.93% by number of NHS invoices were paid within target. Details of compliance with the code are given in note 10 to the accounts..

Prompt Payments Code

The Trust has signed up to the Prompt Payments Code

Emergency Preparedness, Resilience and Response (EPRR)

In 2014 Bedford Hospital appointed a full time Emergency Planning officer. The Trust has a Resilience committee which meets monthly and upwardly reports compliance against the core standards for EPRR to the Executives, with an action plan to address any weaknesses.

Bedford Hospital is working in partnership, through the Bedfordshire and Luton Local Resilience Forum (BLLRF), with other external partners to ensure that it is meeting all of the core standards of the NHS Commissioning Board Emergency Preparedness Framework 2013 and associated guidance and that the risks within the county are mitigated.

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.

Off Payroll Engagements

The Treasury requires 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).

See Section 6 – the Remuneration Report and tables 25 and 26 for the Trust position on off payroll engagements.

Section 6 Remuneration Report

The Remuneration 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. (See tables 15 and 16 for details of the membership of the Remuneration Committee).

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 NHS Appointments Commission (prior to October 2012) and the appointments panel of the NHS Trust Development Authority (for appointments and re-appointments from 1 October 2012) 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 2014/15. 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 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 2015. 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 2014/15 was £175,000-£180,000 (2013/14, £145,000-150,000). This was 6.15 times (2013/14, 5.29 times) the median remuneration of the workforce, which was £28,919 (2013/14, £27,900). Remuneration ranged from £12,890 to £177,870 (2013/14, £14,000 to £145,000). The median pay disclosure is subject to audit.

In 2014/15, the Trust employed two interim Directors of Finance; one from June to December 2014 and the other from January to March 2015. The payments made to the interims, when converted to full time equivalent salaries, exceeded the remuneration of the employee who was previously the highest paid director, i.e. the Chief Executive. (2013/14, no one was paid on a full time equivalent basis at a rate higher than the highest paid director).

There was a partial lifting of the pay freeze across the NHS in 2014/15, resulting in a 1% (non-consolidated) increase for all staff on Agenda for Change pay scales who were at the top of their relevant pay scale. 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.

Table 20: Non-Executive Director Salary Information (audited)

Name and Title	Current Contract Start Date	Contract end date/ Non Executive renewal date	Leaving date where applicable	2014-15						2013-14					
				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 £2,500) £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
Non Executive Directors															
Ms F Wilson, Trust Board Chairman	2011	N/A	Dec-14	15-20	2					15-20	20-25				20-25
Mr D Gear, Non Executive Director	2008	2016	N/A	5-10						5-10	5-10				5-10
Mr G Johns, Non Executive Director	2008	2016	N/A	5-10						5-10	5-10				5-10
Mr G Johns, Trust Board Chairman	2015	2016	N/A	0-5						0-5					
Mr P Hutt, Non Executive Director	2009	2014	Sep-14	0-5						0-5	5-10				5-10
Mrs D Kobewka, Non Executive Director	2012	2016	N/A	5-10						5-10	5-10				5-10
Dr D Gregson, Non Executive Director	2012	2016	N/A	0						0	0				0
Mr A McKeever, Non Executive Director	2014	2018	N/A	0-5						0-5					
Dr C McCall, Non Executive Director	2014	2018	N/A	0-5						0-5					

Table 21: Executive Director Salary Information (audited)

