Inspected and rated Outstanding

Care Quality Commission

NHS
University Hospitals Bristol
NHS Foundation Trust

University Hospitals Bristol NHS Foundation Trust

Annual Report and Accounts 2016/17

Respecting everyone
Embracing change
Recognising success
Working together
Our hospitals.

University Hospitals Bristol NHS Foundation Trust
Annual Report and Accounts 2016/17

Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006

Contents

1. Chairman's Statement

Welcome to the Annual Report and Accounts, including the Quality Report, for University Hospitals Bristol NHS Foundation Trust for the year from 1 April 2016 to 31 March 2017.

I want to begin my Chairman's statement by paying tribute to every member of staff in the Trust, as well as to our governors, volunteers, our academic partners and all our charitable supporters for the hard work and dedication that stands behind our "Outstanding" rating from the Care Quality Commission (CQC). We are one of only six acute Trusts in England to be rated Outstanding and the only Trust to have gone from Requires Improvement to Outstanding in one step - in just two years. That is an incredible achievement!

The CQC inspection team saw that we had taken clear action to address the areas of concern they identified during their last inspection of the Trust in 2014 but on this occasion they also witnessed real examples where the trust had developed its quality, innovation and leadership in all areas. We will continue to build on these, listening to concerns and suggestions from staff, patients and families. Above all else, we are committed to continuous quality improvement in our efforts to deliver best care to our patients and to do so with care and compassion.

Our work to do our best for patients spans both strategic and operational issues to ensure that our Trust, our hospitals and our services are well run today and in the future. Our mission addresses this with its commitment to improve the health of the people we serve by delivering exceptional care, teaching and research every day, as does our vision for Bristol and our hospitals to be among the best and safest places in the country to receive care.

In these times of constrained budgets and increasing pressure on our staff, we must work in partnership to redesign our health service so that we can continue to deliver best care to the patients of the future. Some of you may have read about the experience of one of our patients, who was in the Bristol Royal Infirmary for nearly six months, despite being well enough to be discharged because an appropriate care home bed could not be found for her. She was looked after by our staff with care and compassion but a hospital ward was clearly not the best place to meet her needs. The health and social care organisations in Bristol, North Somerset and South Gloucestershire are working together to avoid similar situations arising in future.

The Sustainability and Transformation Partnership, led by our Chief Executive, Robert Woolley, is grappling with the challenge of improving health, improving the quality of local services and delivering financial stability and balance throughout the local care system. It has set out a vision for a radical upgrade in prevention and public health, and much greater integration between family doctors and community services, between physical and mental health, and between health and social care. This will also mean hospitals trusts working more closely together. We are already pursuing the benefits of closer working with North Bristol NHS Trust, building on our existing good relationship and a long-standing partnership agreement

At the same time, the Boards of University Hospitals Bristol NHS Foundation Trust (UH Bristol) and Weston Area Health Trust have agreed to establish a formal partnership arrangement, increasing the level of joint working between us. There is already a positive working relationship between the two trusts which gives local people access to a range of services delivered or supported by Bristol and Weston clinicians. Building on this, we are developing a joint service strategy and establishing a joint management board to oversee our collaboration.

Within our Trust, this past financial year has been marked by other examples of increased partnership working. One example is seen in our new Trust quality strategy. This was formulated in partnership with staff, who contributed their thoughts on what quality means to them, with governors and other patient representative groups. Feedback from patients, carers and families on the services we provide gives us rich information on what we do well and how we can improve further, but now our new quality strategy contains a

major commitment to moving from collecting feedback to building a true partnership with patients and carers.

Our Trust touches the lives of so many people in our area and this year we also left our mark on the cityscape of Bristol. Work on the façade of the Bristol Royal Infirmary, once voted one of the ugliest buildings in Bristol, was completed, creating a sleek, modern and energy-efficient exterior in the centre of the city. The work was done as part of our £92 million redevelopment of the hospital to provide a welcoming environment that matches the quality of care we give for the benefit of patients, visitors and staff alike.

We also paid tribute to the citizens of the past when we celebrated the life of the eighteenth century Bristol Royal Infirmary Old Building, which was founded on the pledges of 78 Bristol citizens who each gave between two and six guineas, to be used "to benefit the poor sick". As we ended our association with the bricks and mortar of the Old Building, and our services moved into much more appropriate modern accommodation, it is only right that we celebrated the part the Old Building played in the healthcare of this city.

Of course, today we benefit from the dedication of modern citizens who give up their time to become governors of our Foundation Trust and sit on the Council of Governors, which plays a vital role representing the views of local people, staff and our partner organisations. Our governors play a key role helping to guide the development of services, holding the Board to account and acting as guardians for our shared values. In 2016/17 we welcomed ten new governors to the Trust and four governors who were re-elected. We are holding governor elections again early in the next financial year and we look forward to working alongside similarly dedicated individuals.

I want to end by reflecting my pride in the Trust. We are successful despite the many challenges we face and the Board know that is because of the commitment and dedication of our staff, our volunteers, partners, governors and charities, all of whom are determined to deliver best care to our patients.

Canon Dr John Savage CBE
Chairman
26 May 2017

2. Chief Executive's Foreword

This year, we were rated Outstanding as a Trust by the Care Quality Commission (CQC), only two years after they gave us a rating of Requires Improvement. We achieved this fantastic result because of our dedicated, caring and compassionate staff and their commitment to learning and improvement. We are the only Trust in the country to have made this scale of improvement between two CQC inspections.

Much has been written about the operational and financial pressures facing the NHS. We are not immune to those pressures and you will read about how we are rising to the challenge in this Annual Report - but this year was also marked by some real achievements at University Hospitals Bristol.

Research in Bristol was given a real boost when the Trust was awarded an National Institute for Health Research Biomedical Research Centre grant of £21 million over the next five years, working with the University of Bristol and its other research partners. This doubled our funding for translational research and will bring tangible benefits for the patients of the future.

We were also among 16 acute trusts in the UK designated as 'digital exemplars', trialling the next generation of information technology to drive radical improvement in the care of patients. With the associated additional funding, we can also focus on systems that cross organisational boundaries and work with our NHS partners to join up care for patients in our area.

We have seen a number of other developments this year which bring real benefit for our patients:

- The West of England Genomic Medicine Centre, hosted by this Trust, enrolled its first patients. This national initiative was launched in 2012 and aims to sequence 100,000 genomes from around 70,000 people with a rare disease, and their families, and from people with cancer. Genomics has the potential to provide prompt and accurate diagnoses and may also provide screening and targeted treatments for common conditions such as diabetes, cancer and heart disease in the future.

- UH Bristol was appointed to manage sexual health services across Bristol and the surrounding region, working with a range of NHS and voluntary sector partners. The new service, commissioned by Bristol, South Gloucestershire and North Somerset Councils and the associated Clinical Commissioning Groups, will provide the region's first fully integrated sexual health service, including the prevention and treatment of infections, unplanned pregnancies and other aspects of sexual health.

- Two of our patient transport teams – Wales Wales & West Acute Transport for Children (WATCh) and the Newborn Emergency Stabilisation & Transport Team (NEST) – teamed up with the Children's Air Ambulance to help save the lives of children in the south west. Teaming up with the Children's Air Ambulance will not only enable WATCh and NEST to complete some transfers up to four times faster than by land ambulance, but will also free up valuable time for clinicians.

- We opened a new unit for expectant mothers who suffer extreme vomiting during their pregnancy. The unit is specially designed to treat patients with hyperemesis without the need for a long stay in hospital.

To keep improving our services, we must also learn when we get things wrong. In June 2016, we welcomed the publication of the Independent Review into children's heart services in Bristol and the related report from the Care Quality Commission, both in response to well-publicised concerns of the families of some children treated at the Bristol Royal Hospital for Children between 2010 and 2014. While the care delivered by our children's heart service has been independently assessed as safe and effective, we fully accepted the findings of

these reports and we have worked tirelessly to implement their recommendations, reporting our progress regularly to the Trust Board in public.

Parents have played an important role in bringing about significant changes in our practice within that service. Our new quality strategy contains a major commitment to building a true partnership with patients and carers and the Bristol Royal Hospital for Children led this step-change with a ten day event in September called 'Conversations' that aimed to encourage patients, visitors, Trust members and staff to talk about their experiences of the hospital so the we can develop our services and improve our communications.

Our staff are the life-blood of our Trust, our hospitals and our services. We aim to support them to stay healthy to feel engaged in the management of their units and positive about their work. I and my colleagues on the Trust Board and the Senior Leadership Team believe that our staff members' experience is central to the quality of the care we provide to patients and this was borne out by the CQC's findings about the outstanding culture of care which they found on their inspection.

We receive rich information about how our staff feel, through the NHS Staff Survey, the Staff Friends and Family Test and our own award-winning feedback tool, the 'Happy App'. The good news is that last year our staff felt more actively involved in their teams, hospitals and the Trust as a whole.

As part of keeping our staff healthy we encouraged them to protect themselves, their families and loved ones, and their patients against flu by getting inoculated and they took up the offer in unprecedented numbers. This year we vaccinated just under 80 percent (79.5%) of our workforce.

At Trust Board level, we welcomed two new executive directors. Paula Clarke joined us as Director of Strategy and Transformation from her role as interim Chief Executive of Southern Health and Social Care Trust based in Craigavon, Northern Ireland, bringing extensive experience in strategic development, partnership working and service redesign in a fully integrated health and social care system. Later in the year, we welcomed Dr Mark Smith as our Chief Operating Officer and Deputy Chief Executive from his role as Chief Operating Officer at Brighton and Sussex University Hospitals Trust.

As we move into another challenging year for the NHS, I want to add my thanks to all of our staff, patients, families, volunteers, governors, partners, charities and everyone else who helped us through the year and contributed to our 'Outstanding' rating for care quality. This year, we launched a short film that provides a snapshot of the work that our staff do in any 24 hour period. It is available on our website and demonstrates far better than I can do in words the care and compassion of our staff. It is very aptly named "We Are Proud to Care'.

With best wishes,

Robert Woolley
Chief Executive
26 May 2017

3. Performance Report

3.1 Overview

2016/17 has been one of the most challenging years for the Trust. Despite the backdrop of continual operational and financial pressures, the Trust has continued to consistently achieve the core national access standards and to deliver high quality care to our patients.

We were rated Outstanding by the Care Quality Commission (CQC) following an inspection in November 2016; becoming the first Trust in the country to go from Requires Improvement to Outstanding between two inspections. The CQC saw that we have taken clear action to address those areas of weakness they identified in our last inspection in 2014, but they also saw real examples of innovation and strength in all areas. In June 2016, a number of independent reports and findings about services in the Bristol Royal Hospital for Children were published. The Trust fully accepted the findings of these reports and welcome their publication as a way to learn from mistakes.

3.1.1 Principal activities of the Trust

UH Bristol is a Public Benefit Corporation authorised by NHS Improvement, the Independent Regulator of NHS Foundation Trusts on 1 June 2008. UH Bristol provides services in the three principal domains of clinical service provision, teaching and learning, and research and innovation. The most significant of these with respect to income and workforce is the clinical service portfolio consisting of general and specialised services.

We have over 9,000 staff who deliver over 100 different clinical services across nine different sites. With services from the neonatal intensive care unit to care of the elderly, we provide care to the people of Bristol and the South West from the very beginning of life to its later stages. We are one of the country's largest acute NHS Trusts with an annual income of half a billion pounds.

For general provision, services are provided to the population of central and south Bristol and the north of North Somerset, a population of about 350,000 patients. A comprehensive range of services, including all typical diagnostic, medical and surgical specialties provided through outpatient, day care and inpatient models. These are largely delivered from UH Bristol's own city centre campus with the exception of a small number of services delivered in community settings such as South Bristol Community Hospital.

Specialist services are delivered to a wider population throughout the south west and beyond, serving populations typically between one and five million people. The main components of this portfolio are children's services, cardiac services and cancer services as well as a number of smaller, but highly specialised services, some of which are nationally commissioned.

As a University Teaching Trust, we also place great importance on teaching and research. UH Bristol has strong links with both of the city's universities and teaches students from medicine, nursing and other professions allied to health. Research is a core aspect of our activity and has an increasingly important role in UH Bristol's business. The Trust is a full member of Bristol Health Partners, and of the West of England Academic Health Science Network, and also hosts the recently established Collaboration for Leadership in Applied Health Research for the West of England.

Whilst we do not believe that diversity in the Boardroom is adequately represented solely by a consideration of gender, we are required to provide a breakdown of the numbers of female and male directors in this report. The gender make-up of the seven Executive Directors, is four male and three female. Of the nine Non-executive Directors, four are female and five are male.

3.1.3 Our mission, vision and values

Our mission is to improve the health of the people we serve by delivering exceptional care, teaching and research every day. Our vision is for Bristol and our hospitals, to be among the best and safest places in the country to receive care. Our strategic intent is to provide excellent local, regional and tertiary services, and maximise the benefit to

our patients that comes from providing this range of services.

We want to be characterised by:

- High quality individual care, delivered with compassion
- A safe, friendly and modern environment
- Employing the best and helping all our staff fulfil their potential
- Pioneering and efficient practice, putting ourselves at the leading edge of research, innovation and transformation.
- Our commitment to partnership and the provision of leadership to the networks we are part of, for the benefit of the region and the people we serve.

In addition to a common mission and vision, we share our Trust **values**:

Respecting everyone
Embracing change
Recognising success
Working together
Our hospitals.

Developed with staff from all our hospitals, these values set out how we work and the values that we share.

3.1.3 Our Strategic Priorities

Our key strategic priorities are derived from our vision, and can be summarised as:

- We will consistently deliver high quality individual care, with compassion
- We will provide leadership to the networks we are part of, for the benefit of the region and people we serve
- We will deliver pioneering and efficient practice, putting ourselves at the leading edge of research, innovation and transformation
- We will ensure a safe, friendly and modern environment
- We will strive to employ the best workforce and help all our staff fulfil their individual potential for our patients and our staff;
- We will ensure we are financially sustainable to safeguard the quality of our services for the future and that our strategic direction supports this goal; and
- We will ensure we are soundly governed and are compliant with the requirements of our regulators.

We are committed to addressing the aspects of care that matter most to our patients and during 2016/17, we have continued to ensure our strategy remains dynamic to the changing needs of our patients and significant changes within both the national and local planning environment.

We have undertaken a review to prioritise and stratify our clinical strategy with a clear governance framework to drive forward strategic decision-making. A key aim in developing our own internal strategic programme is to align with the new processes, pathways and structures developing as part of the local Sustainability Transformation Programme and the changing national context. These new approaches provide us with a significant opportunity to progress our strategic priorities at pace and to work together with our partners to resolve some of the system-wide challenges we face.

3.1.4 Transforming Care

Our focus is unrelentingly on delivering best care and ensuring our patients' needs are at the heart of all that we do. In order to lead and run a successful organisation, we also need to ensure that patient flow through our hospitals is efficient, that we deliver best value, that we build the capability of our staff members, and that we play a leading, partnership role in health and care delivery. Getting these things right enables us to improve the quality of our service and do the right thing for patients.

At UH Bristol everything we do fits into the six pillars of our Transforming Care programme – Delivering best care, Improving patient flow, Delivering best value, Renewing our hospitals, Building capability and Leading in partnership.

- **Pillar 1: Delivering best care**

Delivering best care, ensuring that our patients receive excellent quality treatment at the appropriate time and setting, and are appropriately discharged from hospital, is one of our key objectives. Wherever we work in the Trust and whatever our role, we are all united in a common endeavour to deliver the best care we can to patients.

Research in Bristol was given a real boost when the Trust was awarded a National Institute for Health Research Biomedical Research Centre grant of £21 million over the next five years, working with the University of Bristol and its other research partners. This doubled our funding for translational research and will bring tangible benefits for the patients of the future.

We were also among 16 acute trusts in the UK designated as 'digital exemplars', trialling the next generation of information technology to drive radical improvement in the care of patients. With the associated additional funding, we can also focus on systems that cross organisational boundaries and work with our NHS partners to join up care for patients in our area.

During 2016 we implemented better ways to let patients know how clinics are running and whether they can expect delays. To support further improvement we have undertaken considerable work with outpatient clinic teams to update our operational standards and procedures for managing clinic booking and delivery. These have been published and shared with teams, and help us ensure we can train new staff consistently and support regular checks of how well we meet our own standards. They will help us to further improve patient experience and efficient clinic operation by helping us to operate consistently across the many areas where clinics take place.

The West of England Genomic Medicine Centre, hosted by this Trust, enrolled its first patients. This national initiative was launched in 2012 and aims to sequence 100,000 genomes from around 70,000 people with a rare disease, and their families, and from people with cancer. Genomics has the potential to provide prompt and accurate diagnoses and may also provide screening and targeted treatments for common conditions such as diabetes, cancer and heart disease in the future.

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Two of our patient transport teams – Wales Wales & West Acute Transport for Children (WATCh) and the Newborn Emergency Stabilisation & Transport Team (NEST) – teamed up with the Children's Air Ambulance to help save the lives of children in the south west. Teaming up with the Children's Air Ambulance will not only enable WATCh and NEST to complete some transfers up to four times faster than by land ambulance, but will also free up valuable time for clinicians.

In support of our Quality Strategy, we have been developing methods to promote innovation and to make improvement a part of everyone's work. We have launched our Quality Improvement Academy which aims to make training in improvement skills available to all our staff. The Academy will offer a range of training opportunities, and has initially launched the "Bronze" level which provides awareness and basic training in fundamentals of Quality Improvement.

- **Pillar 2: Improving Patient Flow**

The flow of patients through our hospitals is integral to ensuring that they receive excellent care. Patient flow has been the focus of sustained work in all areas of our hospitals and this continued in 2016/17 with good progress made on the work we began in the previous year.

During 2016/17 our *"Ward Processes & Real Time"* team has worked with multi-disciplinary teams from wards in all our hospitals to roll out our Ward Processes workshops. These

share best practice for improving inpatient flow and promote improvement by local ward teams. Through this work we have made a positive impact on key quality measures, including timely discharge, we have improved our use of Expected Dates of Discharge to ensure good planning for patients to leave hospital, we have encouraged greater use of our discharge lounge and supported improved team working and information sharing across clinical areas.

We organised three flow *"Reset events".* These initiatives promote the use of best practice and help to improve patient flow and bed availability at busy times of year. During these events we provide additional support to ward teams to help address barriers to patient flow, but also use the opportunity to learn about these barriers to plan further improvements.

During the spring of 2016 our Theatre Transformation programme held a Theatres Quality and Culture Week to recognise the safe and high quality care being provided in our operating theatres, but also to support theatres staff by identifying the barriers which they regularly encounter. The week was very well received by theatre staff who appreciated the strong engagement and focus on their issues which it provided. Alongside this, theatres have adopted the Bluespier Theatre information system, which has improved the capture and sharing of information in planning and delivering care in theatres, and introduced new tools for planning the treatment of emergency surgical patients.

In our Children's Hospital, the new ways of working driven by the 2015/16 Surgical Improvement programme have become widely adopted and supported the hospital's growth in surgical activity and a reduction in the percentage of procedures cancelled or postponed. In the autumn, staff shaped the priorities for work to the next wave of transformation projects to improve flow through the Children's Hospital. With a strong emphasis on reducing delays during the busy winter period, we have improved the procedures and communications which support children being transferred in from other hospitals. We have taken steps to reduce waiting for patients requiring ambulatory procedures. And we have further developed our use of technology which enables real time communication between the clinical teams spread throughout the hospital buildings.

Despite our careful preparations, however, the extended period of high emergency demand has meant that, while we have kept our patients safe, their experience has not been uniformly good and the Trust Board are very aware of the strain that this has put on staff.

Pillar 3: Delivering Best Value

We continue to seek better ways of doing things in every area of our Trust which will make the most effective use of the money we receive to run our hospitals. All of our transformational change programmes impact on how effectively we deliver care and directly or indirectly support the delivery of savings. During the year teams from across the Trust delivered savings resulting from a wide range of projects tackling areas as diverse as medicines, productivity, consumables, administration and using information technology to become less dependent on paper.

Good financial management and strong governance provide the foundation for the delivery of high quality health services. Our ability to make efficiency savings for more than a decade have enabled us to invest in our hospital infrastructure that puts us in a good position to continue improving the care we provide into the future.

We are pleased to report that the Trust maintained a healthy financial position for the financial year ended 31 March 2017. Further information is available in the Financial Review.

- **Pillar 4: Renewing our Hospitals**

For over a decade we planned to renew our hospitals, providing a physical environment that matches the quality of care we provide and one that enabled us to implement new care pathways and more efficient ways of working.

We opened a new unit for expectant mothers who suffer extreme vomiting during their pregnancy. The unit is specially designed to

treat patients with hyperemesis without the need for a long stay in hospital.

Work on the façade of the Bristol Royal Infirmary was completed, creating a sleek, modern and energy-efficient exterior in the centre of the city. The work was done as part of our £92 million redevelopment of the hospital to provide a welcoming environment that matches the quality of care we give for the benefit of patients, visitors and staff alike.

We also paid tribute to the citizens of the past when we celebrated the life of the eighteenth century Bristol Royal Infirmary Old Building as our services moved into much more appropriate modern accommodation.

- **Pillar 5: Building Capability**

Our staff are our greatest asset and it is essential that we attract and nurture a strong workforce, support their development, create a culture of motivation and recognise them for their good work and retain their expertise within our services.

We receive rich information about how our staff feel, through the NHS Staff Survey, the Staff Friends and Family Test and our own award-winning feedback tool, the 'Happy App'. The good news is that last year our staff felt more actively involved in their teams, hospitals and the Trust as a whole.

During 2016/17 we saw continual discussion in the media about the pressure that health and social care services came under in the winter months but in reality we see pressure all year round. This year we responded with a number of "Breaking the cycle together" events in which we focus specifically on the barriers that risk making our services run less efficiently and we will continue to work in this way.

Parents have played an important role in bringing about significant changes in our practice within that service. The Bristol Royal Hospital for Children held a ten day event in September called *'Conversations'* aimed to encourage patients, visitors, Trust members and staff to talk about their experiences of the hospital so the we can develop our services and improve our communications.

During 2016/17 we have designed and tested a new approach to planning and carrying out staff appraisal. With significant input from staff this has been designed alongside the introduction of a new information system to support the appraisal process.