Name and Title	Current Contract Start Date	Contract end date/ Non Executive renewal date	Leaving date where applicable	2014-15						2013-14					
				Salary	Expense payments (taxable)	Performance related Bonuses	Long Term performance pay and	All pension-related benefits	TOTAL	Salary	Expense payments (taxable)	Performance related Bonuses	Long Term performance pay and	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 £2,500) £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
Executive Directors															
Mr S Daniells-Conroy, Chief Executive Officer (acting)	2012	N/A	N/A							85-90				85-90	
Mr S Daniells-Conroy, Chief Executive Officer (substantive)	2014	N/A	N/A	145-150				52.5-55	195-200	45-50			190-195	235-240	
Mr E Neale, Medical Director	2006	N/A	Apr-14	5-10	4	0-5		0	5-10	170-175		30-35	45-50	250-255	
Ms C Marshall, Medical Director	2014	N/A	N/A	115-120				0	115-120						
Mrs N Fraser, Director of Nursing and Patient services	2013	N/A	N/A	105-110	3			30-32.5	135-140	90-95			75-80	170-175	
Ms E Goddard, Chief Operating Officer	2011	N/A	Nov-14	15-20				27.5-30	45-50	95-100			15-20	115-120	
Ms E Doyle, Interim Chief Operating Officer	2013	N/A	N/A	160-165					160-165	60-65				60-65	
Mr D Richards, Director of Finance	2012	N/A	Jun-14	30-35	1			25-27.5	55-60	140-145			15-20	160-165	
Mr C Gentile, Interim Director of Finance	2014	N/A	Dec-14	140-145	43				145-150						
Mr D Meikle, Interim Director of Finance	2015	N/A	N/A	50-55					50-55						
Ms G Opreshko, Interim Director of Workforce & OD	2013	N/A	Apr-14	5-10					5-10	70-75				70-75	
Mr D Fairley, Interim Director of Workforce & OD	2014	N/A	Mar-14	125-130					125-130						

Note 1: Ms F Wilson resigned as Trust Chair in December 2014, at which point Mr G Johns (NED) took up the role.

Note 2: Mr E Neale stepped down as Medical Director in April 2014, at which point Colette Marshall joined BHT

Note 3: Ms E Doyle and Ms G Opreshko are employed through an Agency. The figures shown in the table above exclude charges for commission and VAT of £55,664..

Note 4: Mr D Richards, left the Trust in June 2014 and was replaced by Mr C Gentile, on an interim basis. Mr Gentile covered the Director of Finance role until December 2014. Mr D Meikle took up the post on an interim basis in January 2015.

Note 5: Dr D Gregson is a non voting associate NED. Dr Gregson does not receive any remuneration for the role.

Note 6: Mr S Daniells-Conroy was appointed as substantive Chief Executive in December 2013.

Table 22: Executive Director and Non-Executive Director (Trust Board) Pension Information (audited)

2014/15								
Name and Title	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 2015 (bands of £5,000) £000	Lump sum at age 60 related to accrued pension at 31 March 2015 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2014 £000	Real increase/(decrease) in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2015 £000	Employer's contribution to stakeholder pension £000
Mr S Daniells-Conroy, Chief Executive (substantive)	2.5-5	7.5-10	30-35	100-105	613	88	717	0
Mr E Neale, Medical Director	0-2.5	0-2.5	50-55	155-160	1,034	2	1,109	0
Mrs N Fraser, Director of Nursing & Patient Services	0-2.5	(0)-(2.5)	10-15	5-10	129	29	162	0
Ms E Goddard, Chief Operating Officer	0-2.5	0	5-10	0	46	9	61	0
Mr D Richards, Director of Finance & Performance	0-2.5	(0)-(2.5)	35-40	85-90	713	7	762	0
Ms C Marshall, Medical Director	(0)-(2.5)	(0)-(2.5)	35-40	110-115	632	4	653	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 2015, 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.

Table 23: Exit packages and severance payments

Exit package cost band (including any special payment element)	2014-15			2013-14		
	*Number of compulsory redundancies	*Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	Number	Number	Number	Number	Number
Less than £10,000	0	0	0	0	1	1
£10,000-£25,000	1	0	1	0	3	3
£25,001-£50,000	2	0	2	0	0	0
£50,001-£100,000	0	0	0	0	1	1
Total number of exit packages by type (total cost)	3	0	3	0	5	5
Total resource cost (£s)	94,493	0	94,493	0	133,202	133,202

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme and MARS scheme. Exit costs in this note are accounted for in full in the year of departure. 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. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

BHT ran a Mutually Agreed Resignation Scheme (MARS) in 2013/14 to support delivery of efficiency plans and 5 staff left using the scheme at a cost of £133,202.

Table 24: Other Departures analysis

	2014-15		2013-14	
	Agreements	Total value of agreements	Agreements	Total value of agreements
	Number	£000s	Number	£000s
Mutually agreed resignations (MARS) contractual costs	0	0	5	133,202
Total	<u>0</u>	<u>0</u>	<u>5</u>	<u>133,202</u>
Non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary	0	0	0	0

A single exit package can be made up of several components each of which will be counted separately in this note, the total number above will not necessarily match the total numbers in Note 9.4 which will be the number of individuals.