The significant challenges of service demand, the levels of illness of the patients we treat and the financial pressures we face are impacting on our staff. In this challenging environment it is essential that we continue to engage staff, are mindful of the impact that the challenges are having on all of them and recognise the excellent work that they do every day.

- **Pillar 6: Leading in Partnership**

The NHS does not work in isolation and it is essential that we lead in partnership – commensurate with our role as a major teaching, research and tertiary provider – to design and operate the most effective health system for greater Bristol. As the pressure on our hospital services has grown, it has become more essential for all health and social care partners to work in partnership to find solutions.

As part of the NHS's response to the Five Year Forward View and following guidance, Bristol, North Somerset and South Gloucestershire (BNSSG) have developed into one of the 44 Sustainability and Transformation Partnership (STP) footprints. Plans are in the process of being developed to meet the challenges set out in the forward view and to improve services for the population of BNSSG. UH Bristol has taken a lead role in this collaborative work for BNSSG and we have a real opportunity to influence the transformation in health and social care that's required for the long term and which is a condition of our continuing success.

3.1.6 Key risks to delivering our objectives

The Trust Board Assurance Framework (BAF) was reviewed during 2016/17 and this includes a clear alignment with the corporate risk register. The Trust Board monitors the Framework quarterly which includes the monitoring of the delivery of the Trust's Strategic Priorities, the controls and assurances in place and the actions being taken to minimise risk.

A summary of the top risks to our operational or strategic plans in 2016/17 are outlined below:

- Achievement of national performance targets, including accident and emergency (4 hour wait), cancer waiting time standards, and Referral to Treatment (RTT) target.
- Increases in demand and acuity of patients being admitted to Accident and Emergency; the impact on patient flow and access to treatment.
- The financial consequences arising from the loss of Sustainability and Transformation funding due to under performance against key access standards.
- The significant challenges to deliver 2016/17 financial plan without compromising on the quality of clinical services.

3.1.7 Going concern

As part of its reporting requirements the Trust has to provide a statement on whether the accounts were prepared on a going concern basis. After making enquiries, the directors have a reasonable expectation that University Hospitals Bristol NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust has set a budget for 2017/18 to meet a control total of £12.957m surplus and is forecasting cash balances of £51.764m at the end of March 2018. For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

3.2 Performance Analysis

The 2016/17 year has been challenging. Control totals were introduced by NHS Improvement as a response to the significant underlying deficit in the NHS provider sector. In recognition of a Trust accepting its control total it is able to earn additional Sustainability and Transformation funding, and have the risk of core performance fines removed. The Trust submitted its Operational Plan on the 29th June 2016 to achieve a surplus of £15.9m (before technical items), assuming receipt of £13.0m Sustainability and Transformation funding, which is a £2.9m surplus excluding Sustainability and Transformation funding.

Sustainability and Transformation funding is earned by the Trust during the year if it delivers its control total and agreed access standard trajectories. 70% is linked to financial performance and 30% to agreed access standards, with the access standards being split into A&E performance (12.5%), referral to treat time (12.5%) and cancer (5%).

Despite the challenge, staff worked hard and delivered a surplus of £15.042m (excluding technical items), which is a major achievement considering the unprecedented financial and operational pressures both locally and nationally. This included £12.106m of Sustainability and Transformation core funding and therefore the surplus was £2.936m excluding Sustainability and Transformation core funding, exceeding the Trust's plan of £2.900m. This was one of the best financial performances in the NHS and was the 14th year in a row that the Trust delivered a surplus or breakeven position.

In recognition of this position, NHS Improvement allocated the Trust further Sustainability and Transformation funding of £1.564m, consisting of £0.039m incentive payment and £1.525m bonus payment. This increased the Trust surplus to £16.606m, excluding technical items.

The 2016/17 plan required savings of £17.4m to be made to bridge the gap between the amount of money needed to run its services and the income it could expect to receive. The Trust has an established process for generating savings. There are transactional work streams to deliver savings at a transactional level such as improving purchasing, controlling agency spend and use of technology, as well as transformational projects such as theatre efficiency, length of stay and out-patients. The Trust delivered savings of £13.189m.

The Trust's statement of financial position remained strong with net current assets of £36.992m and a year end cash and cash equivalent balance of £65.441m.

The Trust's strong financial position facilitated capital expenditure of £29.894m.

The Trust's financial performance is also measured using a set of rating metrics established by NHS Improvement. From the 1st October 2016 the Use of Resources Rating (URR) replaced the Financial Sustainability Risk rating (FSRR). The URR added a fifth metric to the FSRR. The rating ranges from 1, the lowest risk, to 4, the highest risk. The rating is designed to reflect the degree of financial concern NHS Improvement has about a provider and the level of regulatory intervention required. At the end of March 2017, the Trust had a risk rating of 1, the lowest risk.

More detailed financial information is provided within the Finance Review section below.

3.2.1 Referral to Treatment (RTT)

The national standard of at least 92 per cent of patients waiting less than 18 weeks from Referral to Treatment (RTT) was achieved at an aggregate (Trust) level in each month between April 2016 and July 2016, and again from November 2016 to February 2017. The Trust failed the 92 per cent standard between August 2016 and October 2016, and then again in March 2017, due to a rising demand. The number of patients waiting over 18 weeks for treatment grew in a number of specialties leading-up to the failure of the RTT national standard in August. This was related to a significant growth in outpatient referrals in the preceding months. Although this growth was not sustained the peak in demand could not be matched by sufficient capacity to prevent a growth in the over 18-week waits.

As part of the 2017/18 annual planning round, all specialties have used the NHS Interim Management and Support (IMAS) capacity and demand modelling tools to estimate the amount of capacity required to achieve sustainable 18-week RTT waits by the end of March 2018. This modelling has included in its assumptions the need to reduce waiting times for first outpatient appointments and has informed the Service Level Agreements now agreed with commissioners, and the resulting delivery plans developed.

3.2.2 Accident and Emergency 4-hour maximum wait

The Trust failed to meet the national A&E 95% standard for the percentage of patients discharged, admitted or transferred within four hours of arrival in our emergency departments, in any month in 2016/17.

System pressures continued to be evident in 2016/17 with levels of emergency admissions into the Bristol Royal Hospital for Children (BRHC), via the Emergency Department, being on average 4.6 per cent above the levels seen in 2015/16, and 9.2 per cent higher across November and December, which is when the BRHC experienced a significant decline in performance against the 4-hour standard. Work with our commissioners to understand the reason for the higher than expected levels of paediatric emergency demand continues.

Levels of emergency admissions into the BRI Emergency Department were variable across the year, but not markedly up on 2015/16. However, the proportion of patients admitted aged 75 years and over, which is a reliable proxy for patient acuity, was significantly higher over the winter months of 2016/17, than in the same period in 2015/16. The number of medically fit patients whose discharge from the Bristol Royal Infirmary (BRI) was delayed, continued to be more than double the jointly agreed community planning assumption. The stays in hospital for these patients were also longer than in the

previous year. The resulting increase in bed occupancy within the BRI led to a decrease in 4-hour performance, relative to previous years.

In 2016/17 there was continued focus on ensuring as many patients as possible were managed in the correct specialty ward, with a 15 per cent reduction in outlier bed-days relative to 2015/16. Being cared for on the correct specialty-ward remains important for ensuring patients receive the most appropriate care, but also helps to ensuring patients do not stay in hospital longer than necessary.

3.2.3 Cancer

The Trust had a more mixed year in terms of performance against the national cancer waiting times standards, compared with 2015/16, in the main for reasons outside of the Trust's control. Performance against the 31-day first definitive and 31-day subsequent surgery waiting times standards was unusually below the national standards in quarter 1, following a significant rise in demand for critical care beds in March and April 2016 due to exceptional emergency pressures. However, the Trust implemented a recovery plan and achieved these national standards again in quarters 2, 3 and 4, and for the year as a whole. The Trust continued to perform consistently well against the 2-week wait for GP referral for patients with a suspected cancer, and the 31-day standards for subsequent drug therapy and radiotherapy, with achievement in each quarter.

The Trust failed to achieve the 62-day referral to treatment standard for patients referred by their GP with a suspected cancer. Achievement of the 85 per cent national standard remains challenging due to the significant tertiary workload of the Trust, and the unusual group of tumour sites that comprise the majority of the Trust's cancer work following the transfer out of the urology and in particular breast cancer service (which nationally is one of only two tumour sites that consistently achieves the 85 per cent standard). However, the Trust achieved the 85% standard for internally managed pathways (i.e. pathways not shared with other providers) in quarters 2, 3 and 4, and for the year as a whole. Performance was also above the national average in quarters 3 and 4, despite the considerable challenges of case-mix and the tertiary workload.

The three top causes of breaches of the 62-day GP cancer standard were: late referrals from, or pathways delayed by, other providers (36 per cent), medical deferral/clinical diagnostic complexity (21 per cent), and patient choice to delay their pathway (11 per cent). Performance was unusually impacted in quarters 1 and 2 by histology reporting delays, following the transfer of the service to North Bristol Trust at the beginning of May 2016. Of the avoidable causes of delays, there are four specific areas of focus for improvement amidst a wider programme of improvement work. These are: reducing delays to thoracic outpatient appointments, reducing request to reporting times for CT Colon and Head and Neck ultrasound scans, improving the availability of critical care beds for surgical patients and improvements to pathway tracking/management.

The Trust failed to achieve the 62-day RTT standard for patients referred by the national screening programmes in 2016/17, although unlike in 2015/16 did achieve the standard in one quarter of the year. The majority of the breaches of this standard continued to be outside of the Trust's control, including: patient choice, medical deferral and clinical complexity.

3.2.4 Diagnostic waiting times

Performance against the 6-week wait for the top 15 high volume diagnostic tests remained variable across the year, and below the 99 per cent standard in all except one month. The Trust started the year with a shortfall in adult endoscopy capacity, mainly as a result of a significant loss of capacity following the Junior Doctor Industrial Action during the last quarter of 2015/16. Recruitment challenges delayed prompt restoration in capacity, but through additional in-house sessions, the use of the independent sector and other initiatives, the number of long waiters was reduced significantly by December 2016. Sleep studies waiting times were also adversely affected by significant capacity constraints, particularly in quarter 4 of 2016/17. This was further exacerbated by high levels of demand across the year. During the last quarter of the year demand for

Cardiac CT scans rose sharply, resulting in an increase in over six week waits. This significant rise in demand is currently under investigation and highlights the need for a further review of capacity and demand in this and other services, where increasingly the Trust needs to be able to be responsive to rapidly changing demand.

3.2.5 Contractual performance

The Trust received a Contract Performance Notice from Bristol Clinical Commissioning Group (CCG) in February 2017, for the areas of performance where national and constitutional standards were not being met. This included the RTT incomplete pathways standard, 62-day GP cancer, A&E 4-hours, last-minute cancelled operations, and the six week diagnostic standard. Remedial action plans and associated recovery trajectories were already in place for these standards, but were extended into 2017/18 where appropriate.

Table 1: Performance against key national standards in 2015/16 and 2016/17

National Standard	Target	2015/16	2016/17	Additional notes
A&E maximum wait of 4 hours	95%	Not achieved	Not achieved	
MRSA bloodstream cases against trajectory	Trajectory	Not achieved	Not achieved	A single case was reported in 2016/17
Clostridium difficile infections against trajectory	Trajectory	Achieved	Achieved	Achieved in every quarter
Cancer – 2-week wait (urgent GP referral)	93%	Achieved	Achieved	Achieved in every quarter
Cancer – 31-day diagnosis to treatment (First treatment)	96%	Achieved	Achieved	Achieved in every quarter except quarter 1 2016/17
Cancer – 31-day diagnosis to treatment (subsequent surgery)	94%	Achieved	Achieved	Achieved in every quarter except quarter 1 2016/17
Cancer – 31-day diagnosis to treatment (subsequent drug therapy)	98%	Achieved	Achieved	Achieved in every quarter
Cancer – 31-day diagnosis to treatment (subsequent radiotherapy)	94%	Achieved	Achieved	Achieved in every quarter
Cancer – 62-day referral to treatment (urgent GP referral)	85%	Not achieved	Not achieved	
Cancer – 62-day referral to treatment (screenings)	90%	Not achieved	Not achieved	Achieved in quarter 3 2016/17
18 weeks referral to treatment – incomplete pathways	92%	Not achieved	Not achieved	Achieved in eight months (March 2017 still subject to confirmation)
Number of last minute cancelled operations	0.80%	Not achieved	Not achieved	Achieved in quarter 2 2016/17
28 day readmissions	95%	Not achieved	Not achieved	Achieved in quarter 2 2016/17
Diagnostic waits of 6 weeks	99%	Not achieved	Not achieved	Achieved in only one month in 2016/17

3.3 Sustainability Report

As an NHS organisation we have an obligation to work in a way that has a positive effect on the communities we serve. Sustainability involves spending public money well, the smart and efficient use of natural resources and building healthy, resilient communities. By making the most of social, environmental and economic assets we can improve health both in the immediate and longer term, even in the context of the rising costs of natural resources. Demonstrating that we consider the social and environmental impact of what we do ensures that the legal requirements in the Public Services (Social Value) Act (2012) are met.

We understand that health is very much influenced by the environment and we are working to reduce our environmental impact, in particular our carbon footprint, and in turn reduce our contribution to climate change. Reducing these impacts also enables us to address one of our key challenges, which is to maintain and develop the quality of our services, whilst managing with fewer resources.

UH Bristol NHS FT has a sustainable development management plan "Big Green Scheme Strategy - Care without Costing the Earth: Our vision of sustainable healthcare 2015-2020". Areas for action include the development of sustainable models of care, energy, water, travel, procurement and waste. Having a Board approved strategy is essential to ensure that we fulfil our commitment to conducting all aspects of our activities with due consideration to sustainability, whilst providing high quality patient care. The NHS Carbon Reduction Strategy asks for the boards of all NHS organisations to approve such a plan.

It is our duty to contribute towards the ambition set in the 2014 Sustainable Development Strategy (SDS), in line with the legally binding 2008 Climate Change Act, of reducing the carbon footprint of the NHS, public health and social care system by 34% (from a 1990 baseline). This is equivalent to a 28% reduction from a 2013 baseline by 2020, which we will aim to achieve by reducing our carbon emissions.

Policies

In order to embed sustainability within our business it is important to explain where in our process and procedures sustainability features.

Table 2: Sustainability Policy Table

Area	Is sustainability considered?
Energy	Yes
Travel	Yes
Business Cases	Environmental impact is assessed
Procurement (environmental)	We are working with Bristol and Weston Purchasing Consortium to develop a Sustainable Procurement Strategy to address the environmental and social impacts of procurement
Procurement (social impact)	
Suppliers' impact	

*Sustainable Development Management Plan (SDMP***)**

One of the ways in which an organisation can embed sustainability is through the use of a SDMP. The Board approved our SDMP in the last 12 months so our plans for a sustainable future are well known within the organisation and clearly laid out.

Good Corporate Citizenship (GCC)

We measure our impact as an organisation on corporate social responsibility through the use of the GCC tool. The last GCC self-assessment was in July 2015, scoring 32. As an organisation that acknowledges its responsibility towards creating a sustainable future, we help achieve that goal by running awareness campaigns that promote the benefits of sustainability to our staff.

Performance

Organisation

Since the 2007 baseline year, significant service and organisational restructuring has taken place. In order to provide some organisational context, the following table may help explain how both the organisation and its performance on sustainability has changed over time.

Table 3 : Organisational performance on sustainability

Context info	2013/14	2014/15	2015/16	2016/17
Floor Space (m^2)	183,340	199,866	205,922	205,922
Number of Staff	7,179	7,544	8,249	8,496

Climate Change Act

We have supported the Climate Change Act targets as follows:

Energy

UH Bristol NHS FT has spent £3,780,252 on energy in 2016/17, which is a 8.7% decrease on energy spend from 2015/16.

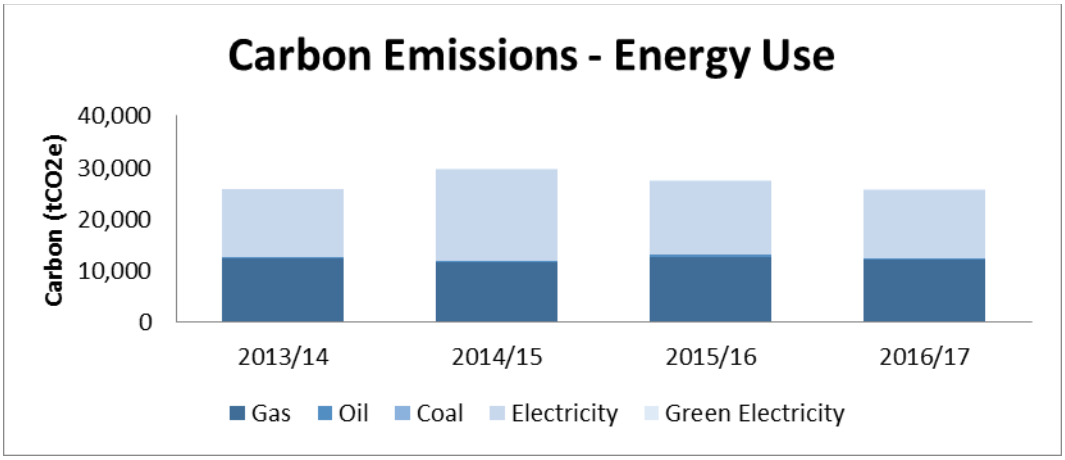


Table 4: Energy

Resource		**2013/14**	**2014/15**	**2015/16**	**2016/17**
Gas	Use (kWh)	58,156,407	54,742,120	60,496,985	57,476,639
	tCO_2e	12,337	11,485	12,661	12,012
Oil	Use (kWh)	666,825	1,126,981	1,198,427	881,018
	tCO_2e	213	361	383	279
Coal	Use (kWh)	0	0	0	0
	tCO_2e	0	0	0	0
Electricity	Use (kWh)	29,352,969	31,857,890	31,351,888	31,364,632
	tCO_2e	13,134	17,695	14,316	13,249
Green Electricity	Use (kWh)	0	43,766	52,520	52,520
	tCO_2e	0	22	24	22
Total Energy CO_2e (Carbon dioxide equivalent)		25,685	29,563	27,384	25,562
Total Energy Spend		£ 4,888,194	£ 4,698,461	£ 4,287,714	£ 3,779,012

Our carbon emissions from energy consumption have reduced by 1822 tonnes (7%) in the past year.

Since changes to the Climate Change Levy regarding renewable energy have been applied, our electricity no longer comes from renewable sources due to increased cost implications, however we have continued to implement energy saving projects through improving controls, lighting, insulation, heating and cooling.

Travel

We can improve local air quality and improve the health of our community by promoting active travel – to our staff and to the patients and public that use our services.

Every action counts; we are a lean organisation trying to realise efficiencies across the board for cost and carbon (CO2e) reductions. We support a culture for active travel to improve staff wellbeing and reduce sickness. Air pollution, accidents and noise, caused by cars as well as other forms of transport, all cause health problems for our local population, patients, staff and visitors.

We do not currently capture travel data so these figures are based on patient and staff numbers with average travel levels applied. Our annual staff travel survey shows that over a quarter of staff travel to work actively (walking or cycling).

Table 5 : Travel

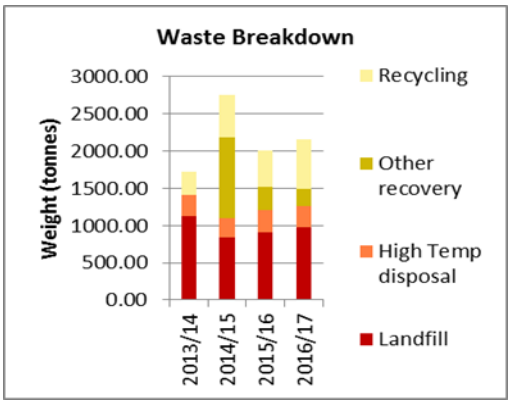
Category	Mode	2013/14	2014/15	2015/16	2016/17
Patient and visitor Travel	miles	42,022,880	44,708,136	46,263,968	47,881,016
	tCO_2e	15,526.33	16,427.08	16,730.70	17,304.70
Business Travel and fleet	miles	790,365	0	0	0
	tCO_2e	292.02	2,475.17	2,145.65	2,210.62
Staff commute	miles	6,591,236	7,246,899	7,924,134	8,161,407
	tCO_2e	2,435.29	2,662.72	2,865.65	2,949.62

Waste

Overall waste has increased with higher levels of activity. However we have managed to improve the level of recycled or reused waste from 24% to 31%. We have conducted waste audits to support areas in improving their waste management. We continue to roll out Dry Mixed Recycling to further areas across the site. We have trialled the removal of general waste bins showing this has improved levels of recycling.

Table 6 : Waste

Waste		2013/14	2014/15	2015/16	2016/17
Recycling	(tonnes)	318.99	560.45	491.00	665.06
	tCO_2e	6.70	11.77	9.82	13.97
Other recovery	(tonnes)	0.00	1091.00	317.00	229.63
	tCO_2e	0.00	22.91	6.34	4.82
High Temp disposal	(tonnes)	281.00	256.40	294.00	284.34
	tCO_2e	61.82	56.41	64.39	62.55
Landfill	(tonnes)	1127.00	842.17	907.00	972.73
	tCO_2e	275.46	205.84	221.69	301.55
Total Waste (tonnes)		1726.99	2750.02	2009.00	2151.75
% Recycled or Re-used		18%	20%	24%	31%
Total Waste tCO_2e		343.98	296.93	302.23	382.89



Water

Despite increased activity, we have reduced our consumption of water in 2016/17.

We have repaired steam condensate pipes significantly reducing the demand for water at our boiler house.

Table 7 : Water

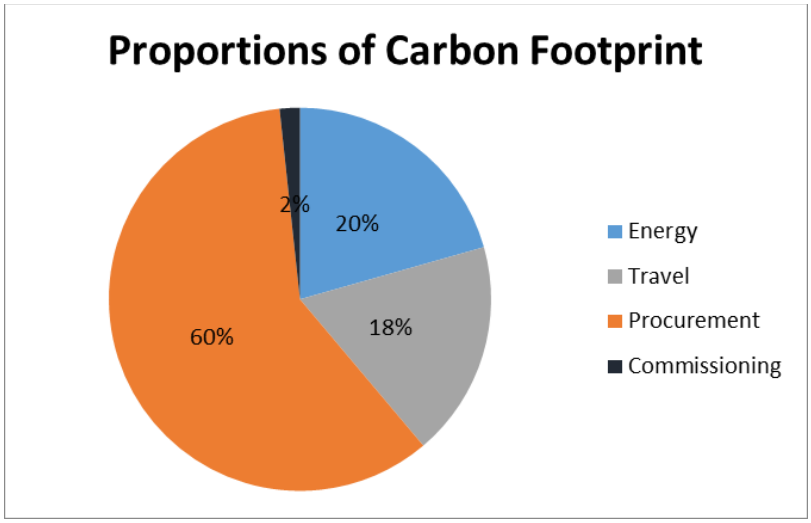
Water		2013/14	2014/15	2015/16	2016/17
Mains	m^3	224,385	233,323	234,553	233,483
	tCO_2e	204	213	214	213
Water & Sewage Spend		£375,289	£412,357	£440,103	£441,312

Modelled Carbon Footprint

The information provided in the previous sections of this report use the Estates Return Information Collection as its data source. However, we are aware that this does not reflect our entire carbon footprint. Therefore, the following information uses a scaled model based on work performed by the Sustainable Development Unit. More information can be accessed: http://www.sduhealth.org.uk/policy-strategy/reporting/nhs-carbon-footprint.aspx

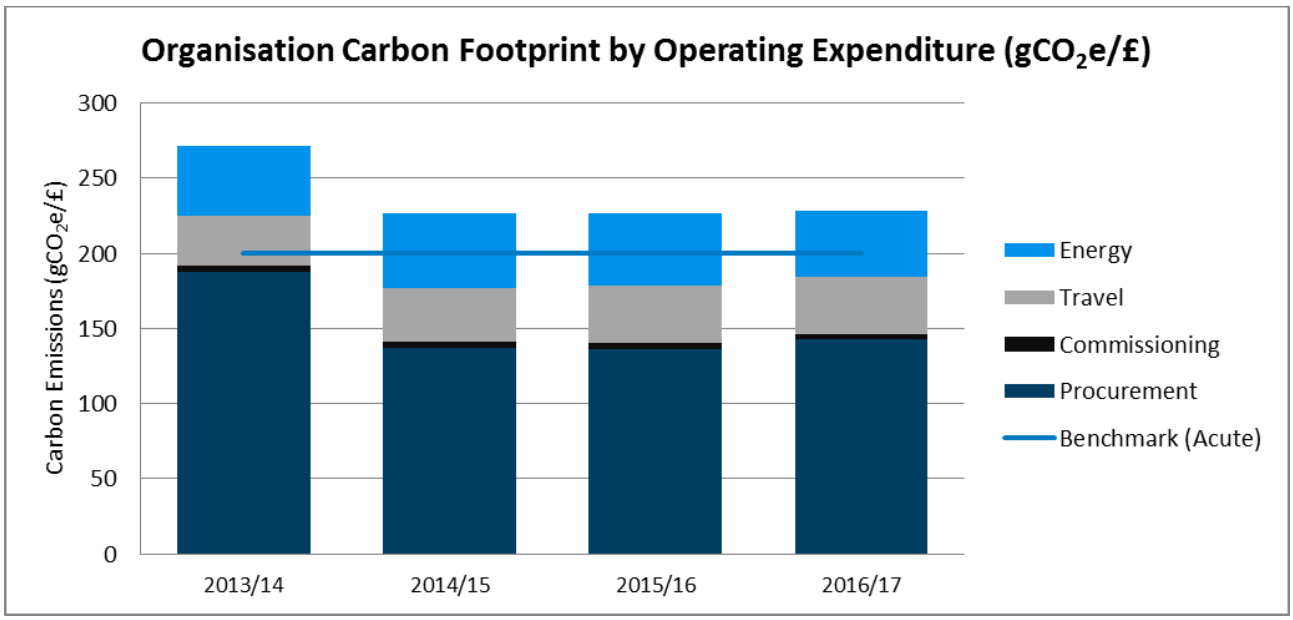
This model indicates an estimated total carbon footprint of 123,331 tonnes of CO_2e for the Trust. Our carbon intensity is 228 grams of CO2e emissions per pound of operating expenditure (gCO2e/£). Average emissions for acute services nationally is 200 grams per pound of operating expenditure.

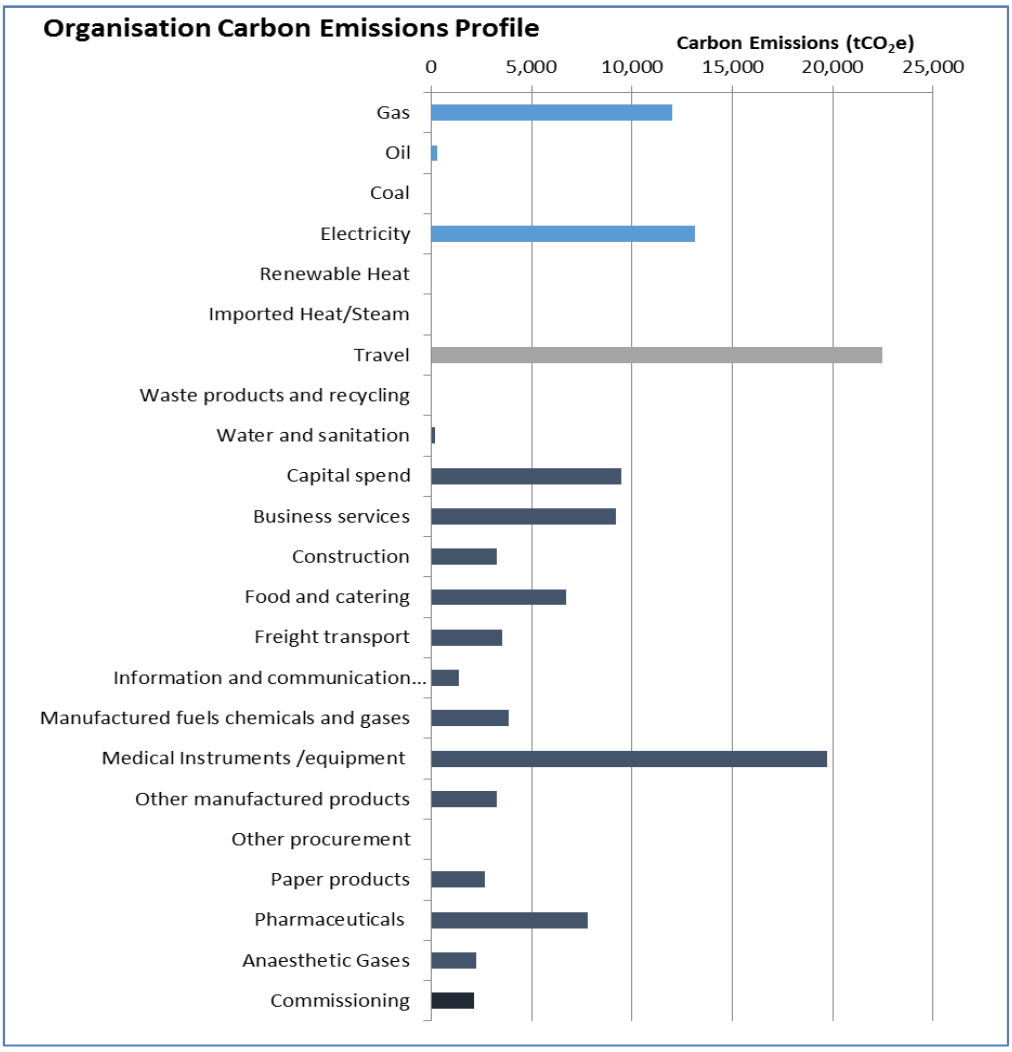
Category	% CO_2e
Energy	20%
Travel	18%
Procurement	60%
Commissioning	2%



Benchmarking

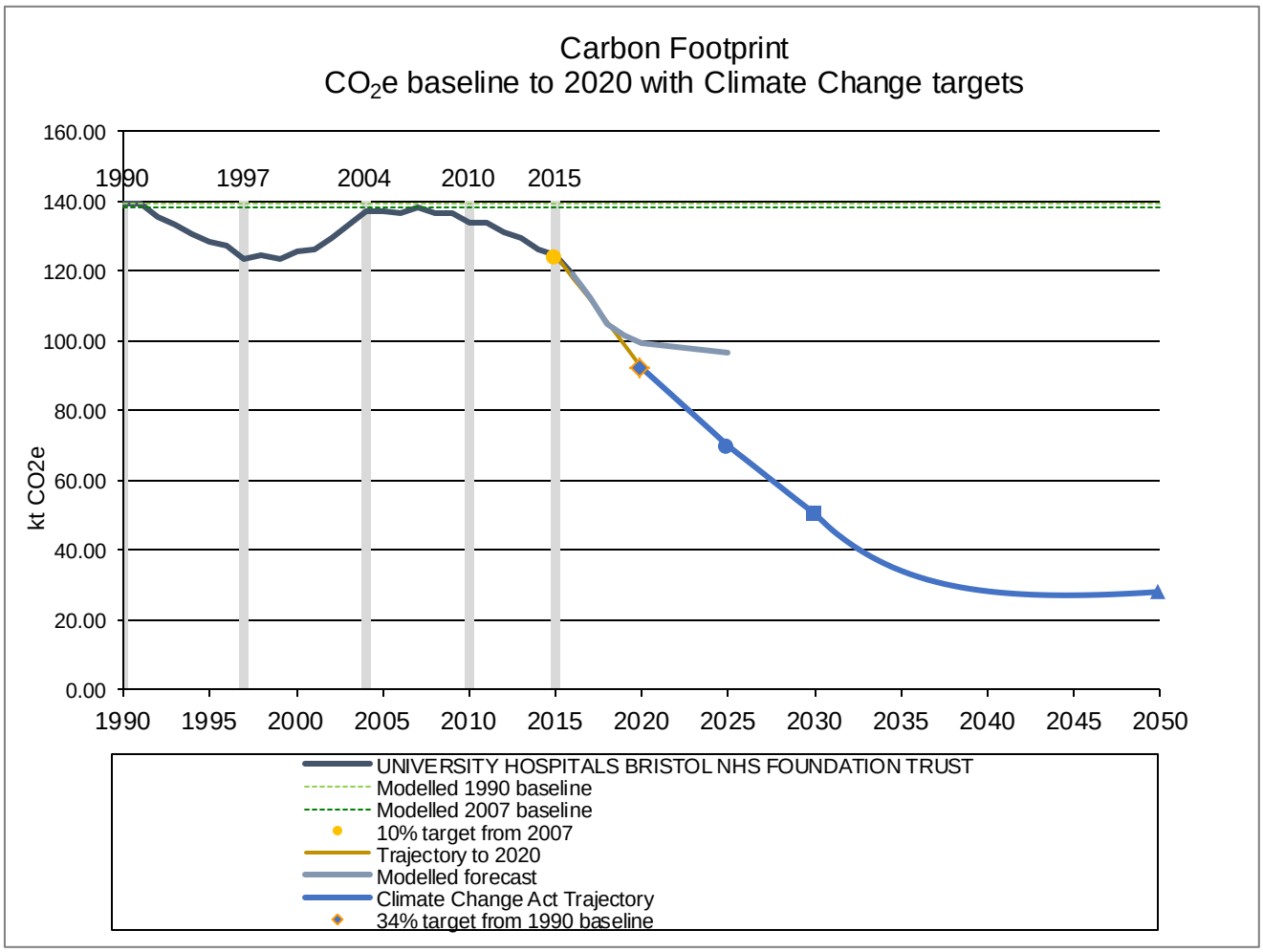
Our performance remains higher than the benchmark for acute trusts nationally. This is principally driven by higher procurement emissions due to the level of investment that the Trust has made in recent years. The investment in infrastructure is expected to improve the efficiency of our buildings and reduce our emissions in the longer term.


Organisation Carbon Footprint by Operating Expenditure (gCO2e/£)
Carbon Emissions (gCO2e/£)
300
250
200
150
100
50
0
2013/14
2014/15
2015/16
2016/17
Energy
Travel
Commissioning
Procurement
Benchmark (Acute)


Organisation Carbon Emissions Profile
Carbon Emissions (tCO2e)
0
5,000
10,000
15,000
20,000
25,000
Gas
Oil
Coal
Electricity
Renewable Heat
Imported Heat/Steam
Travel
Waste products and recycling
Water and sanitation
Capital spend
Business services
Construction
Food and catering
Freight transport
Information and communication...
Manufactured fuels chemicals and gases
Medical Instruments /equipment
Other manufactured products
Other procurement
Paper products
Pharmaceuticals
Anaesthetic Gases
Commissioning

Modelled trajectory

We are developing a Vision Action Plan from our SDMP that will ensure we are contributing to Climate Change Act targets.



Adaptation

Climate change brings new challenges to our business both in direct effects to the healthcare estates, but also to patient health. Examples in recent years include the effects of heat waves, extreme temperatures and prolonged periods of cold, floods and droughts.

To ensure that our services continue to meet the needs of our local population during such events we have developed and implemented a number of policies and protocols in partnership with other local agencies. Our Board approved plans address the potential need to adapt the delivery the organisation's activities and infrastructure to climate change and adverse weather events

Through our business continuity planning we have started to identify the risks we need to consider in adapting the organisation's activities and its buildings to cope with the results of climate change.

3.4 Finance Review

The Trust's financial performance including its Operational Plan, savings programme, Use of Resource Ratings, cash flow and statement of financial position is reported on a monthly basis to the Trust's Finance Committee. The Finance Committee is responsible for detailed scrutiny of the financial performance and provides reports to the Trust Board and Audit Committee of key issues.

3.4.1 Statement of comprehensive income

The Trust reported a surplus before technical items of £16.606m. This included Sustainability and Transformation funding of £13.670m. The Operational Plan was to deliver a surplus of £15.9m, excluding technical items, with Sustainability and Transformation funding of £13.0m, i.e. a surplus of £2.9m excluding Sustainability and Transformation funding. This was achieved. The performance against the Operational Plan is shown below:

Table 8: Performance against Operational Plan

	Operational Plan 2016/17 £m	Actual 2016/17 £m	Variance favourable/(adverse) 2016/17 £m
Clinical income	530.603	529.543	(1.060)
Non clinical income - excluding S&T funding	84.745	92.690	7.945
Non clinical income - S&T core funding	13.000	12.106	(0.894)
Non clinical income - S&T incentive funding		0.039	0.039
Non clinical income - S&T bonus funding		1.525	1.525
Total operating income	628.348	635.903	7.555
Employee expenses	(362.798)	(368.298)	(5.500)
Non pay expenses	(216.081)	(218.913)	(2.832)
Total operating expenses	(578.879)	(587.211)	(8.332)
Earnings Before Interest, Tax, Depreciation & Amortisation	**49.469**	**48.692**	**(0.777)**
Depreciation	(22.055)	(20.997)	1.058
Interest receivable	0.244	0.189	(0.055)
Interest payable	(3.178)	(3.178)	0.000
Public dividend capital dividend	(8.580)	(8.100)	0.480
Total financing costs	(33.569)	(32.086)	1.483
Net surplus before technical items	**15.900**	**16.606**	**0.706**
Net surplus before technical items excluding S&T funding	**2.900**	**2.936**	**0.036**
Depreciation on donated assets	(1.609)	(1.555)	0.054
Net loss on sale of assets	0.000	(0.076)	(0.076)
Donations re assets	2.732	2.920	0.187
Net impairments	(6.051)	(10.413)	(4.361)
Total technical items	(4.928)	(9.124)	(4.196)
Net surplus after technical items	10.972	7.482	(3.490)

The Trust delivered a surplus of £16.606m, excluding technical items. There are a number of items classified as technical which are excluded when considering the Trust's financial performance. Technical items include profit/loss on sale of assets, depreciation on donated assets, donated income in respect of property, plant and equipment, impairments and reversal of impairments.

Sustainability and Transformation funding has three elements; core, incentive and bonus. Core Sustainability and Transformation funding income of £13.0m is dependent on the Trust delivering its control total and agreed access standard trajectories. 70% (£9.1m) is linked to financial performance and 30% (£3.9m) to agreed access standards, with the access standards being split into A&E performance and referral to treat time at 12.5% (£1.625m) each and cancer at 5% (£0.650m). For the first quarter provided the Trust met its control total, the Trust was only required to agree the access standard trajectories rather than deliver them. For quarter 4 the Trust was only required to deliver its control total to receive the full payment due. The Trust received £12.106m of core Sustainability and Transformation funding. The table below summarises the Trust's performance.

Incentive Sustainability and Transformation funding of £0.039m was allocated by NHS Improvement in recognition of the Trust exceeding the planned surplus of £2.9m excluding Sustainability and Transformation funding. This performance also facilitated the payment of £1.525m bonus Sustainability and Transformation funding.

Table 9: Performance against Sustainability and Transformation Core Funding

	Q1	Jul	Aug	Sep	Oct	Nov	Dec	Q4	Total
Control Total achieved	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
S&T Funding earned (£m)	2.275	0.758	0.758	0.759	0.758	0.759	0.758	2.275	9.100
A&E trajectory achieved	n/a	Yes	Yes	Yes	No	No	No	n/a	
S&T Funding earned (£m)	0.406	0.135	0.135	0.135	0.000	0.000	0.000	0.406	1.217
RTT trajectory achieved	n/a	Yes	No	No	Yes	Yes	Yes	n/a	
S&T Funding earned (£m)	0.406	0.135	0.000	0.000	0.135	0.135	0.136	0.406	1.354
Cancer trajectory achieved	n/a	No	Yes	No	No	Yes	No	n/a	
S&T Funding earned (£m)	0.163	0.000	0.055	0.000	0.000	0.055	0.000	0.163	0.434
Total S&TF achieved (£m)	3.250	1.028	0.948	0.894	0.893	0.949	0.894	3.250	12.106

3.4.2 Savings programme

In delivering the surplus of £16.606m, excluding technical items, the Trust achieved £13.189m of savings against its plan of £17.4m. Specific work streams were established with savings achieved as follows:

Table 10: Savings achieved:

Pay	**£m**
Medical Staff	0.544
Nursing & Midwifery staff	0.307
Scientific & Technical staff	0.575
Admin & Senior Managers	0.411
Estates Staff	0.017
Other Clinical staff	0.347
Total Pay	**2.201**
Non pay	
Blood	0.008
Drugs	1.281
Clinical Supplies & Services	3.464
Premises & Fixed Plant	0.237
Other non pay expenditure	3.450
Total Non Pay	**8.440**
Income	1.858
Capital charges	0.690
Total savings achieved	**13.189**

3.4.3 Balance sheet and cash

The Trust had a strong statement of financial position (balance sheet) throughout the year with net current assets at 31st March 2017 of £36.992m. This included year end cash and cash equivalents of £65.441m. This represents a decrease in cash over the year of £8.570m. The table below shows the use of cash during the year.

Table 11: Use of cash 2016/17

	£m
Net cash flow from operating activities	38.209
Capital expenditure	(31.088)
Other net cash flows from investing activities	0.190
Public Dividend Capital received	2.066
Capital loan repayments to the Department of Health	(5.834)
Interest payments to the Department of Health in respect of capital loans	(2.949)
Public Dividend Capital dividend payment	(8.568)
Finance lease payments	(0.596)
Decrease in cash balance 2016/17	(8.570)

3.4.4 Capital

The Trust's planned capital expenditure for 2016/17 was £35m. Capital funding is allocated to individual schemes in five areas which are monitored during the year. The Trust's capital programme is managed through the Trust's Capital Programme Steering Group. In 2016/17 the Trust spent £29.894m on capital schemes with net overspends on completed schemes totalling £0.028m and slippage on current schemes accounting for £5.134m. The table below provides a summary of the Trust's capital income and expenditure for 2016/17.

Table 12: Funding and expenditure on capital schemes:

	Operational Plan 2016/17 £m	Actual 2016/17 £m	Variance 2016/17 £m
Source of Funding:			
Public Dividend Capital	0.273	2.066	1.793
Donations	2.732	2.919	0.187
Depreciation	22.054	20.997	(1.057)
Cash balances	9.941	3.912	(6.029)
Total funding	**35.000**	**29.894**	**(5.106)**
Expenditure:			
Strategic schemes	(14.244)	(12.240)	2.004
Medical equipment	(11.142)	(6.525)	4.617
Information technology	(4.659)	(3.069)	1.590
Estates replacement	(2.815)	(2.493)	0.322
Operational capital	(13.191)	(5.567)	7.624
Planned slippage	11.051		(11.051)
Total expenditure	**(35.000)**	**(29.894)**	**5.106**

3.4.5 Counter-fraud and corruption

The Trust Board of Directors takes the prevention and reduction of fraud very seriously and has policies in place to minimise the risk of fraud and corruption and procedures for reporting suspected wrongdoing.

The Trust encourages members of staff to report reasonable suspicions of irregularity as set out in its Speaking Out Policy and in the Standing Financial Instructions, and has declared that there will be no adverse consequences for an individual member of staff who genuinely does so.

During 2016/17, the Trust has appointed a Freedom to Speak Up Guardian and work is being progressed to ensure that a culture of speaking out is embedded across the organisation.

The Trust works closely with the Local Counter Fraud Specialist (LCFS) to implement the NHS Protect national strategy on countering fraud and to ensure the Trust is working with the LCFS in fully complying with NHS Protect and commissioner requirements.

Work is carried out across the four key areas of Counter Fraud activity including : :

- Strategic governance
- Inform and involve
- Prevent and deter
- Hold to account.

All staff receive fraud awareness training as part of the Trust Induction Programme. Further guidance, which includes details of the Counter Fraud strategy and policy, is also available on the Trust's intranet, along with contact details for the LCFS and the NHS protect fraud and corruption reporting line.

Fraud prevention messages are regularly raised via the Trust's communication systems which include posters in workplaces and the dissemination of Counter Fraud newsletters.