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 2014-15.

Table 25: All off-payroll engagements as of 31 March 2015, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2015	2
<i>Of which, the number that have existed:</i>	
for less than one year at the time of reporting	2
for between one and two years at the time of reporting	0
for between 2 and 3 years at the time of reporting	
for between 3 and 4 years at the time of reporting	
for 4 or more years at the time of reporting	

Table 26: All new off-payroll engagements between 1 April 2014 and 31 March 2015, 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 2014 and 31 March 2015	2
Number of new engagements which include contractual clauses giving Bedford Hospital the right to request assurance in relation to income tax and National Insurance obligations	2
Number for whom assurance has been requested	
<i>Of which:</i>	
assurance has been received	2

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	10

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 1 Executive director role at BHT during 2014/15. The substantive Director of Finance left the Trust in June 2014 to join West Herts Hospital NHS Trust. One interim appointment was made to cover the post from June 2014 to December 2014. Another interim appointment was made for the period January 2015 to March 2015 and beyond.

Section 7 Statement of Accountable Officer's Responsibilities


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. In addition, the Trust has breached its statutory breakeven duty during the year as the cumulative deficit position at the end of 2014/15 is £18.285m deficit.

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 3 JUNE 2015

Section 8 Annual Governance Statement

Scope of responsibility

While the Board is ultimately accountable for internal control, I as Accountable Officer and Chief Executive of this Board have 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 continue to abide by, the NHS Code of Conduct and Code of Accountability.

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 2015, 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 is regularly reviewed. The Executive Team and the Executive Management Committee ensures that action is taken to implement controls and address any shortcomings. The Trust Board is apprised 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, which support the discharge of its statutory functions and that these are delivered within the overall governance framework.

An objective for 2014/15 was to demonstrate an effective governance and leadership framework and work has progressed in this area. In reviewing its own effectiveness the Trust engaged the Good Governance Institute (GGI) in the previous financial year to review the governance structure and Board reports. Subsequently, the Trust adopted the GGI recommendations for an improved Board Assurance Framework (BAF) and the operation of its committees and this continued into 14/15.

Trust Board agendas are structured with standing sections to cover: strategic issues, patient safety and experience and performance and assurance including workforce reports and the Board Assurance Framework (BAF). Key issues for the board during the year have been:

- Managing the Trust's challenging financial situation including its in-year variation from plan and the implementation of a recovery plan and mitigating actions.
- Maintaining high levels of operational performance especially during winter whilst maintaining quality and safety.

- Developing the plans for future sustainability in the context of a Monitor/TDA/NHSE review of local services which published its progress report in October 2014. This has resulted in a further programme of work, the 'North Bedfordshire Primary and Acute Services Programme which is responding to the recommendations of the review and developing options for sustainable services.

These issues are discussed in more detail in the Significant Issues section later in this statement.

With its composition of Chair and Non-Executive Directors, appointed by the Appointments Commission, or more recently by the NHS Trust Development Authority, and with an appropriate balance of Non-Executive Directors and Executive Directors, the Board believes that it is compliant with best current corporate governance practice, with regard to the composition of the Board.

Ms Fiona Wilson, The Trust Chair, retired in December 2014 and Mr Gordon Johns was appointed interim Chair (to December 2015). In addition the appointment of two new Non-Executive Directors, one an experienced ex-NHS Chief Executive and the other with a strong commercial pharmaceutical background, strengthens the breadth of skills and experience of the Board.

Committees of the Board and their roles

Board sub committees are Audit, Finance, Quality and Clinical Risk and Charitable Funds Committees, meeting regularly and reporting to the Trust Board following each meeting. The Remuneration Committee meets as required. The GGI were engaged for a further piece of work in 2014/15 to strengthen the effectiveness of the governance committees. A report and recommendations were received and adopted in full by the Trust Board at a meeting in public in July 2014.