4. Accountability Report

4.1 Director's Report

The Board of Directors is responsible for exercising all of the powers of the Trust; however, it has the option to delegate these powers to senior management and other committees. The Board sets the strategic direction within the context of NHS priorities, allocates resources, monitors performance against organisational objectives, ensures that clinical services are safe, of a high quality, patient-focused and effective, ensures high standards of clinical and corporate governance and, along with the Council of Governors, engages members and stakeholders to ensure effective dialogue with the communities it serves.

This report is presented in accordance with the NHS Foundation Trust Annual Reporting Manual 2016/17 published in March 2017. For the purpose of the Accounts, the Directors are responsible for preparing the accounts on a true and fair basis and in particular to:

- Observe the Accounts direction issued by Monitor, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual have been followed and disclose and explain any material departures in the financial statements; and,
- Prepare the financial statements on a going concern basis.

The Directors have prepared this Annual Report on the basis that it is fair, balanced and understandable and provides the information necessary for patients, regulators and other stakeholders to assess the NHS Foundation Trust's performance, business model and strategy.

The Board is accountable to stakeholders for the achievement of sustainable performance and the creation of stakeholder value through development and delivery of the Trust's long term vision, mission and strategy. The Board ensures that adequate systems and processes are maintained to deliver the Trust's annual plan, deliver safe, high quality healthcare, measure and monitor the Trust's effectiveness and efficiency as well as seeking continuous improvement and innovation. The Board delegates some of its powers to a committee of Directors or to an Executive Director and these matters are set out in the trust's scheme of delegation. Decision making for the operational running of the Trust is delegated to the executive management team.

There are specific responsibilities reserved by the entire Board, which includes approval of the Trust's long term objectives and financial strategy; annual operating and capital budgets; changes to the Trust's senior management structure; the Board's overall 'risk appetite'; the Trust's financial results and any significant changes to accounting practices or policies; changes to the Trust's capital and estate structure; and conducting an annual review of the effectiveness of internal control arrangements.

The Trust Board of Directors has formally assessed the independence of the Non-executive Directors and considers all of its current Non-executive Directors to be independent in that notwithstanding their known relationships with other organisations, there are no circumstances that are likely to affect their judgement that cannot be addressed through the provisions of the Foundation Trust Code of Governance as evidenced through their declarations of interest, annual individual appraisal process and the ongoing scrutiny and monitoring by the Trust Secretary.

4.1.1 Directors' interests

Members of the Board of Directors are required to disclose details of company directorships or other material interests in companies held which may conflict with their role and management responsibilities at the Trust. The directors declare any interests before each Board and committee meeting

which may conflict with the business of the trust and excuse themselves from any discussion where such conflict may arise. The Trust is satisfied with the independence of the Board for the entire year.

The Trust Secretary maintains a register of interests, which is available to members of the public by contacting the Trust Secretary, University Hospitals Bristol NHS Foundation Trust, Trust Headquarters, Marlborough Street, Bristol. BS1 3NU. Email: Trust.Secretariat@UHBristol.nhs.uk

4.1.2 Political donations

The Trust has made no political donations of its own.

4.1.3 Internal audit

The Audit Committee had ensured that there was an effective internal function established by management that met mandatory Public Sector Internal Audit Standards and provided appropriate independent assurance. The Trust receives its internal audit service from Audit South West Internal Audit, Counter Fraud and Consultancy Service

Table 13: Board of Directors

The Board met on 11 occasions both in public and in private to discharge its duties and to consider a comprehensive annual cycle of reports and business to be transacted.

Board Member	Attendance at ordinary meetings
Non-executive Directors	
John Savage, Chairman Appointment 1 June 2008 End of first term 31 May 2011 End of second term 31 May 2014 End of third term 31 May 2017 Appointment extended for a further six months to 30 November 2017	10/11
David Armstrong, Non-executive Director Appointment 28 November 2013 End of first term 27 November 2016 28 November 2016 re-appointed for a second term of three years	9/11
Julian Dennis, Non-executive Director Appointment 1 June 2014 End of first term 31 May 2017 Re-appointed for a second term of three years	11/11
Lisa Gardner, Non-executive Director Appointment 1 June 2008 End of first term 31 May 2011 End of second term 31 May 2014 End of third term 31 May 2017 Appointment extended for a further six months to 30 November 2017	11/11
John Moore, Non-executive Director Appointment 1 January 2011 End of first term 31 December 2014 1 January 2015 re-appointed for a second term of three years	8/11
Anthony (Guy) Orpen, Non-executive Director Appointment 2 May 2012 End of first term 1 May 2015 30 April 2015 re-appointed for a second term of three years	8/11
Alison Ryan, Non-executive Director Appointment 28 November 2013 End of first Term 27 November 2016 28 November 2016 re-appointed for a second term of three years	10/11

Board Member	Attendance at ordinary meetings
Emma Woollett, Vice Chair/ Senior Independent Director Appointment 1 June 2008 End of first term 31 May 2011 End of second term 31 May 2014 End of third term 31 May 2017 Appointment extended for a further six months to November 2017 Appointment extended for a further six months to May 2018	10/11
Jill Youds, Non-executive Director Appointment 1 November 2014 End of first term 31 October 2017 Re-appointed for a second term of three years	9/11
Executive Directors	
Robert Woolley, Chief Executive Appointed 8 September 2010	11/11
Owen Ainsley, Interim Chief Operating Officer Appointed 13 June 2016 until 12 February 2017	8/11
Paula Clarke, Director of Strategy and Transformation Appointed 1 April 2016	6/11
Sue Donaldson, Director of Workforce and Organisational Development Appointed on 1 November 2013 Left the Trust on 12 March 2017	1/11
Deborah Lee, Deputy Chief Executive and Chief Operating Officer Appointed to Director of Strategy and Deputy Chief Executive until 30 April 2015 and Chief Operating Officer and Deputy Chief Executive from 1 May 2015. Left the Trust on 12 June 2016	2/11
Paul Mapson, Director of Finance and Information Appointed 1 June 2008	10/11
Carolyn Mills, Chief Nurse Appointed 6 January 2014	11/11
Alex Nestor, Acting Director of Workforce and Organisational Development Appointed 11 July 2016	9/11
Sean O'Kelly, Medical Director Appointed 18 April 2011	11/11
Mark Smith, Deputy Chief Executive and Chief Operating Officer Appointed 13 February 2017	2/11

Biographies of the members of the Board are provided at **Appendix A**.

4.1.4 Statement on compliance with cost allocation and charging guidance

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

4.1.5 Income disclosures as required by Section 43(2A) of the NHS Act 2006

The Trust can confirm that income from the provision of goods and services for the purposes of the health service in England is greater than its income from the provision of goods and services for any other purposes.

The Trust provides a variety of goods and services to patients, visitors, staff and external organisations. Such goods and services include: catering, car parking, private patient treatment, pharmacy products, IT Services, and medical equipment maintenance. The total income from all of these areas amounted to around £5.576m. The income generated covers the cost of the services and where appropriate makes a contribution towards funding patient care.

4.1.6 Quality governance

The Trust is committed to and expects to provide excellent health services that meet the needs of our patients and their families and provides the highest quality standards. The Trust's annual quality delivery plans and quality strategy (2016-2020) set out the actions we will take to ensure that this is achieved.

The Trust's quality improvement programme led by the Chief Nurse, Medical Director and Chief Operating Officer continues to show us what is possible when we have a relentless focus on quality improvement. In our last strategy, we recognised that access to services is integral to patient experience and that great patient experience happens when staff feel valued, supported and motivated. In our revised strategy, we have now made this wider view of quality integral to our definition.

Our quality strategy and quality improvement work is therefore structured around four core quality themes:

- Ensuring timely access to services
- Delivering safe and reliable care
- Improving patient and staff experience
- Improving outcomes and reducing mortality.

The Trust has a robust approach to the assessment of the potential impact of cost reduction programmes on the quality of services. The Trust's Quality Impact Assessment process involves a structured risk assessment, using our standardised risk assessment framework, which includes assessment against the risk domains of safety, quality and workforce. The Medical Director and Chief Nurse are responsible for assuring themselves and the Board that Cost Improvement Programmes will not have an adverse impact on quality. The Trust's overall processes for monitoring quality and triangulating information provide a framework within which to monitor the impact of schemes.

The Trust has a robust Quality Governance reporting structure in place through an established Quality and Outcomes Committee, Our internal business planning and associated monitoring processes underpin the triangulation of our quality, workforce and finance objectives. Our Operating Plans are developed through the five clinical and Trust Services corporate divisions with monthly and quarterly Divisional Reviews conducted with the Executive team. The Trust's Clinical Quality Group monitors compliance with Care Quality Commission Fundamental Standards on an ongoing basis and our Quality and Outcomes Committee monitors performance against a range of performance standards.

4.1.7 Statement as to Disclosure to Auditors

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

So far as the Director is aware, there is no relevant audit information of which the

NHS foundation trust's Auditor is unaware, and; the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the NHS foundation trust's Auditor is aware of that information.

4.1.8 Prompt Payments Code

The Trust aims to pay its bills promptly and is a signatory to the Prompt Payments Code (PCC) which stipulates that its members should pay 95% of invoices within 60 days and aim to move towards 30 days as a norm. The Trust's performance against the 60 day target is set out in the table below:

Table 14: Performance against Prompt Payments Code

	Year ended 31 March 2017	Year ended 31 March 2016
Total invoices paid in the year	167,704	165,581
Total invoices paid within 60 days	158,250	157,702
Percentage of invoices paid within 60 days	94%	95%

The Trust ensures all invoices are properly authorised before being paid. The complexity of services provided by other organisations requires detailed checking by clinical staff, both in terms of activity and services provided. Clinical staff responsible for the authorisation of invoices will prioritise clinical care during periods of resource pressure.

4.1.9 Council of Governors

NHS Foundation Trusts are 'public benefit corporations' and are required by the National Health Service Act 2006 to have a Council of Governors (the Council), the general duties of which are to:

- Hold the Non-executive Directors individually and collectively to account for the performance of the board of directors
- Represent the interests of the members of the corporation as a whole and the interests of the public.

The Council is responsible for regularly feeding back information about the Trust's vision, strategy and performance to their constituencies and the stakeholder organisations that either elected or appointed them. The Council discharges a further set of statutory duties which include appointing, re-appointing and removing the Chairman and Non-executive Directors, and approving the appointment and removal of the Trust's External Auditor.

The Council and Board of Directors communicate principally through the Chairman who is the formal conduit between the two corporate entities. Clear communication between the Board and the Council is further supported by governors regularly attending meetings of the Board, and Executive and Non-executive Directors regularly attending meetings of the Council.

Communications and consultations between the Council and the Board include the Trust's annual Quality Report; strategic proposals; clinical and service priorities; proposals for new capital developments; engagement of the Trust's membership; performance monitoring; and reviews of the quality of the Trust's services.

The Board of Directors present the Annual Accounts, Annual Report and Auditor's Report to the Council at the Annual Members' Meeting.

The Council has developed a good working relationship with the Chairman and Directors, and through the forums of governors' focus groups (dealing with matters of constitution; strategy and planning; and quality and performance monitoring), development seminars and informal meetings, governors are provided with information and resources to enable them to engage in a challenging and constructive dialogue with the Trust Board of Directors.

Meetings of the Council are scheduled to follow the Board meetings held in public, and good attendance by governors at both has meant governors are kept up to date on current matters of importance and have the opportunity to follow up on queries in more detail with all members of the Board.

There were four Council meetings in the year, and in addition to being attended by governors and the Trust Board, they were also open to members and the general public, including the Annual Members' Meeting.

Governors are required to disclose details of any material interests which may conflict with their role as governors at each Council meeting. A register of interests is available to members of the public by contacting the Trust Secretary at the address given in Appendix B of this report.

All governor and membership meetings and activities formally report into the Council meetings, with many of these updates led by governors. There is also a standing agenda item of an update from the Chief Executive, providing an opportunity to brief governors on the significant issues facing the Trust, provide updates on developments and report on performance. The structure of the agenda for the meeting of the Council allows time for governors' questions and discussion. This is valued by governors and Board members alike, and has helped to provide greater interaction between the two groups.

At the Council meeting in April 2016, governors approved the appointment of the lead governor as a joint role between Angelo Micciche and Mo Schiller.

At the Council meeting in October 2016 the group approved the recommendation to extend the contract of the External Auditors, PwC, by a period of 12 months as of 1 July 2016. The Council agreed at the same meeting to set up a task-and-finish group to consider the selection of a new External Auditor from 30 June 2017. The panel included three governors and three Non-executive Directors, and met four times between November 2016 and March 2017. At the Council of Governors meeting in April 2017, governors approved the appointment of PwC as the Trust's External Auditors for the three-year period commencing 2017-2020.

At the Council meeting in October 2016 the group also approved changes to the Trust Constitution, brought forward by the Constitution Focus Group and ratified by the Trust Board in November 2016.

Further comment on the interaction of the Council and the Trust Board of Directors is provided in the Annual Governance Statement included in section 4.7 of this report.

Table 15: Membership and attendance at Council of Governors meetings 2016/17

Number of Council of Governors meetings 2016/2017	**4**
Chairman: John Savage	**C3(4)**
Governors	
Public South Gloucestershire	
Pauline Beddoes	2(4)
Tony Tanner	0(1)
Malcolm Watson	3(3)
Public North Somerset	
Graham Briscoe	4(4)
Clive Hamilton	4(4)
Public Bristol	
Bob Bennett	1(4)
Sylvia Townsend	1(1)
Brenda Rowe	0(1)
Mo Schiller	3(4)
Sue Silvey	3(4)
Carole Dacombe	3(3)
Tom Frewin	2(3)
Public (Rest of England and Wales)	
Tony Rance	0(1)
Hussein Amiri	1(3)
Jonathan Seymour-Williams	0(3)
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	
Edmund Brooks	2(4)
Angelo Micciche	3(4)
Ray Phipps	3(4)
Anne Skinner	1(4)
John Steeds	1(1)
Pam Yabsley	1(1)
Rashid Joomun	2(3)
Kathy Baxter	1(3)
Carers of patients 16 years and over	
Wendy Gregory	1(1)
Sue Milestone	2(4)
Garry Williams	2(3)
Carers of patients under 16 years	
Lorna Watson	2(4)
Staff Non-clinical Healthcare Professional	
Karen Stevens	3(4)
Mily Yogananth	3(3)
Staff Other Clinical Healthcare Professional	
Thomas Davies	0(1)
Andy Coles-Driver	2(3)
Staff Medical and Dental	
Ian Davies	1(4)
Staff Nursing and Midwifery	
Florene Jordan	4(4)
Ben Trumper	1(1)
Maria Wahab	0(3)
Appointed Governors	
Marc Griffiths	0(4)
Tim Peters	3(4)
Bill Payne	1(1)
Carole Johnson	1(2)
Sue Hall	0(1)
Emma Roberts (Jun-Dec 2016)	0(2)
Jim Petter	0(1)
Jeanette Jones	3(4)
Julia Lee	0(2)
Isla Phillips	0(2)
Beatrice Lander	0(2)
Olivia Garrett	0(2)
Non-executive Directors	
Emma Woollett	C1, 2(0)
David Armstrong	4(0)
Julian Dennis	3(0)
Lisa Gardner	1(0)
John Moore	1(0)
Anthony (Guy) Orpen	2(0)
Alison Ryan	3(0)
Jill Youds	2(0)
Executive Directors	
Owen Ainsley	2(0)
Paula Clarke	3(0)
Sue Donaldson	1(0)
Deborah Lee	1(0)
Paul Mapson	3(0)
Carolyn Mills	3(0)
Alex Nestor	3(0)
Sean O'Kelly	3(0)
Robert Woolley	4(0)

The figure in brackets denotes the number of meetings an individual could be expected to attend by virtue of their membership of the Council. A figure of zero in brackets (0) indicates that the individual was not a member or that their attendance was not mandatory. 'C' denotes the Chair of the meeting. Sickness or other reasons for absence are not recorded.

4.1.10 Governors' Nominations and Appointments Committee

The Governors' Nominations and Appointments Committee is a formal Committee of the Council established in accordance with the NHS Act 2006, the UH Bristol Trust Constitution, and the Foundation Trust Code of Governance for the purpose of carrying out the duties of governors with respect to the appointment, re-appointment, removal, remuneration and other terms of service of the Chairman and Non-executive Directors. There are 12 governor members.

The Committee met on six occasions during the course of the year. The Committee reviewed the annual appraisal of performance for the Chairman and Non-executive Directors. They received six-monthly reports from the Chairman and all Non-executive Directors of their activity at the Trust; reviewed Non-executive Director portfolios and considered succession planning. They also reviewed the current remuneration of Non-executive Directors and recommended no changes at present.

The Committee supported the continuation of the third term of office of John Savage as Chairman and Emma Woollett as Vice-Chair. They supported a six-month extension to John Savage's term of office as Chairman until 30 November 2017; a six-month extension to Emma Woollett's term of office as Vice-Chair until 31 May 2018; and a six-month extension to Lisa Gardner's term of office as Non-executive Director until 30 November 2017. The Committee agreed to support the re-appointment of David Armstrong and Alison Ryan for a further three-year term of office until November 2019. Governors agreed that in Alison's case, her three-year term of office could include a one-year sabbatical from August 2017 to August 2018. The Committee also supported the re-appointment of Jill Youds and Julian Dennis as Non-executive Directors for a second three-year term until 31 May 2020 and 27 November 2020 respectively.

As the Chairman and two Non-executive Directors were due to end their final terms of office in 2017/18, the Committee reviewed and approved the process to be followed in relation to the appointment of a new Chairman and Non-executive Directors. External recruitment consultants Odgers Berndtson are the search consultants for both the Chairman and Non-executive Director positions. Plans include significant governor involvement in the selection procedure. It is anticipated that appointments will be made during 2017/18.

4.1.11 Performance and development of the Council of Governors

There is continued focus on supporting the Council to have closer links and increased contact with the Trust Board members, and to improve the content and structure of meetings held for governors. For example, Non-executive Directors attend the governor project focus groups and take it in turns to chair the meetings of the Chairman and Non-executive Directors' Counsel. These interactions allow for open discussion at regular intervals throughout the year.

The quarterly Governor Development Seminars form an important part of the programme of development for governors. The programme for the seminars is developed with governors to ensure topics relate to key themes from across the Trust and are in response to areas outlined by governors for which they require further information and understanding. The aim of delivering this agenda is to provide Governors with an overview and insight that will enable them to best undertake their role and support the Board in the year ahead.

4.1.12 Governor elections

Governor elections are held every two years out of three. 2016 was an election year and there were 15 seats up for election over eight constituencies. Nominations ran from 7 March to 6 April, with a ballot vote from 28 April to 24 May. New governors took up office on 1 June 2016.

Six governors were elected unopposed as their constituencies were uncontested:

- Public-Rest of England and Wales (2 to elect) – **Hussein Amiri** and **Jonathan Seymour-Williams**
- Public-South Gloucestershire (2 to elect) – **Pauline Beddoes (re-elected)** and **Malcolm Watson**
- Staff-Nursing and Midwifery (2 to elect) – **Florene Jordan (re-elected)**.
- Staff -Other Clinical Healthcare Professionals (1 to elect) – **Andy Coles-Driver**

Eight governors were elected following a ballot:

- Public-Bristol (2 to elect): **Carole Dacombe** and **Tom Frewin**
- Patient-Carer of Patients 16 years and over (2 to elect): **Sue Milestone (re-elected)** and **Garry Williams**
- Patient-Local (3 to elect): **Ray Phipps (re-elected), Rashid Joomun** and **Kathy Baxter**
- Staff-Non-clinical (1 to elect): **Sharmily Yogananth** (1 year term).

Following these elections, one vacancy remained in the Staff-Nursing and Midwifery constituency. An election to fill the vacancy in this constituency was re-run in June 2016, and as a result, **Maria Wahab** was elected unopposed and took up office in July 2016.

The following appointments were made to our Appointed Governor roles:

- **Beatrice Lander** and **Olivia Garrett** joined the Council as the appointed governors from the Trust's Youth Involvement Group, for a one year term of office from September 2016
- **Emma Roberts**, Director of Corporate Affairs and Company Secretary at Avon and Wiltshire Mental Health Partnership NHS Trust, held office as an Appointed Governor from June to December 2016
- **Cllr Carole Johnson** took up office as the Appointed Governor from Bristol City Council from September 2016. Carole represents Ashley ward and sits on the Ashley, Easton and Lawrence Hill Neighbourhood Partnership, and Neighbourhoods Scrutiny Commission.

In the latter half of the year, planning was undertaken to support governor elections in 2017, in which there were 14 seats up for election across seven constituencies. Nominations took place from 7 March 2017 to 4 April 2017, and elections were scheduled to run from 28 April to 24 May 2017. There were candidates standing in all vacant seats.