The Audit Committee, comprised of four non-executive directors and chaired by Mr Duncan Gear, reviews the organisational risks identified in the Board Assurance Framework, financial control systems and receives regular reports from the internal and external auditors and the local counter fraud specialist. Key work during 2014/15 has included:

- The continued development of the Board Assurance Framework, with a focus on the quality of controls and assurances, including the distinguishing of independent from internal assurances
- Ensuring prompt and effective responses to internal audit reports. This was highlighted by the Committee as an area of weakness that required specific management attention.
- Introduction of a system to better support the tracking of internal audit recommendations; this was implemented in January 2015 and the Trust is currently in the process of procuring an IT solution to strengthen this further.
- A key goal for 14/15 has been and will continue in 15/16 to ensure that issues covered by internal audit reports align well to the BAF risks

The Finance Committee, comprising three non-executive and five executive directors and chaired by Ms Deborah Kobewka to September 2014 and by Mr Anthony McKeever from October 2014 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 risks and opportunities facing the trust, including the future organisational form and significant forecast year-end and cumulative

deficit position. The Committee played an important role in seeking assurances on the robustness of the assumptions and risk mitigations behind the Trust's revised forecast outturn and received the independent review by Baker Tilly to inform the decisions made about the application for Public Dividend Capital in January 2015.

The Quality and Clinical Risk Committee under the chairmanship of Mr Paul Hutt (to October 2014) and Dr Carol McCall (from December 2014) has four non- executive directors as members, plus the Medical Director, Director of Nursing and Patient Services 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 and never events are also reported to every public Board meetings. The committee is working on a quarterly cycle, supported by a forward plan, to review progress against the Trust's three quality objectives, patient safety, patient experience and clinical effectiveness. Following the GGI review the Committee is working with the Audit Committee to ensure there is a consistent approach to areas of common interest.

It was agreed that the Workforce Committee would be dissolved once the Trust had received the report of its Health Education East of England (HEEoE) quality and performance review visit, and in line with the recommendations of the GGI review. This decision was ratified at the Trust Board meeting in December 2014. As well as receiving assurance on the HEEoE review, which resulted in the phased return of paediatric trainees (one of the causes of the committee being established) it was deemed, from an assurance perspective and given their importance to strategy and delivery, that key education, training and workforce issues would be presented directly at Trust Board rather than at committee. From February 2015 a dedicated part of the Board agenda therefore focusses on these matters including provision of a workforce performance scorecard.

The Remuneration 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 in respect of NHS business only. The Charitable Funds Committee, with the same membership as the Audit Committee and attended also by representatives from the Bedford Hospitals Charity and the Friends of Bedford Hospital Charity 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 table 27.

(Figures are for number of meetings attended and number of meeting eligible to attend: blanked out column indicate that the director is not a member of that committee).

Table 27: Attendance by Trust Board members at Trust Board meetings and sub committees

Name	Role	Post held	Board	Finance	Audit	Quality &CR	Workforce	Charitable Funds
Ms F Wilson	Chair	Chair Interim from December 2011, confirmed January 2013 to December 2014. Resigned from Trust Board.	7/8	8/8		3/3	2/3	
Mr G Johns	Chair	Chair from January 2015 Vice Chairman from October 2009 NED from February 2008	11/11	11/11		5/5	3/3	5/6
Mr S Conroy	Chief Executive	Chief Executive Acting from February 2013, substantive from December 2013	10/11	10/11		5/5	3/3	
Mrs N Fraser	Director of Nursing	From September 2012	9/11	8/11		5/5		
Mr D Gear	Non-Executive Director	From June 2008	9/11		6/6	5/5		5/6
Ms E Goddard**	Chief Operating Officer	From September 2011 to November 2014. Resigned from Trust.	0/0 (maternity leave)	0/0 (maternity leave)			0/0 (maternity leave)	
Ms E Doyle	Interim Chief Operating Officer	From November 2013	7/11	6/11				
Dr D Gregson	Associate Non-Executive Director	From September 2012	8/11					
Mr P Hutt	Non-Executive Director	From October 2009 – September 2014 Resigned from Trust Board	5/5		3/3	2/2	2/3	3/3
Mrs D Kobewka	Non-Executive Director	From May 2012	10/11	9/11	6/6		3/3	4/6
Mr E J Neale	Medical Director	From 2006 - April 2014	1/1	0/0		0/0	0/0	

Ms Colette Marshall	Medical Director	From April 2014	9/10	8/11		3/5	2/3	
Mr D Richards	Director of Finance and Performance	From March 2011 – June 2014	3/3	1/2	1/1		0/1	1/1
Mr C Gentile	Interim Director of Finance and Performance	From June 2014 to Dec 2014).	6/6	6/6	3/3		2/2	4/4
Mr D Meikle	Interim Director of Finance	From January 2015	3/3	3/3	2/2		0/0	1/1
Mr A McKeever	Non-Executive Director	From August 2014	7/7	5/5	3/3			2/2
Dr C McCall	Non-Executive Director	From October 2014	6/6		2/3	2/2		