Table 16: Governors by constituency – 1 April 2016 to 31 March 2017

Constituency	Name	Tenure	Elected or Appointed
Public Governors			
Public South Gloucestershire	Pauline Beddoes	June 2010 to May 2019	Elected
Public South Gloucestershire	Tony Tanner	June 2013 to May 2016	Elected
Public South Gloucestershire	Malcolm Watson	June 2016 to May 2019	Elected
Public North Somerset	Clive Hamilton	June 2011 to May 2017	Elected
Public North Somerset	Graham Briscoe	June 2014 to May 2017	Elected
Public Bristol	Mo Schiller	June 2008 to May 2017	Elected
Public Bristol	Sue Silvey	June 2011 to May 2017	Elected
Public Bristol	Bob Bennett	June 2014 to May 2017	Elected
Public Bristol	Brenda Rowe	June 2013 to May 2016	Elected
Public Bristol	Sylvia Townsend	Mar 2015 to May 2016	Elected
Public Bristol	Carole Dacombe	June 2016 to May 2019	Elected
Public Bristol	Tom Frewin	June 2016 to May 2019	Elected
Public Rest of England and Wales	Tony Rance	June 2013 to May 2016	Elected
Public Rest of England and Wales	Hussein Amiri	June 2016 to May 2019	Elected
Public Rest of England and Wales	Jonathan Seymour-Williams	June 2016 to May 2019	Elected

Patient Governors			
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	John Steeds	June 2010 to May 2016	Elected
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	Pam Yabsley	September 2012 to May 2016	Elected
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	Angelo Micciche	October 2013 to May 2017	Elected
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	Anne Skinner	June 2008 to May 2017	Elected
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	Edmund Brooks	June 2014 to May 2017	Elected
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	Ray Phipps	Mar 2015 to May 2019	Elected
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	Rashid Joomun	June 2016 to May 2019	Elected
Local Patient Governors who live in Bristol, North Somerset and South Gloucestershire	Kathy Baxter	June 2016 to May 2019	Elected
Carers of patents 16 years and over	Wendy Gregory	June 2008 to May 2016	Elected
Carers of patents 16 years and over	Sue Milestone	June 2013 to May 2019	Elected
Carers of patients 16 years and over	Garry Williams	June 2016 to May 2019	Elected
Carers of patients under 16 years	Philip Mackie	June 2008 to May 2016	Elected
Carers of patients under 16 years	Lorna Watson	June 2008 to May 2017	Elected

Staff Governors			
Medical and Dental	Ian Davies	June 2013 to May 2017	Elected
Nursing and Midwifery	Florene Jordan	June 2010 to May 2019	Elected
Nursing and Midwifery	Ben Trumper	June 2013 to May 2016	Elected
Nursing and Midwifery	Maria Wahab	June 2016 to May 2017	Elected
Non-clinical Healthcare Professiona	Karen Stevens	June 2014 to May 2017	Elected
Non-clinical Healthcare Professiona	Sharmily Yogananth	June 2016 to May 2017	Elected
Other Clinical Healthcare Professional	Thomas Davies	June 2014 to May 2016	Elected
Other Clinical Healthcare Professional	Andy Coles-Driver	June 2016 to May 2019	Elected
Appointed Governors			
University of Bristol	Tim Peters	March 2011 to May 2017	Appointed
University of the West of England	Marc Griffiths	October 2013 to May 2017	Appointed
Bristol City Council	Bill Payne	July 2014 to May 2016	Appointed
Bristol City Council	Carole Johnson	September 2016 to May 2017	Appointed
Avon and Wiltshire Mental Health Trust	Sue Hall	June 2014 to May 2016	Appointed
Avon and Wiltshire Mental Health Trust	Emma Roberts	June 2016 to December 2016	Appointed
South Western Ambulance Service NHS Foundation Trust	Jim Petter	December 2013 to May 2016	Appointed
Joint Union Committee	Jeanette Jones	June 2008 to May 2017	Appointed
Voluntary/Community Groups	Vacancy		Appointed
Youth Council	Julia Lee	September 2015 to August 2016	Appointed
Youth Council	Isla Phillips	September 2015 to August 2016	Appointed
Youth Involvement Group (formerly Youth Council)	Beatrice Lander	September 2016 to August 2017	Appointed
Youth Involvement Group (formerly Youth Council)	Olivia Garrett	September 2016 to August 2017	Appointed

4.1.13 Foundation Trust membership

The Trust maintains a broadly representative membership of people from eligible constituencies in keeping with the NHS Foundation Trust governance model of local accountability through members and governors.

The Trust has three membership constituencies as follows:

- A public constituency comprising Bristol; North Somerset; South Gloucestershire; and Rest of England and Wales
- A patient constituency comprising local patients; carers of patients 16 years and over; and carers of patients under 16 years
- A staff constituency comprising medical and dental; nursing and midwifery; other clinical healthcare professionals; and non-clinical healthcare professionals.

Eligibility for public membership is open to members of the public who are not eligible to become a member of the Trust's staff constituency, are not members of any other constituency and are seven years of age and above. The patient constituency is open to all those who have attended one of the Trust's hospitals as a patient, or as the carer of a patient, and who are neither eligible to become a member of the staff constituency nor are less than seven years of age. Staff are automatically registered as members on appointment and may opt out if they wish. Information on opting out of the scheme is included in induction packs and on the intranet.

Membership numbers have declined in 2016/17. At 31 March 2017 public and patient membership totalled 9,397 and staff membership 10,269. The combined membership at 31 March 2017 stands at 19,666. It should be noted that the fall in staff members follows a refresh of the staff database at the end of December 2016 and again at the end of March 2017.

Table 17: Members of the Foundation Trust

Public constituency	**2016/17**
At year start (1 April 2016)	6,389
New members	57
Members leaving	(928)
At year end (31 March 2017)	5,518
Patient constituency	**2016/17**
At year start (1 April 2016)	4,636
New members	19
Members leaving	(776)
At year end (31 March 2017)	3,879
Staff constituency	**2016/17**
At year start (1 April 2016)	10,859
New members	1,864
Members leaving	(2,454)
At year end (31 March 2017)	10,269

4.1.14 Membership strategy

During the year the membership team, in agreement with the governors, reviewed the Membership and Engagement Strategy to outline priorities of work for the following year ahead, which included work to refresh our membership database as outlined below. At the Council meeting in October 2016 it was agreed that priorities would be managed quarterly going forwards, with activity focused on the governor election campaign and related promotion from January to April 2017.

During the year a suite of new membership materials, including a new membership application form, poster and banner, were completed alongside improvements to the membership section of the Trust website.

Governors have played an active role in both Trust and external partnership events, 'Health Matters' events for members and governor election information events throughout the year – all providing opportunities to talk to members and receive their feedback on

the Trust and its services. Governors have also contributed to membership features in the public edition of the Trust's Voices magazine, for members and the local community.

An appeal for members to update their contact information was sent out with the Jan/Feb 2017 edition of Voices magazine. At the same time a large number of members flagged as 'gone away' on the membership database. As a result there has been an overall reduction of around 1,600 public and patient members in 2016/17. In spite of the fall we have seen a step forward in terms of membership activity and now have a better picture of who are members are (see table 11). In 2017/18 we will continue to focus on membership engagement, but review our methods and practices, and outline plans for targeting any underrepresented members or constituencies where membership numbers are low to ensure our membership remains representative. Further information about membership along with details of how members can contact their governors is available on the Trust website: www.uhbristol.nhs.uk/membership and at **Appendix B.**

Table 18: Analysis of current membership

Constituency	Number of members	Eligible membership
Public		
Age (years):		
7-16	175	185,085
17-21	319	63,521
22+	4,823	691,317
Ethnicity		
White	4,703	806,242
Mixed	71	21,138
Asian or Asian British	179	32,531
Black or Black British	127	28,584
Other	2	5,072
Socio-economic groupings:		
AB	1,595	72,696
C1	1,630	91,716
C2	1,098	56,721
DE	1,183	63,324
Gender analysis		
Male	2,361	466,594
Female	3,042	473,328
Patient		
Age (years):		
7-16	211	n/a
17-21	200	n/a
22+	3,438	n/a
Staff		
Members	10,269	

This analysis excludes public and patient members with no date of birth (231), no stated ethnicity (436) and no stated gender (115).

4.2 An Overview of Quality

The Trust's objectives, values, quality and efficiency strategies provide a clear message to all staff that high quality services and excellent patient experience are the first priority for the Trust.

We have much to be proud of. Following the CQC inspection in November 2016, the CQC has assessed the Trust as Outstanding becoming the first Trust in the country to go from Requires Improvement to Outstanding between two inspections.

The Trust's quality strategy has remained focussed on responding to national requirements and delivering our commitment to address aspects of care that matter most to our patients. Which they describe as: keeping them safe; minimising waiting for treatment; being treated as individuals; being involved in decisions about their care; being cared for in a clean and calm environment; receiving appetising and nutritional food and achieving the best clinical outcomes possible for them. The safety of our patients, the quality of their experience of care, and the success of their clinical outcomes are at the heart of everything we want to achieve as a provider of healthcare services. The Trust has continued to make progress in the last 12 months to improve the quality of care that we provide to patients and address any known quality concerns.

The Trust's quality improvement programme has shown us what is possible when we have a relentless focus on quality improvement. Healthcare does not stand still. We need to continuously find new and better ways of enhancing value, whilst enabling a better patient experience and improved outcomes. Never has there been a greater need to ensure we get the best value from all that we

Sign up to SAFETY
LISTEN LEARN ACT

4.2.1 Our Patient Safety Improvement Programme 2015-2018

We reported last year on the development of our 'Sign up to Safety' programme, building on our previous involvement in the Safer Care South West programme and the partnership work with colleagues in the West of England Patient Safety Collaborative to identify and develop opportunities for system wide safety improvements and to share and learn from each other.

In line with the national Sign up to Safety initiative, the overall aim of our programme is to reduce mortality and harm to patients. In 2016/17 we have refined our overall measures of the programme, recognising that the measurement of avoidable mortality and avoidable harm is more complex than a single indicator.

4.2.2 Stakeholder relations

UH Bristol is currently not engaged in any formal consultation process with the Local Authorities or Health Overview and Scrutiny Committees (HOSCs) to support any major changes in services for our patients. There have, however, been a number of developments to services over the past 12 months including the development of a new model for the delivery of Sexual Health Services and participation in a new service provider partnership for the delivery of community child health services. The Trust has also entered into an agreement to support Somerset Dermatology services over the next 12 months and continues to engage actively in conversations with other local providers, through the STP to continue to develop our services in BNSSG to improve services for patients in the local population.

UH Bristol has been supporting the North Somerset Sustainability Board public engagement exercise relating to future services at Weston Area Health NHS Trust (WAHT) for the patients of North Somerset. The Boards of WAHT and UH Bristol have agreed to establish a formal partnership arrangement, increasing the level of joint working between the two Trusts. This new collaboration is being created as part of the NHS vision of developing networks between smaller and larger Trusts and reflects the ongoing North Somerset Sustainability programme to build a strong future for Weston General Hospital. This arrangement builds on long-standing, positive working relationships which give local people access to a range of services delivered or supported by Bristol and Weston clinicians. The agreement between WAHT and UH Bristol is an important first step towards the vision set out in the local STP of a more integrated provider landscape across Bristol, North Somerset and South Gloucestershire.

Further information is contained within the Quality Report in Appendix C.

4.2.3 Research and Innovation

Research remains an essential part of delivering excellent evidence-based care and the services we deliver as part of the trust's tripartite mission to provide exceptional healthcare, research and teaching every day.

During 2016/17 over 5,000 of our patients gave their time to take part in the research that we lead and host at UH Bristol.

Building on our successes of the last five years in translational research, we have been awarded a Biomedical Research Centre which will run between 2017 and 2022. From April 1st 2017, UH Bristol has, in partnership with the University of Bristol, been awarded £20.8m over five years, in the latest round of National Institute for Health Research (NIHR) Biomedical Research Centre awards. The funding will allow us to build on our existing programmes in cardiovascular disease and nutrition, diet and lifestyle - with the addition of themes in surgical innovation, reproductive and perinatal health and mental health. Working in close partnership with the University of Bristol, North Bristol NHS Trust (NBT) and Avon and Wiltshire Mental Health Partnership (AWP), we will draw together population studies, laboratory science and patient-based research to benefit our patients and the local population.

Our NIHR grant income has remained steady at around £7m during 2016/17. The total value of our NIHR grant income continues to increase year on year, comprising NIHR Collaboration for Leadership in Applied Health Research (CLAHRC) West, 2 NIHR Biomedical Research Units (BRUs)17 NIHR project or programme grants and 4 NIHR Fellowships.

New grants awarded in 2016/17 were: an Health Technology Assessment (HTA) trial comparing gabapentin and placebo alongside other pain regimens in surgical patients - this is a £1.1 million grant led by Professor Chris Rogers and Dr Ben Gibbison; Dr Charlotte Bradbury has been awarded £350,000 by NIHR to trial first line treatment pathways in immune thrombocytopaenia. We have also started to set up Professor Julian Hamilton-Shield's grant to evaluate and validate a novel way of measuring breath ammonia. He is working in partnership with the NIHR and industry to investigate ways of managing rare metabolic diseases in children through the i4i funding stream, and was awarded just over £700,000. We have worked with researchers to submit 12 grant applications for NIHR funding, and whilst not all will be successful, this is a measure of the trust's engagement with research.

Three of our sponsored grants have completed recruitment to target this year and will be drawing to a close:

- *Reducing Arthritis Fatigue - clinical Teams using cognitive-behavioural approaches (RAFT)*
- *Can skin grafting success rates in burn patients be improved by using a low friction environment – a feasibility study? (SILKIE)*
- *Trial of Optimal Therapy for Pseudomonas Eradication in Cystic Fibrosis (TORPEDO)*. Further information is available on our website

Our relationships with our partner NHS trusts within the NIHR Clinical Research Network: West of England (CRN:WoE) have developed over the last year as we have embraced our role as part of an integrated network. We have been working closely with our local CRN colleagues to improve our performance in recruiting patients to the research we have open and to share best practice with other trusts and research staff in the network. This has been facilitated through workshops and project work.

We have demonstrated our commitment to improving and sustaining our performance in setting up and recruiting to research across a range of commercial and non-commercial studies. In a number of areas, including ophthalmology, cardiology, oncology and paediatrics we have recruited first global patients and first national patients, and been recognised as top recruiter in the UK and globally.

As a university hospital, one of our aims is to share our skills and support each other in developing colleagues and new areas of work. Our Research Matron has been seconded to a senior role within the CRN core team to co-ordinate a team of research staff working in primary care, and to lead on the workforce development function for the local clinical research network going into the new financial year. In our clinical divisions, our Commercial Research Manager has been seconded to work with the Bristol Eye Hospital to develop collaborative research with the US National Institutes of Health.

We have maintained a significant level of income through collaborative and contract commercial trials, and we have generated £2.2 million in 2016/17. Our intention is to build on this in 2017/18, bringing commercial research opportunities to new specialties and expanding our work in existing areas such as haematology and oncology.

The research we have been part of has also driven changes to clinical practice. Examples of these impacts are:

- Our sponsored trial investigating the effectiveness, safety and cost effectiveness of adalimumab in combination with methotrexate for the treatment of juvenile idiopathic arthritis associated uveitis has resulted in a change in commissioning advice, and has been submitted to a high impact journal for publication.

- Adjuvant treatment for pancreatic patients has changed due to the Espac 4 Trial which has been running at UH Bristol since 2009. The primary outcome has been published and has shown positive results, with an impact on patient long term survival .

As we move into 2017/18 our focus will be on developing and supporting research that will bring benefit to patients, and using the funds that we have most effectively, so that we can maximise our impact.

4.3 Remuneration Report

4.3.1 Annual Statement on Remuneration

The remuneration and allowances, and the other terms and conditions of office of the Executive Directors are determined by the Remuneration, Nominations and Appointments Committee which is established by the Board in accordance with Schedule 7 of the NHS Act 2006 (paragraph 18(2)), paragraph 30.3 of the University Hospitals Bristol NHS Foundation Trust Constitution, and the NHS Foundation Trust Code of Governance Provision D.1. For statement of Accounting Officers responsibilities – see page 46 of the Annual Accounts.

The Remuneration, Nominations and Appointments Committee consists of all Non-executive Directors and the Chairman of the Trust Board of Directors. The Committee is chaired by the Senior Independent Director of the Trust. A summary of the business of the Committee during 2016/17 including membership, the dates of meetings and attendance of members are included in section 4.5 of this report.

In line with the Trust's remuneration policy, a Very Senior Manager (VSM) will be appointed as a Director and member of the Trust Board of Directors by the Remuneration, Nominations and Appointments Committee of the Board.

In reviewing the suitability of pay and conditions of employment for VSM, the Committee takes account of the principles and provisions of the Foundation Trust Code of Governance, national policy in respect of VSM pay, national pay awards, comparable employers, national economic factors and the remuneration of other members of the Trust's staff.

4.3.2 Senior Manager's Remuneration Policy

The overarching policy statement is as follows: 'Levels of remuneration should be sufficient to attract, retain and motivate directors of quality, and with the skills and experience required to lead the NHS Foundation Trust successfully, but an NHS Foundation Trust should avoid paying more than is necessary for this purpose and should consider all relevant and current directions relating to contractual benefits such as pay and redundancy entitlements.' For the purposes of the annual report, the definition of 'VSM' is the Executive Directors of the Board.

The remuneration policy has been reviewed and is in line with the principles contained in the letter from the Secretary of State in respect of VSM Pay dated 2 June 2015, October 2016 and guidance issued in February 2017 from NHS Improvement/NHS England. In this context, there are currently four VSMs employed at the Trust with an annual salary greater than the salary of the Prime Minister.

The Trust has, in setting these salaries, taken into account market conditions in the public sector as a whole and the NHS in particular. The Trust is satisfied that having regard to these factors that remuneration to these very senior managers is reasonable and compares favourably with the rest of the public sector.

These are also included in Section 6.8 of the Annual Accounts 2016/17 attached at **Appendix D**. Accounting policies for pensions and other retirement benefits (which apply to all employees) are also contained in Note 1 of the Annual Accounts.

The following tables show the remuneration for the senior managers of the Trust for 2016/17 and 2015/16. There were no taxable benefits, annual performance related bonuses or exit packages paid to any director in either year. *This information has been subject to audit.*

Table 19: Remuneration for the senior managers of the Trust 2016/17

Directors remuneration for 2016/17 (£'000)	**Salary**	**Pension Related Benefits**	**Total**
	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
Chair			
John Savage	50-54	n/a	50-54
Executive Directors			
Robert Woolley, Chief Executive	190-194	97.5-99.9	290-294
Owen Ainsley, Chief Operating Officer from 13 June 2016 until 12 February 2017	70-74	35.0-37.4	110-114
Paula Clarke, Director of Strategy and Transformation from 1 April 2016	130-134	27.5-29.9	155-159
Sue Donaldson, Director of Workforce and Organisational Development until 12 March 2017	115-119	-	115-119
Deborah Lee, Chief Operating Officer and Deputy Chief Executive until 12 June 2016	30-34	10.0-12.4	40-44
Paul Mapson, Director of Finance and Information	155-159	12.5-14.9	170-174
Carolyn Mills, Chief Nurse	130-134	85.0-87.4	215-219
Alex Nestor, Acting Director of Workforce and Organisational Development from 11 July 2016	65-69	42.5-44.9	110-114
Sean O'Kelly, Medical Director	195-199	7.5-9.9	205-209
Mark Smith, Deputy Chief Executive and Chief Operating Officer from 13 February 2017	20-24	2.5-4.9	20-24
Non-executive Directors			
David Armstrong	10-14	n/a	10-14
Julian Dennis	10-14	n/a	10-14
Lisa Gardner	15-19	n/a	15-19
John Moore	15-19	n/a	15-19
Anthony (Guy) Orpen	10-14	n/a	10-14
Alison Ryan	15-19	n/a	15-19
Emma Woollett	20-24	n/a	20-24
Jill Youds	10-14	n/a	10-14

The ' pension-related benefits' figures represent the increase during the year in the total value of the pension and lump sum receivable on retirement, assuming that the pension is drawn for a period of 20 years. Consequently this is not the annual amount payable to the member on retirement. It is calculated in accordance with guidance published by H M Treasury and takes into account the total period of NHS employment to date and current salaries. The actual amount payable to an individual annually on retirement will be dependent on future salary, the length of NHS employment on retirement and when the pension is paid.

Table 20: Remuneration for the senior managers of the Trust 2015/16

Directors remuneration for 2015/16 (£'000)	Salary	Pension Related Benefits	Total
	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
Chair		*(Restated *)*	*(Restated *)*
John Savage	50 - 54	n/a	50 - 54
Executive Directors			
Robert Woolley, Chief Executive	190-194	42.5-44.9	230-234
Sue Donaldson, Director of Workforce and Organisational Development	120-124	15.0-17.4	135-139
Deborah Lee, Director of Strategy and Deputy Chief Executive until 30 April 2015 and Chief Operating Officer and Deputy Chief Executive from 1 May 2015	140-144	62.5-64.9	200-204
Paul Mapson, Director of Finance and Information	150-154	0.0-2.4	150-154
Carolyn Mills, Chief Nurse	120-124	22.5-24.9	140-144
Sean O'Kelly, Medical Director	195-199	30.0-32.4	225-229
Anita Randon, Interim Director of Strategy from 3 August 2015 to 27 January 2016	100-104	n/a	100-104
James Rimmer, Chief Operating Officer until 30 April 2015 and Director of Strategy from 1 May 2015 to 2 August 2015	40-44	10.0-12.4	50-54
Non-executive Directors			
David Armstrong	10-14	n/a	10-14
Julian Dennis	10-14	n/a	10-14
Lisa Gardner	15-19	n/a	15-19
John Moore	15-19	n/a	15-19
Anthony (Guy) Orpen	10-14	n/a	10-14
Alison Ryan	15-19	n/a	15-19
Emma Woollett	20-24	n/a	20-24
Jill Youds	10-14	n/a	10-14

There were no payments made for loss of office in either 2016/17 or 2015/16.

There were no payments to past senior managers in either 2016/17 or 2015/16

** Restated – Restated to deduct employee contributions from pension related benefits*

The following tables show the pension benefits for the senior managers of the Trust for 2016/17 and 2015/16.

Table 21: Pension benefits for the year ended 31 March 2017

Name	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2017	Lump sum at age 60 related to accrued pension at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2016	Real Increase in Cash Equivalent Transfer Value	Employer funded contribution to grow th in CETV
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000	£000
Robert Woolley	5.0-7.4	17.5-19.9	60-64	185-189	1,377	1,159	191	95
Owen Ainsley	0-2.4	2.5-4.9	10-14	30-34	204	164	24	12
Paula Clarke	0-2.4	-	0-4	-	26	-	26	13
Sue Donaldson	0-2.4	0-2.4	15-19	50-54	362	330	24	12
Deborah Lee	0-2.4	0-2.4	30-34	100-104	664	553	20	10
Paul Mapson	0-2.4	2.5-4.9	70-74	215-219	n/a	n/a	n/a	n/a
Carolyn Mills	2.5-4.9	12.5-14.9	45-49	140-144	859	762	80	39
Alex Nestor	2.5-4.9	2.5-4.9	30-34	75-79	481	423	35	17
Sean O'Kelly	0-2.4	2.5-4.9	65-69	190-199	1,424	1,289	105	52
Mark Smith	0-2.4	0-2.4	30-34	100-104	677	583	10	5

This table includes details for the directors who held office at any time in 2016/17.

Real increases and employer's contributions are shown for the time in post where this has been less than the whole year.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

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

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement). The factors used to calculate the 2017 CETVs have increased; therefore the value of CETV's for some members has increased by more than expected since 31 March 2016.