*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:

Organisational Performance

Key performance indicators are set out in more detail in the Strategic Report and financial statements, however organisational wide performance of note includes:

Operational Performance and National Standards

The Trust has performed well against national operational targets and standards. It met the national target of 95% patients seen within 4hrs in A&E and during the winter period it has produced some of the best performance against the target in the country. It has met cancer waiting times targets with the exception of the symptomatic breast service, where the service had to be temporarily restricted in early 2014/15 due to recruitment issues. It has met its trajectories for 18 weeks Referral to Treatment (RTT) times.

On the 19 and 20 August 2014 the Care Quality Commission (CQC) carried out an unannounced inspection to check whether Bedford Hospital had taken action to meet the following essential standards:

- Care and welfare of people who use services
- Cooperating with other providers
- Assessing and monitoring the quality of service provision
- Complaints

The CQC reported that the Trust was meeting these, and following a previous inspection was therefore meeting all essential standards. This was significant progress from 2013

where it had received a critical inspection report.

Better patient experience

In the financial year 2014/15, there were 20 grade three pressure ulcers declared as serious incidents, which is a significant improvement in performance compared to 27 in financial year 2013/14. Of the 20 pressure ulcers declared, nine pressure ulcers were deemed to be 'unavoidable' compared to 19 in the previous financial year, which again, is a significant improvement. The friends and family test has made a slow but steady increase from 48 in April 2014 to 58 at the end of February 2015. The number of formal complaints to the Trust has reduced slightly from 349 in 2013-14 to 306 in 2014-15. From September 2014 the Trust has achieved its target when responding to complainants.

Improved staff survey results

Bedford Hospital has been rated in the top 20 per cent of acute Trusts in the country for staff engagement and motivation, according to the latest NHS staff survey results. The results also show that the number of staff feeling satisfied with the quality of work and patient care they are able to deliver and the percentage recommending Bedford Hospital as a place to work or receive treatment are in the highest 20 per cent of hospitals. Results of the survey are summarised into 29 key findings, with Bedford Hospital scoring in the top 20% of acute Trusts for 16 indicators and better than the NHS average for 23. Only two areas for the Trust fell below the national average. Staff were asked whether the care of service users is our organisation's top priority and 77% either strongly agreed or agreed. This compares to the hospitals 2013 score of 65%, and the national average of 70%.

- 74% of staff said that the organisation acts on concerns raised by patients (compared to 68% in 2013 and the national average of 71%).
- 63% of staff would recommend Bedford Hospital as a place to work (compared to 51% last year and the national average of 58%).
- 75% of staff would be happy with the standard of care provided by this hospital if a friend or relative needed treatment (compared 63% in 2013 and the national average of 65%).

Bedford Hospital also compared most favourably with other Trusts on staff reporting of errors, near misses or incidents and for the number of staff suffering work related stress. The Trust improved significantly compared to last year for the proportion of staff experiencing harassment or bullying, however the results show that the number of staff having an annual appraisal and the percentage of staff working extra hours was worse than the national average and sickness levels are a concern. Action will be taken to improve in those areas.

Health Education East of England (HEEoE) quality and performance review visit

HEEoE visited Bedford Hospital in October 2014 to review the Trust's performance against the Learning and Development Agreement including the GMC and Non-Medical Commissioned Programmes standards. A previous review in 2012/13 had highlighted a number of concerns and in part resulted in the withdrawal of paediatric junior doctors. There were no areas of immediate concern identified and with regard to the provision of postgraduate medical education and training, Bedford Hospital NHS Trust met with all conditions subject to a report on two areas requiring further investigation and an action plan to address the recommendations highlighted in the report. As a result junior doctors were reinstated to the paediatric department. The next full Quality Performance Review (QPR) will be in 2017.

Quality Governance

Quality and safety has a defined governance structure to support its delivery and assurance. At Board level the Quality and Clinical Risk Committee (QCRC) provide assurance to the Board on the key clinical governance systems and on delivery of quality performance. This includes, a range of quality metrics (via a scorecard) incident reporting, mortality, nurse staffing

During the financial year 2014/15, the Trust declared a total of 71 Serious Incidents. Of these serious incidents, one was a never event. This is in comparison to 58 incidents in 2013/14. All Serious Incidents were subject to a Root Cause Analysis (RCA) investigation, including recommendations and action plans based on the findings of individual investigations. Implementation of the actions is managed and monitored through the appropriate business unit and through the Serious Incident Review Panel (SIRP).

At management level the Quality Board (reporting to the Executive Management Committee) is executive chaired and oversees delivery of quality and safety objectives and monitoring of performance. It has a range of groups reporting into it for example Mortality, prescribing, Venous Thromboembolism (VTE), Nice, Nutrition. Any statutory clinical duties requiring management groups are monitored via this structure e.g. safeguarding, human tissue act.

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 2014/15 as well as setting out priorities for quality improvement in 2015/16.

Risk assessment

The Trust recognises that risk is individualistic by nature and as such can be difficult to predict. The following systems and processes are in place for managing and monitoring risk:

- A risk management strategy and policy
- Clear division between assurance and operational responsibilities;
- 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) is in place;
- A Board Assurance Framework that had developed 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 strategic risks.
- An adverse incident reporting system;
- Developed policy framework including policies on Fraud and bribery, declaration of interests and acceptance of gifts and hospitality and Whistleblowing;

Risks are identified on a bottom up basis by managers and scored using a 5x5 impact x likelihood matrix consistent with good risk practice and NHSLA standards. Those with a residual risk rating of 16 or more, including those from failure to maintain compliance with CQC registration, are reported monthly to the Risk and Compliance Board and Executive Management Committee for management review. Each department and Clinical Business Unit regularly reviews all risks and their ratings in light of mitigating actions and ensures learning is captured and fed back.

An executive chaired Risk and Compliance Board is in place to review the principal

operational risks and moderate them before they are considered by the appropriate management boards and assurance committees. This Board provides an escalation report of significant risks (scored 16 or above) to the Quality and Clinical Risk Committee.

The Quality and Clinical Risk Committee reviews risks where the score is significant (e.g. 16 or above and especially those 20 and above), risks where the score has remained the same for at least 3/4 months suggesting the controls were not effective and risks where no review or update has been provided for more than 3 months in order to provide assurance to the Trust Board.

Risks to data security are managed and controlled through the Information Governance Board which has agreed policies and procedures which include a Caldicott Guardian and Senior Information Responsible Officer (SIRO), control of access to systems, encryption and monitoring, and which reviews performance against the information governance toolkit. The Trust made a Level 2 compliant submission of the Information Governance toolkit on 30 March 2015, meeting national requirements.

No IG incidents were categorised as major harm and did not require reporting to the Information Commissioner as the scoring criteria did not constitute an Information Governance Serious Incident.

The Trust's Board Assurance Framework indicates the risk against achievement of the Trust's strategic objectives which are aligned with the CQC domains and include as main areas of focus, objectives to:

- Develop a patient safety culture for harm free care;
- Deliver seamless, consistently high quality seven day services;
- Demonstrate a learning culture - listen, learn and act on patient and carer feedback;
- Define a sustainable clinical business model; and
- Ensure effective governance and leadership framework

The key risks, set out in the BAF, were identified in April 2014 as being:

1. Causing avoidable harm and distress to patients
2. Increase in SHMI/ 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. Financial and Clinical Sustainability (Impact of the review of health services in Bedfordshire and Milton Keynes)
11. Rapid turnover in the executive management team

Review of these risks was undertaken and reported to the Trust Board on a regular basis, where relevant risks were also reviewed by the associated committee, in particular the Finance, Workforce and Quality committees.

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 reviewed regularly 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.
- Medical Director - Clinical risk. She is also the Caldicott Guardian.
- Director of Nursing and Patient Services - risk management, non-clinical risk, risks associated with support services and risks associated with human resources.
- Director of Corporate Affairs is the Senior Information Risk Owner (transferred from the Director of Finance in Feb 2015).
- Chief Operating Officer - risk associated with access targets and delivery of activity.

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 (Health & Safety) The Trust's weekly staff e bulletin includes a section on learning from issues as well as highlighting risk areas.

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 Annual Governance Statement.