Table 22: Pension benefits for the year ending 31 March 2016

Name	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2016	Lump sum at age 60 related to accrued pension at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2015	Real Increase in Cash Equivalent Transfer Value	Employer funded contribution to grow th in CETV
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000	£000
Robert Woolley	2.5-4.9	10-12.4	55-59	165-169	1,159	1,069	84	42
Sue Donaldson	0-2.4	2.5-4.9	15-19	50-54	330	298	30	15
Deborah Lee	2.5-4.9	10.0-12.4	25-29	85-89	553	477	73	36
Paul Mapson	0-2.4	2.5-4.9	65-69	205-209	n/a	1,595	n/a	n/a
Carolyn Mills	0-2.4	5.0-7.4	45-49	140-144	842	798	40	20
Sean O'Kelly	2.5-4.9	7.5-9.9	60-64	190-194	1,289	1,221	62	31
James Rimmer	0-2.4	2.5-4.9	40-44	125-129	739	666	23	12

This table includes details for the directors who held office at any time in 2015/16.
Real increases and employer's contributions are shown for the time in post where this has been less than the whole year.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

Signed ……
Robert Woolley, Chief Executive

Table 23: Future Policy Table

Element of pay (component)	How component supports short and long term objective/goal of the Trust	Operation of the component	Description of the framework to assess pay and performance
Basic Salary	Provides a stable basis for recruitment and retention, taking into account the Trust's position in the labour market and a need for a consist approach to leadership.	Individual pay is set for each Executive Director on appointment; this is by reviewing salaries of equivalent posts within the NHS. (Please note that this does not include additional payments over and above the role such as clinical duties and Clinical Excellence award. Total remuneration can be found in the remuneration tables in the Annual Report on Remuneration.)	Pay is reviewed annually by the Remuneration and Nomination Committee in respect of national NHS benchmarking. In addition any Agenda for Change cost of living pay award, when agreed nationally, is considered for payment to the Executive Directors. Performance is reviewed annually in relation to individual performance based on agreed objectives set out prior to the start of the financial year.
Pension	Provides a solid basis for recruitment and retention of top leaders in the sector.	Contributions within the relevant NHS pension scheme.	Contribution rates are set by the NHS pension scheme.

Note 1: Where an individual Executive Director is paid more than £142,500, the Trust has taken steps to assure that remuneration is set at a competitive rate in relation to other similar NHS Trusts and that this rate enables the trust to attract, motivate and retain executive directors with the necessary abilities to manage and develop the Trust's activities fully for the benefits of patients.

Note 2: The components above apply generally to all Executive Directors in the table and there are no particular arrangements that are specific to an individual director.

Note 3: The Remuneration, Nominations and Appointments Committee adopts the principle of the Agenda for Change framework when considering Executive Directors pay. However, unlike Agenda for Change, there is no automatic salary progression within the salary scale.

4.3.3 Fair pay multiple

The Trust is required to disclose the relationship between the remuneration of the highest-paid director and the median remuneration of the organisation's workforce. The mid-point of the banded remuneration of the Trust's highest paid director in 2016/17 was £197,500 (£2015/16, £197,500). This was 6.8 times (2015/16, 6.9 times) the median remuneration of the workforce, which was £29,179 (2015/16, £28,750). In 2016/17, no (2015/16, nil) employees received total remuneration in excess of the highest paid director. Remuneration ranged from £15,251 to £195,501, (2015/16, £15,100 to £188,971).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. This information has been subject to audit.

4.3.4 Remuneration of Non-executive Directors

The remuneration of the Chairman and Non-executive Directors is determined by the Governors' Nominations and Appointments Committee. The Committee is a formal Committee of the Council of Governors established in accordance with the NHS Act 2006, the UH Bristol Constitution, and the Foundation Trust Code of Governance and has responsibility to review the appointment, re-appointment removal, remuneration and other terms of service of the Chairman and Non-executive Directors.

Members of the Committee are appointed by the Council of Governors as set out in paragraph 9 of Annex 6 of the Trust's Constitution (Standing Orders of the Council of Governors). The membership includes eight elected public, patient or carer governors, two appointed governors, and two elected staff governors.

The Committee is chaired by the Chairman of the Trust in line with the Foundation Trust Code of Governance, and in his absence, or when the Committee is to consider matters in relation to the appraisal, appointment, re-appointment, suspension or removal of the Chairman, the Senior Independent Director.

The purpose of the Committee with regard to remuneration is to consider and make recommendations to the Council of Governors as to the remuneration and allowances and other terms and conditions of office of the Chairman and other Non-executive Directors, and on a regular basis, monitor the performance of the Chairman and other Non-executive Directors. There was no increase in the remuneration of the Chairman and Non-executive Directors in 2016/17.

4.3.5 Assessment of performance

All Executive and Non-executive Directors are subject to individual performance review. This involves the setting and agreeing of objectives for a 12 month period running from 1 April to 31 March each year. During the year, regular reviews take place to discuss progress, and there is an end-of-year review to assess achievements and performance.

Executive Directors are assessed by the Chief Executive. The Chairman undertakes the performance review of the Chief Executive and Non-executive Directors. The Chairman is appraised by Senior Independent Director and rigorous review of this process is undertaken by the Governors' Nominations and Appointments Committee chaired for this purpose by the Senior Independent Director and advised by the Trust Secretary. No element of the Executive and Non-executive Directors' remuneration was performance-related in this accounting period.

4.3.6 Expenses

Members of the Council of Governors and the Trust Board of Directors are entitled to expenses at rates determined by the Trust as shown in the table below.

Table 24: Expenses paid to Governors and Directors

Year	Directors			Governors		
	No. in office	No. reimbursed	Amount (£)	No. in office	No. reimbursed	Amount (£)
2016/17	19	14	13,347	48	13	4,367
2015/16	17	11	15,022	35	9	4,392

4.3.7 Duration of contracts

All Executive Directors have standard substantive contracts of employment with a six-month notice provision in respect of termination. This does not affect the right of the Trust to terminate the contract without notice by reason of the conduct of the Executive Director.

4.3.8 Early termination liability

Depending on the circumstances of the early termination, the Trust would, if the termination were due to redundancy, apply the terms under Section 16 of the Agenda for Change Terms and Conditions of Service; there are no established special provisions. All other Trust employees (other than Non-executive Directors) are subject to national terms and conditions of employment and pay.

Signed ……..…..
Robert Woolley, Chief Executive
26 May 2017

4.4 Staff Report

We recognise our workforce is our most valuable asset and have developed a clear Workforce and Organisational Development Strategy. Our aim is to be an employer of choice attracting, supporting and developing a workforce that is skilled, dedicated, compassionate, and engaged, so that it can continue to deliver exceptional care, teaching and research every day.

4.4.1 Analysis of staff costs

The following table analyses the Trust's staff costs, following the format required by the Foundation Trust Consolidation Forms (FTCs) and distinguishes between staff with a permanent employment contract with the Trust (which excludes non-executive directors) and other staff such as bank staff, agency staff and inward secondments from other organisations where the Trust is paying the whole or the majority of their costs but the individual does not have a permanent contract of employment. This information has been subject to audit.

Table 25: Analysis of staff costs

	2016/17			2015/16		
	Total £'000	Permanent £'000	Other £'000	Total £'000	Permanent £'000	Other £'000
Salaries and wages	298,684	277,484	21,200	290,087	265,701	24,386
Social security costs	26,859	25,999	860	20,760	19,674	1,086
Pension costs	34,631	33,770	861	33,277	32,170	1,107
Termination benefits	99	99	-	148	148	-
Agency/contract staff	11,229	-	11,229	15,188	-	15,188
Total Gross Staff Costs	371,502	337,352	34,150	359,460	317,693	41,767
Income in respect of salary recharges netted off expenditure	(2,406)	(2,406)	-	(2,267)	(2,267)	-
Employee expenses capitalised	(979)	(592)	(387)	(801)	(739)	(62)
Net employee expenses	**368,117**	**334,354**	**33,763**	**356,392**	**314,687**	**41,705**

4.4.2 Analysis of average whole time equivalent staff numbers

An analysis of the average whole time equivalent staff numbers for 2016/17 and 2015/16 is shown in the table below. The information uses the categories required by the Foundation Trust Consolidation Forms (FTCs) and distinguishes between staff with a permanent employment contract with the Trust and other staff such as bank staff, agency staff and inward secondments from other organisations where the Trust is paying the whole or the majority of their costs. This information has been subject to audit.

Table 26: Average Staff Numbers

Staff category	2016/17			2015/16		
	Total	Permanent	Other	Total	Permanent	Other
Medical and dental	1,159	1,066	93	1,102	1,008	94
Administration and estates	1,596	1,588	8	1,615	1,604	11
Healthcare assistant and other support	801	801	-	728	728	-
Nursing, midwifery & health visitors	2,982	2,976	6	2,908	2,900	8
Scientific, therapeutic and technical	1,153	1,135	18	1,110	1,089	21
Healthcare science staff	142	142	-	158	158	-
Agency and contract	144	-	144	161	-	161
Bank	399	-	399	370	-	370
Total staff	**8,376**	**7,708**	**668**	**8,152**	**7,487**	**665**

4.4.3 Education, Learning and Development

We are committed to high quality Education, Learning and Development to support the teaching of all staff groups including undergraduates, postgraduates, clinical and non-clinical to aid their lifelong learning and continued development.

Our vision is to *"enable our staff to deliver exceptional patient care through our excellence in education and our culture of continuous learning and development*."

As one of the UK's leading teaching hospital trusts, closely linked to academic institutions locally, nationally and worldwide, we have an extremely successful history of developing clinical skills and careers. The Trust supports a range of under-graduate and postgraduate education placements such as medical, dental, nursing and healthcare scientists, and positively encourages post graduate study and research for nursing, Allied Health Care Professionals, Health Care Scientists, medical and dental staff. This includes active continuous professional development that include; a variety of courses and programmes provided by Higher Education Institutions, together with locally run programmes such as the preceptorship programme; simulation training courses, workshops, conferences, seminars and e-Learning to keep professionals up to date with the latest clinical developments and patient safety matters.

We have been focussing on the development and implementation of a robust apprenticeship offer for both new and existing staff, in particular our bands 1 – 4 staff, to support the government initiative to implement and deliver apprenticeships at UH Bristol. This will result in the Trust providing a wider range of training and learning opportunities for non-clinical members of staff, and improve recruitment and retention for the future. There are a variety of continuous professional development opportunities to encourage internal succession for staff across all disciplines, alongside our provision of quality induction and essential

training programmes as the foundation for new starters joining the organisation.

We have continued to build on the excellent working partnerships with Health Education England in the Southwest including the Severn Deanery, and our local Higher Education Institutions in particular the Universities of Bristol and the West of England, and we are committed to continue working constructively with them. We continue to work closely with North Bristol NHS Trust and other NHS organisations, and have more recently created new relationships with local Higher Education Institutions such as South Gloucestershire & Stroud College.

Our involvement with the Sustainability, Transformation and Planning groups (STPs), has placed a major focus on workforce redesign to prepare staff to work across different care settings to meet patient needs and to upskill staff to support initiatives such as Making Every Contact Count; new roles such as Physicians Associates and Associate nurses; new ways of working to support improved staff flexibility and the embracing of research and innovation.

4.4.4 Equality and Diversity

The Trust serves a diverse community, and is committed to eliminating discrimination, promoting equality of opportunity, and providing an environment which is inclusive for patients, carers, visitors and staff.

We aim to provide equality of access to services and to deliver healthcare, teaching, and research which are sensitive to the needs of the individual and communities. These commitments are set out in the Trust's Equality, Diversity and Human Rights Policy, and underpinned by the Trust's Equality and Diversity Strategic Objectives for 2016-2019:

- To improve access to services for our local communities
- To improve the opportunities for members of our diverse communities to gain employment with and progress within the Trust
- To work towards a more inclusive and supportive working environment for all of our staff.

The Director of Workforce and Organisational Development is the nominated Executive lead for equality and diversity on the Trust Board, with day to day responsibility for workforce equality and diversity issues carried out by members of the Workforce and Organisational Development team.

The Equality and Diversity Group is chaired by the Associate Director of Workforce and Organisational Development, and is the Trust's key group in relation to delivering the equality and diversity objectives and ensuring that the Trust is compliant with legislative and regulatory requirements relating to equality and diversity.

The Public Sector Equality Duty is a requirement under the Equality Act 2010 and applies to public bodies and others carrying out public functions. It requires these organisations to publish information to show their compliance with the Equality Duty. The information must show that the organisation has had due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between people who share a protected characteristic and people who do not;
- foster good relations between people who share a protected characteristic and people who do not share it.

The range of equalities information published by the Trust on its public website includes an annual Equality and Diversity Report, demographic information in relation to its workforce and service users, and measures to improve equality.

The Workforce Race Equality Standard (WRES) requires NHS organisations to show progress against nine measures of workforce equality, including a specific indicator of the level of black and minority ethnic representation at Board level. The Trust has now published two reports on

the Standard, and progress is monitored by the Trust Board.

4.4.5 The NHS Equality Delivery System (EDS2)

The EDS2 is a toolkit which aims to help organisation improve the services they provide for their local communities and provide better working environments for all groups. The Trust is continuing with the extensive piece of work required to grade its performance against these goals and outcomes (and to have the self-assessment commented on by internal and external stakeholders.)

Findings from the National Staff Survey and Care Quality Commission scheduled inspections are helpful in contributing to the evidence to support delivery of the WRES and EDS2. Both the WRES and EDS2 are included in the 2017/2018 Standard NHS Contract.

4.4.6 The Accessible Information Standard

The Trust's Quality Objectives for 2016/2017 included full implementation of the Accessible Information Standard (AIS), ensuring that the individual needs of patients with disabilities are identified so that the care they receive is appropriately adjusted. The AIS directs and defines a specific, consistent approach to identifying, recording, flagging, sharing and meeting the information and communication support needs of patients, service users, carers and parents, where those needs relate to a disability, impairment or sensory loss.

4.4.7 Training and the Equality Act

Equality, Diversity and Human Rights is one of the subjects included in the UK NHS Core Skills Framework. Basic information is included in the Trust Living the Values training, delivered as part of Trust Induction and as bespoke sessions. A new on-line learning package is now available to all staff and provides more detailed information about the Equality Act, the Public Sector Equality Duty, and how the Trust fulfils its obligations.

4.4.8 Equality and diversity in the workplace

Delivery of the Trust's Equality and Diversity objectives relating to gaining employment with and progressing within the Trust, and providing an inclusive and supportive working environment for all of our staff is key to improving staff experience in the workplace.

The experiences of staff from different demographic groups are indicated by the responses to the National Staff Survey and the Workforce Race Equality Standard. This information is provided in the Trust's Equality and Diversity Annual Report and the WRES Report, available on the Trust's website and updated in July of each year.

The Trust's recruitment procedures and Policy reflect the requirement to advance equality of opportunity, and include a commitment to interview all applicants with a disability who meet the minimum criteria for a job vacancy.

The Trust has been accredited as a Disability Confident Employer, and is a Mindful Employer signatory – an initiative which provides employers with access to information, support and training relating to staff who experience mental ill health.

The Trust has three Staff Forums which meet regularly where staff can share experiences, ideas and support:

- Black, Asian and Minority Ethnic Workers Forum
- Living and Working with Disability, Illness or Impairment Forum
- Lesbian, Gay, Bisexual and Transgender Forum.

All three groups are represented on the Trust's Equality and Diversity Group and are integral to its work.

4.4.9 Analysis of staff diversity profile

The Trust's annual statutory monitoring of workforce and patient data reflects information as at January 2017. Some of the key workforce data is given in the tables below. This data applies to staff with a permanent employment contract with the Trust.

Table 27: Staff with permanent contract	January 2017	
Gender – All staff with a permanent employment contract	**Total**	**%**
Male	2,111	22.89%
Female	7,113	77.11%
Total	**9,224**	**100.00%**

Table 28: Directors by gender	January 2017	
Gender – Directors (Executive and non-Executive)	**Total**	**%**
Male	8	53.33%
Female	7	46.67%
Total	**15**	**100.00%**

Table 29: Senior Managers by gender	January 2017	
Gender – Other Senior Managers *	**Total**	**%**
Male	9	56.25%
Female	7	43.75%
Total	**16**	**100.00%**

For the purposes of the Staff section of the report, Senior Managers are defined as Divisional Directors, Clinical Chairs and Heads of Nursing for the Trust's Divisions

Table 30: Ethnicity	January 2017	
Ethnicity	**Total**	**%**
A - White - British	6,913	74.95%
B - White - Irish	117	1.27%
C - White - Any other White background	716	7.76%
D - Mixed - White & Black Caribbean	48	0.52%
E - Mixed - White & Black African	20	0.22%
F - Mixed - White & Asian	35	0.38%
G - Mixed - Any other mixed background	59	0.64%
H - Asian or Asian British - Indian	363	3.94%
J - Asian or Asian British - Pakistani	37	0.40%
K - Asian or Asian British - Bangladeshi	8	0.09%
L - Asian or Asian British - Any other Asian background	114	1.24%
M - Black or Black British - Caribbean	156	1.69%
N - Black or Black British - African	241	2.61%
P - Black or Black British - Any other Black background	75	0.81%
R - Chinese	46	0.50%
S - Any Other Ethnic Group	195	2.11%
Z - Not Stated	81	0.88%
Total	**9,224**	**100.00%**

Table 31 : Disability	January 2017	
Disability	**Total**	**%**
No	8,667	93.96%
Not Declared	296	3.21%
Yes	261	2.83%
Total	**9,224**	**100.00%**

Table 32: Age profile	January 2017	
Age profile	**Total**	**%**
16 – 20	87	0.94%
21 – 25	847	9.18%
26 – 30	1,389	15.06%
31 – 35	1,354	14.68%
36 – 40	1,204	13.05%
41 - 45	1,069	11.59%
46 – 50	1,007	10.92%
51 – 55	1,023	11.09%
56 – 60	804	8.72%
61 – 65	345	3.74%
66 – 70	74	0.80%
71 - 76	21	0.23%
Total	**9,224**	**100.00%**

Table 34: Religious belief	January 2017	
Religious belief	**Total**	**%**
Atheism	1,213	13.15%
Buddhism	54	0.59%
Christianity	3,705	40.17%
Hinduism	113	1.23%
Islam	190	2.06%
Jainism	2	0.02%
Judaism	9	0.10%
Sikhism	13	0.14%
Other	588	6.37%
I do not wish to disclose my religion/belief	3,312	35.91%
Undefined	25	0.27%
Total	**9,224**	**100.00%**

Table 35: Sexual orientation	January 2017	
Sexual orientation	**Total**	**%**
Bisexual	45	0.49%
Gay	61	0.66%
Heterosexual	6,408	69.47%
Lesbian	38	0.41%
I do not wish to disclose my sexual orientation	2,649	28.72%
Undefined	23	0.25%
Total	**9,224**	**100.00%**

4.4.10 Occupational Health and Safety and Wellbeing

The Trust hosts Avon Partnership NHS Occupational Health Service (APOHS) which provides an integrated occupational health service with the objective of making a positive impact on sickness absence through both healthy working environments and healthy management styles. The service works proactively, through consensus and evidence based practice, to enable staff to achieve and maintain their full employment potential within a safe working environment, thus enhancing the quality of their working lives. These services include: new employee surveillance; immunisations; Health at Work Advice and referrals; ill health referrals; and health and wellbeing support.

APOHS continues to provide a successful emotional resilience building programme for staff. An evaluation of the pilot programme showed that it supported significant reductions in anxiety, stress and depression in participants. Staff also have access to in-house counselling which supports them with emotional issues whilst in work. Likewise a direct support line for minor musculoskeletal disorders provides rapid access to support staff. APOHS also provided 'Health MOTs' for staff across the Trust in 2016, funded by Above and Beyond. The APOHS website has been updated (www.apohs.nhs.uk) to provide increased support to Trust staff, managers and the wider community with advice and support about health and work.

4.4.11 A safe and healthy working environment

The overall strategy for health and safety in the Trust complies with the reviewed Health and Safety (Guidance) Document number 65: Managing for Health and Safety and the Occupational Health and Safety Standards, which are implemented in full as the healthcare models for safety management systems. These models include the domains of health, safety, welfare and wellbeing.

Health and safety risk assessments, safe systems of work, practices and processes are managed at ward and department level to ensure that all key risks to compliance with the legislation have been identified and addressed. This includes physical and psychological hazards as well as the broader environmental risk assessments.

Health and safety is integral to the Trust's Risk Management Strategy, from which the five year Health and Safety Action Plan 2013 – 2018 has been developed. Progress against this is subject to annual review via an independent auditor – British Safety Council. This is monitored at Trust Health and Safety/Fire Safety Committee with summary reports to the Risk Management Group. This year the Trust retained a five star (excellent) rating out of a possible five stars.

In addition there is the annually reviewed risk management training matrix which identifies needs beyond the essential health and safety training requirements for all staff. It is based on the employee's role for example health and safety for executives/ senior managers or mandatory departmental needs for example manual handling risk assessors.

The annually reviewed risk management training prospectus and training delivery plan includes all risk management training programmes. This is monitored by the Trust Health and Safety/ Fire Safety Committee for compliance each quarter.

In response to requirements issued in March 2015 relating to the new NHS England Staff Health and Wellbeing Commissioning for Quality and Innovation (CQUIN) the Trust introduced a local implementation plan to ensure achievement against three new indicators. The Trust has submitted a 100 per cent confidence of achievement against all three indicators and a final report providing evidence to the commissioners will be submitted. This includes reference to a highly successful 2016/17 flu vaccination campaign which resulted in 79 per cent of the workforce receiving vaccination. This is the highest flu vaccination rate ever achieved by the Trust.

4.4.12 Sickness absence

Table 36 shows sickness for the period January to December 2016, which aligns with Department of Health data. There was an average of 9.4 days lost to absence per full time equivalent member of staff (FTE).

Table 36: Average sickness for 2016-17

Calendar year January to December	Average FTE		Adjusted FTE days lost (Cabinet Office definitions)		Average Sick Days per FTE	
	2016	2015	2016	2015	2016	2015
University Hospitals Bristol NHS Foundation Trust	7,837	7,557	73,671	71,672	9.4	9.5

4.4.13 Expenditure on consultancy

Consultancy is defined as the provision to management of objective advice and assistance relating to strategy, structure, management or operations of an organisation in pursuit of its purposes and objectives. Such assistance will be provided outside the business as usual environment. For 2016/17 the Trust's expenditure on consultancy was £0.615m (2015/16:£0.625m).