The Head of Internal Audit opinion is as follows:

Based on the work undertaken in 2014/2015, 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.

A&E Data Quality: Our audit of A&E Data Quality identified a number of significant weaknesses in the systems in place for recording A&E discharge times on CAS cards, and as such we were not able to provide assurance over the accuracy of reported figures. The Trust therefore needs to ensure that an effective control framework is established to ensure that patient discharges are accurately recorded and that validation processes are put in place to ensure the accuracy of performance data reported.

Doctor Revalidation: Our audit of Doctor Revalidation identified a number of significant weaknesses in the design of the control framework of the Doctor Revalidation process, particularly in respect of providing a robust framework to ensure that revalidation is taking place in a timely manner. The Trust has put in place an action plan to address the weaknesses identified with actions planned to be completed by the end of June 2015.

We have also issued a number of reports during the course of the year where we could only provide some assurance (amber red) in respect of Discharge Planning, Cost Improvement Plans, Safeguarding Adults and External Locum Doctor Usage. Whilst the findings within these reports were not sufficiently significant to impact on the overall effectiveness of internal controls, they did require action to be taken to address the weaknesses identified. The Trust has put in place a robust system of recommendation tracking to address any weaknesses identified through the Internal Audit process, and this is subject to independent review by Internal Audit and the Audit Committee. Based on the work undertaken on the Trust's system of internal control, we do not consider that within these areas there are any issues that need to be flagged as significant internal control issues in the Annual Governance Statement.

Action plans have been agreed to overcome the weaknesses identified by internal audit.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with reassurance. 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 by regulatory bodies, for example CQC, HSE and Health Education England.

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 from the Clinical Business units, (which address quality and risk issues), the Quality Committee, Quality Board, Information Governance Board, Risk and Compliance Board, 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 for example, the Care Quality Commission's most recent unannounced inspection, the Health Education East of England quality review, the independent 'Dr Foster' rankings, hospitals' standardised mortality index (SHMI), accreditation as an Investor in People, JAG accreditation and various awards, including achieved e.g. CHKS top 40 hospitals for the twelfth successive year.

Multi-agency and multi-disciplinary meetings between the Trust, Clinical Commissioning Group 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.

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 functions.

For the 5 year period ending March 2014 (the latest period for which information is available) the Trust was in the top 20% of small acute trusts for the (fewest) number of claims reported to the NHS Litigation Authority, and against a national picture of an increase in premiums for 2015/16, the Trust's premium has actually reduced, because of its good claims experience. The Parliamentary and Health Services Ombudsman did not issue any reports in the year, reference to which had to be made in this Annual Report. He has found aspects of maladministration in five cases, two involving complaints handling, the other areas being assessment and treatment of pressure ulcers, decision-making in the Accident & Emergency Department, complex discharge arrangements and consent arrangements for a patient who lacked capacity. Two redress payments have been made. The Trust has developed action plans, shared with the families involved to demonstrate that processes are strengthened to try to prevent the same problems recurring.

Significant issues

1. Managing the Trust's challenging financial situation including its in-year variation from plan and the implementation of a recovery plan and mitigating actions.

The Trust reported early in 2014/15 that it was at variance from its planned deficit of £6.8m. The main causes of the adverse variance were:

- Escalations beds remaining open through the year as a result of continuing demand, especially in acute admissions – these were not funded in the original forecast.
- Increased use of bank and agency to support the escalation beds and in support of the quality agenda.
- The inability to recruit to key Consultant posts within the organisation and the rising level of substantive nurse vacancies.

- Commissioner and tariff penalties; in particular the Marginal Rate Emergency Tariff (MRET). The increased rate of admissions has a disproportionate impact on smaller trusts such as Bedford where the 30% rate does not cover relatively high fixed costs on smaller sites. For 2014/15 this deduction equalled £6m without the consequent investment in services to prevent admission or facilitate discharge as per national guidance.
- Some limitations in the 14/15 budget setting process.

A series of mitigating actions were identified that were constructed into a formal recovery plan, signed off by the TDA and the Trust Board in October 2014. In particular these focus on a managed programme within five key workstreams.

The programmes are:

1. Workforce
2. Operational Efficiency
3. Coding and counting
4. Investment
5. Control of Legacy Issues

In addition the Trust commissioned Baker Tilly to review the robustness of the proposed actions and the assumptions behind a revised forecast projection. The review in the main supported the Trust's assumptions and provided further feedback for the plan. Following the production of the recovery plan and revised forecast the Trust applied for £20.7m of Public Dividend Capital (PDC) which was confirmed in January 2015.

The Trust generated an adjusted deficit, after adjusting for donated government grant asset reserve elimination, of £19.8m in 2014/15, resulting in a cumulative deficit for the Trust of £18.3m. The Trust has therefore failed to achieve its statutory breakeven duty. As a consequence of this the auditors have made a section 19 referral to the Secretary of State.

The Trust has a clearly defined recovery plan and will continue to build on the improvement momentum built up during 2014/15 into future years. However, it is also apparent that despite this recovery plan the Trust will continue to generate deficits over at least a five year period unless radical change is implemented. Per the Trust's long term financial model, assuming services were to continue as they are, the Trust is likely to deliver the following in year deficits:

Table 28: Deficit projections from 2014/15 to 2019/20

	Deficit Projections (£m)
2014/15	20.3
2015/16	16.2
2016/17	12.6
2017/18	12.1
2018/19	12.5
2019/20	12.1

If The Trust does not implement the new models of care, The Trust will continue to miss its statutory breakeven duty. However, even with the implementation of these plans returning to cumulative breakeven is uncertain.

The external auditors have therefore qualified their opinion on the efficiency, effectiveness and economy of the Trust's use of resources.

2. Developing the plans for future sustainability

The Trust recognised in 2012 that under the current Foundation Trust framework it was not sustainable as a standalone organisation in its current form. In 2013 Monitor, NHS England and the Trust Development Authority commissioned McKinsey to undertake a review of the health economies in Bedfordshire and Milton Keynes which are financially both challenged.

The aim was to identify potential options for future sustainability for both areas. The review published its progress report in October 2014. It produced two potential models centred on either Bedford Hospital or Milton Keynes Hospital becoming a major emergency centre and the other an Integrated Care Centre no longer providing core acute and emergency services. No recommendation was made on which site should be what model. The review recognised that neither of these was wholly financially sustainable.

The main recommendation of the report for hospital services therefore, adopted by Bedfordshire CCG, was to undertake more detailed financial and capacity modelling of these models. This second phase programme of work, the *North Bedfordshire Acute and Primary Care Programme*, has therefore focused on developing the following:

- A clear strategy and contractual framework for care closer to home, underpinned by quality standards and robust clinical pathways.
- A model for a vertically integrated hospital and community system, enabling local services to better support vulnerable people to be cared for outside hospital and deliver swifter assessment, diagnosis, treatment and discharge from hospital.
- Defining core hospital services and networking of hyperacute services to develop sustainable and 'modern district general hospital' services that can meet the clinical standards of the future.

The outputs of the programme are a Strategic Outline Case containing evaluated options, supported by detailed financial modelling, that provide, subject to approval, a clinically and financially viable healthcare system for Bedfordshire within 5 years. The Strategic Outline Case will be submitted to regulators in mid June 2015.

3. Maintaining high levels of operational performance especially during winter.

As noted in 1 above, the Trust has seen and admitted high numbers of emergency cases throughout 2014/15 driven by acuity.

This produces multiple consequences:

- It is a direct cause of overspend as the Trust has maintained up to 30 escalation beds open throughout the year that it would otherwise have closed and this was not in the original forecast.
- A greater proportion of its activity is paid only at the 30% MRET rate.
- The additional staffing to support the beds is largely provided through expensive agency staff.
- It causes significant pressure on the ability to meet national targets and in particular the 4hr A&E target. However the Trust, though recognising the impact on its financial

plan, has met the 95% target for the year and at times has produced some of the best performance in the country.

The NHS Trust Development Authority has recognised the Trust's good operational performance.

Stephen Conroy
Chief Executive

Accountable officer: Stephen Conroy

Organisation: Bedford Hospital NHS Trust

3 JUNE 2015 Date  Chief Executive

Section 9 Statement of Director's 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.

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

3 JUNE 2015 Date  Chief Executive

3 JUNE 2015 Date  Finance Director

Section 10 Primary Financial Statements and Notes

See separate document (audited annual accounts)

Section 11 Audit Opinion and Report

See audited annual accounts (separate document)

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