4.4.14 Off payroll arrangements

The Trust's policy is that all individuals should be paid via the payroll system. Individuals can only be paid via invoice provided the Trust's 'engaging workers off payroll' procedure has been followed. This ensures that the appropriate employment checks have been made, an agreement detailing the terms of engagement has been issued and that all HMRC and other statutory regulations have been met.

The Trust makes use of *'highly paid off payroll arrangements'* only in exceptional circumstances. For instance, where there is a requirement for short term specialist project management experience which cannot be filled within the existing workforce because of capacity or in-house knowledge and experience. Where an executive director post becomes vacant, the Trust Board looks to put in place an "acting-up" arrangement, but may select an interim manager to provide cover pending recruitment.

The following tables provide information for 2016/17 regarding off-payroll engagements entered into at a cost of more than £220 per day that last for longer than six months, and any off-payroll engagements of board members and/or senior officials with significant financial responsibility.

Table 37: All off-payroll engagements as of 31 March 2017, for more than £220 per day and that last for longer than six months

No. of existing engagements as of 31 March 2017	4
Of which…	
No. that have existed for less than one year at time of reporting.	2
No. that have existed for between one and two years at time of reporting.	1
No. that have existed for between two and three years at time of reporting.	1
No. that have existed for between three and four years at time of reporting.	-
No. that have existed for four or more years at time of reporting.	-

Table 38: All new off-payroll engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017, for more than £220 per day and that last for longer than six months

No. of new engagements, or those that have reached six months in duration, between 1 April 2016 and 31 March 2017.	4
No. of the above which include contractual clauses giving the trust the right to request assurance in relation to income tax and National Insurance obligations.	4
No of whom assurance has been requested	
Of which…	
No. of whom assurance has been received	-
No. of whom assurance has not been received	-
No. that have been terminated as a result of assurance not being received.	-

Table 39: Any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
No. of individuals that have been deemed 'board members, and/or, senior officials with significant financial responsibility' during the financial year. The figure includes both off-payroll and on-payroll engagements.	33

Officers with significant financial responsibility are defined by the Trust as executive directors and divisional board members.

4.4.15 Exit Packages

The table below shows the number and cost of staff exit packages (termination benefits) in 2016/17. Termination benefits are payable to an employee when the Trust terminates their employment before their normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. Comparative figures for 2015/16 are shown in brackets. This information has been subject to audit.

Table 40: Exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	- (1)	- (1)	- (2)
£10,000 - £25,000	- (-)	- (3)	- (3)
£25,001 - £50,000	1 (1)	- (1)	1 (2)
£50,000 - £75,000	1 (-)	- (-)	1 (-)
Over £75,000	- (-)	- (-)	- (-)
Total number of exit packages by type	**2 (2)**	**- (5)**	**2 (7)**
Total cost (£'000)	**99 (47)**	**- (101)**	**99 (148)**

An analysis of the non-compulsory departures agreed, which has been subject to audit, is as follows:

Table 41: Analysis of non-compulsory departures

	2016/17		2015/16	
	No.	£'000	No.	£'000
Voluntary redundancies including early retirement contractual costs	-	-	1	23
Mutually agreed resignation contractual costs (MARS)	-	-	4	78
Non-contractual payments requiring HMT approval	-	-	-	-
Total	-	-	**5**	**101**

4.4.16 Engaging with staff.

The Trust is transforming the care it delivers, building health care services which are driven by quality and excellence. This requires a set of common Trust values and behaviours which are transparent across the Trust. The Trust values act as an invaluable guide about what is important and how we are expected to behave towards patients, relatives, carers, visitors and each other.

The values are embedded at recruitment and induction stages and within all subsequent leadership and management development programmes.

The design of the leadership and management development programmes builds on the foundation of the values training to ensure our leadership agenda supports leaders to use the platform of the values to influence real cultural change within their areas for the benefit of their teams and the patients. The Trust recognises that a common set of values and behaviours is integral to Improving staff experience

The Trust values the role and contribution both Trade Unions and Professional Associations make in supporting and

representing the Trust's workforce; and their active participation in partnership working across the Trust. Regular consultation with staff takes place through both informal and formal groups, including the Partnership Forum, Policy Group and the Local Negotiating Committee (for medical and dental staff). Staff and management representatives consult on change programmes, terms and conditions of employment, policy development, pay assurance and strategic issues, thereby ensuring that workforce issues are proactively addressed. The Trust also has a cohort of staff governors who work closely with Board of Directors on behalf of their staff constituents to ensure that the Board remains focussed on staff issues on the frontline.

4.4.17 NHS staff survey

The Trust takes part in the Annual National Staff Survey and subsequently develops action plans to improve staff experience. For the third consecutive year, questionnaires were sent to all substantively employed staff across the Trust. The response rate to the National Staff Survey was 42 per cent which is above average for acute Trusts in England.

The 2016 staff survey results are positive in most areas and the overall engagement score has improved year on year. The results indicate that staff feel more engaged and are more actively involved and up-to-date on what happens within their team, department and the Trust. On the whole; staff feel the Trust is a great place to work and receive treatment and that care of our patients and our staff is the Trust's top priority. Staff in the Trust feel they have the opportunity to progress that they are able to continue develop their skills through our training opportunities and appraisal.

However, staff have identified that we still have areas that require improvement if we are to achieve our ambition of being one of the best teaching hospitals to work for.

The Trust's top five ranking scores (the five key findings where UH Bristol compared most favourably with other acute Trusts in England), and the Trust's bottom five ranking scores (the five key findings where UH Bristol compared least favourably with other acute Trusts in England) are shown in the following table:

Table 42: Top five ranking scores

	2016		**2015**		
Top five ranking scores	Trust	National Average for Acute Trusts	Trust	National Average for Acute Trusts	Trust Improvement/ Deterioration since 2015
% of staff believing that the organisation provides equal opportunities for career progression *(the higher the score the better)*	89%	87%	87%	87%	Increase (improvement) of 2%
Staff recommendation of the organisation as a place to work or receive treatment *(the higher the score the better)*	3.90	3.76	3.80	3.76	Increase (improvement) of 0.10
Organisation and management interest in and action on health and wellbeing *(the higher the score the better)*	3.67	3.61	3.55	3.57	Increase (improvement) of 0.12
Fairness and effectiveness of procedures for reporting errors near misses and incidents *(the higher the score the better)*	3.75	3.72	3.70	3.70	Increase (improvement) of 0.5
% of staff/colleagues reporting errors near misses or incidents witnessed in the last month *(the higher the score the better)*	92%	90%	90%	90%	Increase (improvement) of 2%

Table 43: Bottom five scores

	2016		2015		
Bottom five ranking scores	Trust	National Average for Acute Trusts	Trust	National Average for Acute Trusts	Trust Improvement/ Deterioration since 2015
% of staff attending work in the last three months despite feeling unwell because they felt pressure from their manager, colleagues or themselves (the lower the score the better)	62%	56%	63%	59%	Decrease 1% (Improvement)
Staff motivation at work (the higher the score the better)	3.88	3.94	3.86	3.94	Increase of 0.02 (improvement)
Staff satisfaction with the quality of work and care they are able to deliver (the higher the score the better)	3.89	3.96	3.86	3.93	Increase of 0.03 (improvement)
Staff confidence and security in reporting unsafe clinical practice (the higher the score the better)	3.60	3.65	3.55	3.62	Increase of 0.05 (improvement)
% of staff/colleagues reporting most recent experience of violence (the higher the score the better)	64%	67%	53%	53%	Increase of 11% (improvement)

4.4.18 Key areas for improvement

The Trust recognises that it needs to continuously engage and listen to its workforce and seeks to respond to suggested areas for improvement. We continue to look at ways of improving staff motivation through our extensive improving staff experience programme and in particular build on the work we have done on communication between managers and their teams. This work has been directed both corporately by the Senior Leadership team and locally by divisional management teams.

It includes a focus on consistently improving two way communication; recognition events and team building; review and implementation of new E-Appraisal process; training programmes for line managers; health and wellbeing initiatives, with a specific focus on reducing the pressure staff feel at work; targeted action to address harassment and bullying; support the agenda to continue to identify areas in which staff are satisfied with the quality of work and patient care they deliver and encourage a higher rate of reporting of incidents which effect themselves and patients.

During 2016 we built on the listening events from the previous year to focus on Leadership Behaviours and communication in terms of the introduction of our E-Appraisal system.

4.4.19 Improving team working

The Trust has worked with two Divisional Boards to undertake the full Aston journey in order to increase team effectiveness. Team leaders have worked with coaches at a local level to undertake a 10 stage structured programme of detailed work-based activities. The Trust continues to use the Aston approach to support team development both at Board and local team level alongside team building interventions including coaching and focus groups.

4.4.20 Staff consultations

The Trust is committed to innovation and continuous improvement in order to deliver responsive and accessible services which deliver excellent patient care. As part of the continuous improvement journey the Trust embraces technological innovation,

new ways of working and system and pathway redesign and development.

The Trust undertakes many change projects throughout the year, including skill mix/role redesign and internal transfers of service. Some of the bigger examples of change management consultations are as follows:

- The transfer and provision of Integrated Sexual Health and Termination of Pregnancy (ToP) services, following the decision by Bristol, North Somerset and South Gloucestershire Councils and Clinical Commissioning Groups to award the contract to the Trust.
- Expansion of services with the introduction of seven day working in Paediatric Radiology.
- Divisional Management team restructures to provide better managerial coverage and improved divisional governance.
- The introduction of an electronic document management system as part of an on-going digitisation programme.
- Managing change projects positively, supportively and through partnership working is seen as fundamental to the sustained delivery of responsive services, engaged and motivated staff and excellent patient care.

4.4.21 Tackling Harassment and Bullying

The Trust Board is committed to ensuring a more inclusive and supportive working environment for all of our staff. This includes providing an environment free from harassment, bullying, discrimination or abuse from colleagues or service users.

All members of staff have the right to be treated with consideration, dignity and respect, and have a responsibility to set a positive example by treating others with respect and to act in a way which is in line with the Trust's Values.

The Trust's policy on Tackling Harassment and Bullying at Work provides a framework which seeks to ensure that all complaints are addressed in a fair and consistent way, encouraging informal resolution where possible, and ensuring protection against victimisation and discrimination.

The Trust has a confidential harassment and bullying advisory service which is available to all members of staff. Advisors have been trained to support staff and are available to listen to issues, talk through problems, and explain the options available to any member of staff who believes they have been subjected to or witnessed harassment or bullying in the workplace, or have been accused of harassment and/or bullying.

Medical trainees also have access to a mentor who can give advice and offer support on any issues, including harassment and bullying, which may have an adverse effect on their experience at work.

4.5 NHS Foundation Trust Code of Governance

As a public benefit corporation UH Bristol is required either to 'comply' with the practices set out in the NHS Foundation Trust Code of Governance or to 'explain' what suitable alternative arrangements it has in place for the governance of the Trust. UH Bristol has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The Board considers that it was fully compliant with the provisions of the Code in 2016/17, with the exception of paragraph A.5.12. Governors of UH Bristol are not provided with copies of the minutes of private Board meetings due to the confidential nature of business, however, are provided with a summary of discussion of business at Board meetings held in public and meetings of the Council of Governors, where appropriate.. Compliance with the Mandatory Disclosures is available from the Trust Secretary.

The Board of Directors ensures compliance with this Code through the arrangements that it puts in place for our governance structures, policies and processes and how it will keep them under review. These arrangements are set out in documents that include:

- The Constitution of the Trust
- Standing orders
- Standing financial instructions
- Schemes of delegation and decisions reserved to the board
- Terms of reference for the board of directors, the Council of Governors and their committees
- Role descriptions.
- Codes of conduct for staff, directors and governors
- Annual declarations of interest
- Annual Governance Statement.

All of the Non-executive Directors are considered to be independent in character and in judgement. The Executive Directors are appointed on a substantive basis and all Directors undertake an annual appraisal process to ensure that the board remains focussed on the patient and delivering safe, high quality, patient centred care. Additional assurance of independence and commitment for those Non-executive Directors serving longer than six years is achieved via a rigorous annual appraisal and review process in line with the recommendations outlined in the Code. A report of the Governors' Nomination and Appointments Committee is detailed further in this report.

The Board is accountable to stakeholders for the achievement of sustainable performance and the creation of stakeholder value through development and delivery of the Trust's long term vision, mission and strategy. The Board ensures that adequate systems and processes are maintained to deliver the Trust's annual plan, deliver safe, high quality healthcare, measure and monitor the Trust's effectiveness and efficiency as well as seeking continuous improvement and innovation. The Board delegates some of its powers to a committee of Directors or to an Executive Director and these matters are set out in the trust's scheme of delegation. Decision making for the operational running of the Trust is delegated to the executive management team.

There are specific responsibilities reserved by the entire Board, which includes approval of the Trust's long term objectives and financial strategy; annual operating and capital budgets; changes to the Trust's senior management structure; the Board's overall 'risk appetite'; the Trust's financial results and any significant changes to accounting practices or policies; changes to the Trust's capital and estate structure; and conducting an annual review of the effectiveness of internal control arrangements.

4.5.1 Board Performance

Boards of NHS Foundation Trusts have faced significant challenges, financial and operational, in 2016/17. Good governance is essential if we are to continue providing safe, sustainable and high quality care for patients.

A new approach to regulation of trusts was phased-in part way through 2016/17, with the introduction of the NHS Improvement Single Oversight Framework (SOF) and the focus on four key areas of performance: A&E 4-hours, 62-day GP cancer, Referral to Treatment (RTT) times and 6-week diagnostic waits.

The SOF replaced the quarterly declaration of compliance with the wider range of indicators previously in NHS Improvement's Risk Assessment Framework, from quarter 2 onwards.

The Trust has undertaken a significant amount of work in the last two years, following the outcome of our independent review of governance in 2015 and the outcome of our CQC inspection in 2014 The outcome of our follow-up inspection has demonstrated the significant progress made by the Trust and with an overall rating of outstanding.

The Board has undertaken a significant amount of work over the past year to improve its approach to governance. This involved looking at how we report and triangulate performance outcomes across the organisation, taking action on sub-standard performance and driving continuous improvement, ensuring delivery of best-practice, and identifying and managing risks to quality of care. A review of the reporting templates and reports from each of the committees has been strengthened during 2016/17.

During 2016/17 the Trust has approved a policy for Fit and Proper Persons and as part of this policy, retrospective checks have been completed for all Directors. Appropriate checks are cross-referenced with the Disqualified Directors Register on the Companies House website on an annual basis. It can be confirmed that as at the date of this report, none of the above mentioned Directors appeared on the Disqualified Directors' Register.

4.5.2 Performance of the Board and Board Committees

The Trust Board of Directors undertakes regular assessments of its performance to establish whether it has adequately and effectively discharged its role, functions and duties during the preceding period.

Throughout the year, the Board adhered to a comprehensive cycle of reporting, maintained the review of the BAF and Corporate Risk Register, and undertook the development programme established during the previous performance assessment, consisting of a series of Board Development Workshops.

The findings of Internal Audit combined with the Head of Internal Audit Opinion set out in the Annual Governance Statement support the Board's conclusions as to the efficacy of their performance.

4.5.3 Qualification, appointment and removal of Non-executive Directors

Non-executive Directors and the Chair of the Trust are appointed by the Governors at a general meeting of the Council of Governors. The recruitment, selection and interviewing of candidates is overseen by the Governors' Nominations and Appointments Committee which also makes recommendation to the Council of Governors for the appointment of successful candidates. The Foundation Trust Constitution requires that Non-executive Directors are members of the public or patient constituencies. Removal of the Chair or any other Non-executive Director is subject to the approval of three-quarters of the members of the Council of Governors.

4.5.4 Committees of the Trust Board of Directors

The Board has established the three statutory committees required by the NHS Act 2006 and the Foundation Trust Constitution. The Directors Nominations and Appointments Committee, the Remuneration Committee and the Audit Committee each discharge the duties set out in the Foundation Trust Constitution and their Terms of Reference as set out below.

The Board has chosen to deploy two additional designated committees to augment its monitoring, scrutiny, and oversight functions, particularly with respect to quality and outcomes and financial management. These are the Quality and Outcomes Committee and the Finance Committee. The role, functions and summary activities of the Board's committees are described below.

Table 44: Board and Sub-Committee Attendance 2016/17

	Trust Board of Directors	Remuneration & Nomination Committee	Audit Committee	Quality & Outcomes Committee	Finance Committee
Number of meetings	11	6	4	12	12
Chairman					
John Savage	10 (C10)	5	(0)	7	10
Chief Executive					
Robert Woolley	11	5	3	(0)	10
Non-executive Directors					
David Armstrong	9	4	(0)	3	10
Julian Dennis	11	6	4	12	9
Lisa Gardner	11	5	3	(0)	12 (C12)
John Moore	8	3	4 (C4)	(0)	(0)
Anthony (Guy) Orpen	8	1	(0)	(0)	(0)
Alison Ryan	10	4	3/	11 (C11)	2
Emma Woollett	10 (C1)	6 (C6)	4	5	5
Jill Youds	9	6	(0)	10 (C1)	8
Executive Directors					
Owen Ainsley	8	(0)	(0)	9	5
Paula Clarke	6	(0)	(0)	(0)	(0)
Sue Donaldson	1	(0)	(0)	1	1
Deborah Lee	2	(0)	(0)	2	3
Paul Mapson	10	(0)	4	(0)	12
Carolyn Mills	11	(0)	(0)	9	3
Alex Nestor	9	5	(0)	10	2
Sean O'Kelly	11	(0)	3	11	(0)
Mark Smith	2	(0)	(0)	2	2

The figure in brackets denotes the number of meetings an individual could be expected to attend by virtue of their membership of the Council. A figure of zero in brackets (0) indicates that the individual was not a member or that their attendance was not mandatory. 'C' denotes the Chair of the meeting.

4.5.5 Remuneration, Nominations and Appointments Committee

The purpose of the Directors' Nominations and Appointments Committee is to conduct the formal appointment to, and removal from office, of Executive Directors of the Trust, other than the Chief Executive (who is appointed or removed by the Non-executive Directors subject to approval by the Council of Governors). The committee also gives consideration to succession planning for Executive Directors, taking into account the challenges and opportunities facing the Trust, and the skills and expertise that will be needed on the Board of Directors in the future.

The Committee is chaired by the Vice-Chair and Senior Independent Director and is attended by all Non-executive Directors. The Committee is attended by the Chief Executive and Director of Workforce and Organisational Development in an advisory capacity when appropriate, and is supported by the Trust Secretary to ensure it undertakes its duties in accordance with applicable regulation, policy and guidance.

The committee met on four occasions in the reporting period to consider the annual review of Executive Director's performance, objectives for 2016/17, current remuneration levels, appointments for the Chief Operating Officer/Deputy Chief Executive and the Director of People.

The Remuneration Committee carried out an annual review of Executive Director remuneration which took into account national guidance and market benchmarking analysis as well as size of portfolios and performance and considered whether any adjustments need to be made to the current remuneration arrangements.

The Committee also took an opportunity to review the Executive Director portfolios supported by a comprehensive assessment of individual performance review of individual members of the Executive team. The Chairman provided a review of the performance of the Chief Executive as part of this process.

The Committee has begun to discuss the overlap of responsibilities and duties of both the Remuneration Committee and Directors' Nomination and Appointments with regard to Board succession and the need for closer alignment in the future.

Finally, the Committee reviewed the Trust's remuneration policy, reviewed the Executive Director Contract and approved the Fit and Proper Persons Policy.

4.5.6 Audit Committee

The primary purpose of the Audit Committee is to provide oversight and scrutiny of the Trust's governance, risk management, internal financial control and all other control processes, including those related to quality and performance. These controls underpin the Trust's Assurance Framework so as to ensure its overall adequacy, robustness and effectiveness. This addresses risks and controls that affect all aspects of the Trust's day to day activity and reporting.

Additional oversight and scrutiny, in particular relating to quality and patient care performance is also provided through the Quality and Outcomes Committee and Finance Committee and information is triangulated from all three forums to ensure appropriate oversight and assurance can be provided to the Board in line with the Committee's delegated authority. The day to day performance management of the Trust's activity, risks and controls is however the responsibility of the Trust's Executive.

The Audit Committee is comprised of not less than four Non-executive Directors and is chaired by a Non-executive Director who is considered to have recent and relevant financial experience. The committee met on five occasions during the year with the Chief Executive, Chief Operating Officer/Deputy Chief Executive, other Trust Officers and the Internal and External Auditors in attendance. Meeting attendance is detailed in table 24. The Chair of the committee submitted a report to the Board following each meeting, highlighting any issues requiring disclosure to the Board.

The Committee reviews the effectiveness of systems of governance, risk management and internal control across the whole of the Trust's activities, and is responsible for providing the Board with assurance on how these activities are implemented, the adequacy of Audit plans and performance

against these and the committee's review of accounting policies and the annual accounts.

Three Non-executive Directors also serve on the Quality and Outcomes Committee or Finance Committee as well as the Audit Committee to allow for triangulation of related intelligence when considering processes and outcomes. Terms of Reference of all Board committees are published in the public domain.

During 2016/17, the Audit Committee reviewed the Annual Report and Accounts including the Annual Governance Statement together with the Head of Internal Audit statement and the External Audit opinion in relation to income and property valuation.

The Trust appointed Price Waterhouse Coopers (PwC) as External Auditors in July 2012. In order to ensure that the independence and objectivity of the External Auditor is not compromised, the Trust has in place a policy that requires the Committee to approve the arrangements for all proposals to engage the External Auditors on non-audit work. In addition to the fee for the audit of the accounts and quality report, the Trust incurred costs of £14k excluding VAT as its share of the total costs of work undertaken by PwC on behalf of the BNSSG community to support the Sustainability and Transformation Programme Five Year Plan. This work was assessed against the ethical standards to ensure no conflicts of interest arose. PwC has also provided a statement of the perceived threats to independence and a description of the safeguards in place.

Both at the date of presenting the audit plan and at the conclusion of their audit, PwC confirmed that in its professional judgement, they are independent accountants with respect to the Trust, within the meaning of UK regulatory and professional requirements and that the objectivity of the audit team is not impaired. Together with the safeguards provided by PwC, the Audit Committee accepts these as reasonable assurances of continued independence and objectivity in the audit services provided by PwC within the meaning of the UK regulatory and professional requirements.

The duty to appoint the External Auditors lies with the Council of Governors. The existing contract expired on 30 June 2016. The Audit Committee discussed the work undertaken by the External Auditors and agreed an overall positive view regarding their performance. Therefore, a recommendation was submitted to the Council of Governors in July 2016 to extend the contract for External Audit services by a further period of 12 months which was confirmed. During the year, a tendering exercise for the appointment of the External Auditors was completed and PwC were appointed as the Trust's External Auditors for the three-year period commencing 2017-2020.

The Trust's Internal Audit and Counter Fraud function is provided by Audit South West through a consortia arrangement. The Audit Committee agreed the Strategic Audit Plan and received regular reports throughout the year to assist in evaluating and continually improving the effectiveness of risk management and internal control processes in the trust.

The committee sought reports and assurances from Directors and managers as appropriate, concentrating on the over-arching systems of governance, risk management and internal control, together with indicators of their effectiveness. Notably, the committee received assurance with regard to risk management and Trust wide systems and processes relating to the procurement service.

Additionally during the year, the Audit Committee continued to review the Clinical Audit function and its increased focus on improved patient outcomes and research.

4.5.7 Audit Committee Chair's opinion and report

In support of the Chief Executive's responsibilities as Accountable Officer for the Trust, the Audit Committee has examined the adequacy of systems of governance, risk management and internal control within the Trust. From information supplied, the Committee has formed the opinion that there is a generally adequate framework of control in place to provide reasonable assurance of the achievement of objectives and management of risk.

Assurances received are sufficiently accurate, reliable and comprehensive to meet

the Accountable Officer's needs. Provision of reasonable assurance and governance, risk management and internal control arrangements within the Trust includes aspects of excellence and there is on-going attention to control improvement where these are considered suitable. Further detail on the Trust's systems of internal control is provided in the Annual Governance Statement.

Financial controls are adequate to provide reasonable assurance against material misstatement or loss, and the quality of both Internal Audit and External Audit over the past year has been satisfactory.

The Committee received assurance that the Internal Audit function remained adequate by reviewing and approving the Internal Audit and Counter Fraud strategy and ensuring that it remained consistent with the audit needs of the Trust and also took into consideration the content of the BAF. The Committee also received the Internal Audit and Counter Fraud Annual Report which provided assurance of the service delivered throughout the year. Both the Internal Audit Team and External Auditors have unrestricted access to the Chair of the Audit committee.

The Committee received regular Internal Audit progress reports which highlighted progress against Internal Audit recommendations from all reports carried out during the period and the Committee received periodic updates from the Chief Executive on areas where slippage against target dates had occurred.

With regard to specific areas of concern and high risk, the Committee has taken an opportunity during the past year to establish stronger controls to ensure that high risks are managed and addressed appropriately throughout the organisation. Regular reports are delivered to the Trust's Senior Leadership Team, chaired by the Chief Executive, to highlight slippages of recommendations from Internal Audit reports. This has strengthened the ability to hold individuals to account and allow the Audit Committee increased sightedness on issues at divisional and operational level. The Committee has received high level assurance on the following key areas throughout 2016/17:

- Serious Incident Management
- Electronic Data Management
- WIFI Review

The Audit Committee reviews significant risks in year which have been considered through the presentation of the external audit plan and discussions with our external auditors, PwC.

The Trust makes a number of accounting judgements when producing its statutory accounts. They form part of the Trust's accounting policies, which have been approved by the Audit Committee.

The Audit Committee was briefed on the significant estimates being used in the preparation of the annual accounts at the meeting on the 11th April 2017. The significant estimates comprised of the valuation of assets, impairment of assets, depreciation and income from activities for March. After consideration members understood their basis and were assured of their reasonableness. A further update was received at the meeting on the 24th May 2017 which informed the Committee that there had been no change to the basis of the significant estimates used in the audited accounts. The value of the estimates used in the accounts was provided with additional financial analysis where appropriate. The Committee confirmed their assurance of the estimates used.

In summary, the Audit Committee has acknowledged the work of the executive particularly in a year of operational and financial challenge and the Committee has been encouraged by the drive and ambition to provide high quality care. The Committee will continue to support the Trust to ensure that systems of internal control and risk management both support and encourage this ambition through collaborative working with Internal and External Audit colleagues.

4.5.8 Quality and Outcomes Committee

The Quality and Outcomes Committee was established by the Trust Board of Directors to support the Board in discharging its responsibilities for monitoring the quality and performance of the Trust's clinical services and patient experience. This includes the fundamental standards of care (as determined by Care Quality Commission),

national targets and indicators and patient reported experience and serious incidents. The Committee is attended by three Non-executive Directors of the Board, one of whom is the Chair, and is regularly attended by the Chief Nurse, Medical Director, Chief Operating Officer and Director of Workforce and Organisational Development. The Committee is also supported by the Trust Secretary in an advisory role.

The committee reviews the outcomes associated with clinical services and patient experience and the suitability and implementation of performance improvement, escalation and risk mitigation plans with particular regard to their potential impact on patient outcomes. The committee is also required, as directed by the Board from time to time, to consider issues relating to performance where the Board requires this additional level of scrutiny.

During the course of the year, the committee met on 12 occasions and considered a set of standard reports as follows:

- The quality and performance report
- The corporate risk register
- The clinical quality group meeting report (including clinical audit)
- Complaints and patient experience reports
- Serious Incident Reports and Never Events.

Ad hoc reports were also requested and received on particular areas of concern to the Committee. During 2016/17, the Chair of the Committee has worked closely with Executive members of the Board to continue to improve significantly the quality of serious incident reporting including never events, and how the Trust can demonstrate Trust wide learning from such incidents. The Quality and Outcomes Committee has received the process of reviewing the quality and performance reporting and terms of reference to ensure that the Committee remain sighted on the appropriate and relevant information and indicators. This review has led to improved reporting mechanisms and assurance and oversight provided to the Board and increased sightedness on divisional quality governance.

4.5.9 Finance Committee

The Finance Committee has delegated authority from the Trust Board of Directors, subject to any limitations imposed by the Schedule of Matters Reserved to the Board, to review and make such arrangements as it considers appropriate on matters relating to:

- Control and management of the finances of the Trust
- Target level of cash releasing efficiency savings and actions to ensure these are achieved
- Budget setting principles
- Year-end forecasting;
- Commissioning
- Capital planning.

The Finance Committee met on 12 occasions in the course of this reporting period. The Chair of the committee submitted a report to the Board following each meeting, highlighting any issues requiring disclosure to the Board.

4.5.10 Single Oversight Framework

NHS Improvement's Single Oversight Framework (SOF) provides the framework for overseeing providers and identifying potential support needs.

The framework looks at five themes:

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

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

The Single Oversight Framework applied from Quarter 3 of 2016/17. Prior to this, Monitor's Risk Assessment Framework (RAF) was in place. Information for the prior year

and first two quarters relating to the RAF has not been presented as the basis of accountability was different. This is in line with NHS Improvement's guidance for annual reports.

This segmentation information is the trust's position as at 31 March 2017. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

The performance trajectories for the four SOF standards, submitted as part of the 2016/17 Operating Plan, are shown in table 45 below.

Sustainability and Transformation Funds (STF) were made available to trusts achieving their improvement trajectories for the A&E 4-hours, 62-day GP cancer and RTT standards. Trajectories were developed and agreed between February and May 2016, with agreement of these trajectories being the (only) pre-requisite for securing STF in the first quarter of 2016/17. The rules for the allocation of STF in quarters 2, 3 and 4 were published later in quarter 1. For full details of the available STF monies secured during 2016/17, please refer to the Finance section

Table 45: Performance (%) against the agreed trajectories for the four key access standards in 2016/17 during each quarter

Access Key Performance Indicator		Quarter 1			Quarter 2			Quarter 3			Quarter 4		
		Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
A&E 4-hours	Actual	87.2	91.7	89.0	89.3	90.0	87.3	82.9	78.5	79.6	80.4	80.7	83.3
	Traj.	81.9	84.4	85.9	87.6	88.4	92.2	93.3	90.0	89.3	88.5	87.4	91.0
62-day GP cancer	Actual	77.2	70.5	70.8	73.3	84.8	80.5	79.5	85.2	81.5	84.3	78.8	81.2
	Traj.	72.7	73.2	81.8	84.7	81.7	85.0	85.0	85.1	86.9	83.6	85.7	85.9
RTT*	Actual	92.3	92.6	92.1	92.0	90.5	90.4	91.2	92.0	92.0	92.2	92.0	91.1
	Traj.	92.6	92.6	92.8	93.2	93.2	93.4	93.4	93.4	92.8	92.8	92.8	93.0
6-week diagnostic*	Actual	98.3	98.6	96.3	96.1	95.5	96.9	98.9	99.0	98.2	98.4	98.7	98.7
	Traj.	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2

**minimum requirement is achievement of the national standard*

National standard met	STF trajectory met
Neither STF or national standard met	

Performance against these four SOF standards is covered in detail in the performance report. A summary of the Trust's performance in 2016/17 against the wider range of national access and other Key Performance Indicators is also included in the performance report.

4.5.11Finance and use of resources

Financial risk is assessed by NHS Improvement using a Use of Resource Rating (URR). The rating ranges from 1, the lowest risk, to 4, the highest risk. The URR is the average of five metrics:

- Liquidity which measures how long in days the Trust's working capital would cover its operating costs.
- Capital Service Cover which measures the degree to which the Trust's generated income covers its financing obligations.
- Income and expenditure margin which measures the degree to which the Trust is operating at a surplus/(deficit).
- Net surplus/(deficit) margin variance from plan which measures the variance between the Trust's planned Income and Expenditure (I&E) margin and the actual I&E margin in year.
- Variance from agency ceiling which measures the variance between the Trust's actual agency expenditure and the maximum ceiling set by NHS Improvement.

For 2016/17, the Trust achieved an overall URR of 1 (actual 1.4 which rounds to 1). The table below shows the Trust's performance against the metrics. The rating achieved is a good result and reflects the sound financial position of the organisation.

Table 46: Performance against Use of Resources Rating 2016/17

Metric	Weighting	Metric performance	Metric rating
Liquidity	20%	14.25 days	1
Capital servicing capacity	20%	2.73 times	1
Income and expenditure margin	20%	2.37%	1
Variance in income and expenditure margin	20%	(0.16)%	2
Variance from agency ceiling	20%	18.24%	2
Overall URR			1.40
Overall URR rounded			1

4.5.12 2017/18 Financial Outlook

The Trust submitted it's 2017/18 Operational Plan to NHS Improvement on the 30th March 2017. The Trust's revised plan is a net surplus of £13.0m excluding technical items and is in line with the revised Control Total of £13.0m advised by NHS Improvement on the 20th March 2017. The headlines for the 2017/18 Operational Plan are:

- Acceptance of the 2017/18 Control Total advised by NHS Improvement;
- Inclusion of Sustainability and Transformation funding of £13.3m;
- A planned net income and expenditure surplus of £13.0m before technical items;
- A planned net income and expenditure surplus of £10.1m after technical items;
- A savings requirement of £11.9m or 2.5% of recurring budgets;
- A planned year end cash balance of £51.8m;
- Planned capital expenditure of £48.0m; and
- A Use of Resources Rating (UoRR) of 1, the highest rating.

The 2017/18 planned net surplus will be the Trust's fifteenth year of break-even or better. It is a challenging but deliverable plan requiring the following key actions:

- Delivery of planned activity volumes as defined in Divisional Operating Plans and signed Service Level Agreements (SLAs) with Commissioners;
- Delivery of National performance access targets, minimising Service Level Agreement (SLA) fines especially Referral to Treatment breaches;
- Delivery of the CQUIN stretch targets agreed with Commissioners;
- Delivery of the planned savings requirement of £11.9m;
- A reduction in agency expenditure of £6.1m due to improved controls and the compliance with agency price caps; and
- Maintenance of strict cost control including the effective management of national and local cost pressures.

4.6 Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's responsibilities as the accounting officer of University Hospitals Bristol NHS Foundation Trust.

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

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

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

- observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards have been followed, and disclose and explain any material departures in the financial statements
- ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance and
- prepare the financial statements on a going concern basis.

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

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

Robert Woolley
Chief Executive
26 May 2017

4.7 Annual Governance Statement

4.7.1 Scope of responsibility

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

4.7.2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of University Hospitals Bristol NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in University Hospitals Bristol NHS Foundation Trust for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts.

4.7.3 Capacity to handle risk

As Chief Executive, I have overall responsibility for risk management within the Trust, for meeting all statutory requirements and adhering to the guidance issued by NHS Improvement and the Department of Health in respect of governance.

The Trust Senior Leadership Team, which I chair, has the remit to ensure the adequacy of structures, processes and responsibilities for identifying and managing key risks facing the organisation, prior to board discussion.

The Board brings together the corporate, financial, workforce, clinical, information and research governance risk agendas. The Board Assurance Framework (BAF) ensures that there is clarity about the risks that may impact on the Trust's ability to deliver its strategic objectives together with any gaps in control or assurance.

Day to day management of risks is undertaken by operational management, who are charged with ensuring risk assessments are undertaken proactively throughout their area of responsibility and remedial action is carried out where problems are identified. There is a process of escalation to executive directors, relevant committees and governance groups for risks where there are difficulties in implementing mitigations.

Staff receive appropriate training to equip themselves to manage risk in a way appropriate to their authority and duties. Over the last 12 months the Trust has developed and begun to roll out an e-learning package on risk management to complement the existing training programme. The purpose being to raise risk management awareness, at Divisional and departmental level, and to ensure staff are aware of their responsibilities in relation to risk management.

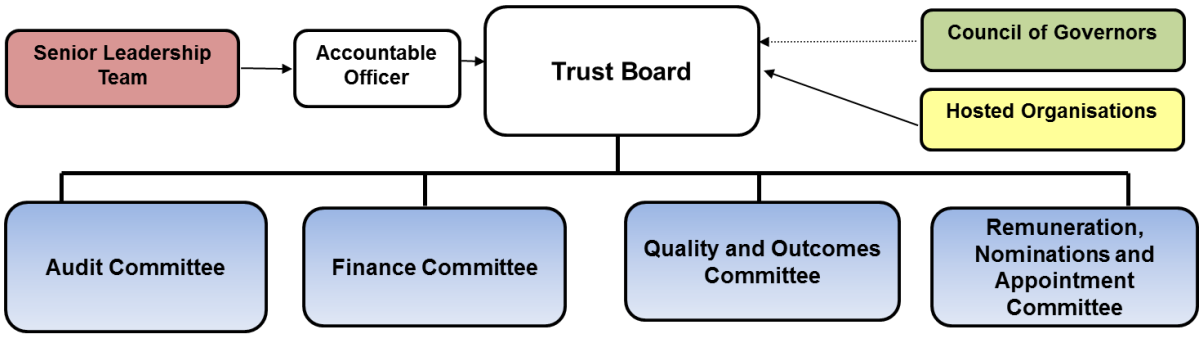
The board committee structure is detailed earlier in the annual report and summarised below.

The Trust performance report is reviewed by the Finance Committee, the Quality and Outcomes Committee and Trust Board at each meeting. Where there is sustained adverse performance in any indicator, this is reviewed in detail at the appropriate board committee.

Indicators relating to the quality of patient care are reviewed at the Quality and Outcomes Committee – patient and staff experience, patient safety and clinical performance.

The process of identification, assessment, analysis and management of risks (including incidents) is the responsibility of all staff across the Trust and particularly of all managers.

Table 39: Board Committee structure



The process for the identification, assessment, reporting, action planning, review and monitoring of risks is detailed in the Trust Risk Management Strategy and continues to be central to the improvements made in this important area during the last year.

Board members receive training in risk management which includes an overview of the risk systems. Staff receive training in identification, analysis, evaluation and reporting of risk. Training at induction covers the wider aspects of governance. The emphasis of our approach is increasingly on the proactive management of risk and ensuring that risk management plans are in place for all key risks.

The Trust Board is responsible for the periodic review of the overall governance arrangements, both clinical and non-clinical, to ensure that they remain effective. The Trust has implemented the actions recommended by the 'Well-Led Governance Review' and where appropriate adopted these practices into 'business as usual'.

The Trust has a robust escalation process in place whereby risks are escalated from the 'Floor to the Board' to ensure the whole risk management framework is dynamic. The Senior Leadership Team receive a monthly report from each divisional board and corporate service of any new or existing risks of 12 or above and also ongoing oversight of the status of these risks.

Emphasis continues to be put into ensuing intelligence from incident investigation, patient safety projects, clinical audits and patient feedback is encompassed into the risk management framework. The Risk Management Group receives quarterly themes of these methods of feedback whereby Members are proactively looking for areas of unquantified risk.

Through ensuring consistent and evidence based risk assessments are managed at the appropriate level risk register, divisions are able to prioritise resources using risk based information.

4.7.4 The risk and control framework

The risk management policy describes our approach to risk management and outlines the formal structures in place to support this approach. The policy is due to be updated in 2017 to ensure it advocates best practice in risk management methodologies. This policy sets out the key responsibilities and accountabilities to ensure that risk is identified, evaluated and controlled. The Board has overall responsibility but it delegates the work to the Risk Management Group.

At UH Bristol risk is considered from the perspective of Enterprise wide risk management, with the approach to managing quality risk, organisational risk and financial risk following the same core principles. The management of these risks is approached systematically to identify, analyse, evaluate and ensure economic control of existing and potential risks posing a threat to our patients, visitors, staff, and reputation of the organisation.

We recognise it is not possible to eliminate all elements of risk. The use of risk registers is fundamental to the control process.

Each division maintains risk registers containing clinical and non-clinical risks. All unresolved risks affecting multiple

departments or the division as a whole are placed on a 'divisional' risk register, whilst individual departments maintain 'departmental' risk registers containing risk to the achievements of the individual departments' objectives. The escalation process between these risk registers is monitored on a monthly basis via the divisional management team. Staff review and agree risk scoring and escalation of risks and where risks scoring 12 or above are confirmed, these are included in the monthly report to the Senior Leadership Team for potential inclusion on the corporate risk register.

Risks are identified through third party inspections, recommendations, comments and guidelines from external stakeholders and internally through incident forms, complaints, risk assessments, audits (both clinical and internal), information from the patient advice and liaison service, benchmarking and claims and national survey results. External stakeholders include the Care Quality Commission (CQC), NHS Improvement, the Health and Safety Executive (HSE), the NHS Litigation Authority (NHSLA), the Medicines and Healthcare Products Regulatory Agency, the Information Commissioner's Office and Dr Foster.

The divisional management teams ensure that operational staff identify and mitigate risk. Corporate committees provide internal assurance to the Trust Board that the mitigations are effective and the risks are adequately controlled. Risk is monitored and communicated via these committees reporting to the Audit Committee and ultimately the board. Our clinical audits, internal audit programme and external reviews of the organisation are the sources used to provide assurance that these processes are effective and risk monitoring is fully embedded.

The Audit Committee oversees and monitors the performance of the risk management system, internal audit and external audit (PwC) work closely with this committee. Internal Audit undertake reviews and provide assurances on the systems of control operating within the Trust.

The Trust's BAF details the principle risks to the achievement of our operational and strategic plans. Risks to the Trust's governing objectives are identified and tracked in the BAF along with the mitigating actions taken in the preceding quarter and those planned for the next year.

The BAF is reviewed in a number of forums and quarterly by the Trust Board. The Trust's risk appetite is such that high risks require action to be taken and to be reported within 24 hours of identification of the risk.

During 2016/17, we further improved our BAF to ensure that, at Trust Board level, we are focusing on the key risks to delivering our plans and the mitigating actions taken to enhance controls. The Board also agreed the level of risk we are prepared to accept across the Trust (the Trust's risk appetite). All risks in our BAF are reviewed by one of the Board Assurance committees (either the Audit Committee or Quality and Outcomes Committee).

A summary of the top risks to our operational or strategic plans in 2016/17 are outlined below:

- Achievement of national performance targets, including accident and emergency (4 hour wait), cancer waiting time standards, and RTT target
- Increases in demand and acuity of patients that get admitted from Accident and Emergency; the impact on patient flow and access to treatment
- The financial consequences arising from the loss of Sustainability and Transformation funding due to under performance against key access standards
- The significant challenges to deliver the 2016/17 financial plan without compromising on the quality of clinical services.

Responsibility for the controls pertaining to each principal risk is assigned to an executive director with oversight by a designated board committee. As at the year end, the BAF tracked eight principal risks and 23 related corporate risks which could potentially impact one of the Trust's governing objectives.

The categorisation of these risks is summarised below:

Risk categorisation	Number of risks
Quality	9
Patient Safety	5
Financial Risks	3
Workforce Risks	2
Compliance/Statutory	2
Health and Safety	1
Reputational	1
Total	**23**

The results of internal audit reviews are reported to the Audit Committee which takes a close interest in ensuring system weaknesses are addressed. Procedures are in place to monitor the implementation of control improvements and to undertake follow-up reviews if systems are deemed less than adequate. Internal audit recommendations are robustly tracked via reports to the Audit Committee. The counter fraud programme is also monitored by the Audit Committee.

4.7.5 Quality governance arrangements

The Trust is committed to and expects to provide excellent health services that meet the needs of our patients and their families and provides the highest quality standards.

As part of the governance arrangements, the board is satisfied that plans are in place and sufficient to ensure compliance with the CQC registration requirements. The Trust has adopted a robust framework of measurement and assurance for each standard by judging whether compliance is being achieved.

The Board and Senior Leadership Team of UH Bristol have a critical role in leading a culture which promotes the delivery of high quality services. This requires both vision and action to ensure all efforts are focussed on creating an environment for change and continuous improvement.

The Trust's annual quality delivery plans and quality strategy (2016-2020) set out the actions we will take to ensure that this is achieved.

We do have much to be proud of. The Trust's quality improvement programme led by the Chief Nurse, Medical Director and Chief Operating Officer continues to show us what is possible when we have a relentless focus on quality improvement. In our last strategy, we recognised that access to services is integral to patient experience and that great patient experience happens when staff feel valued, supported and motivated. In our revised strategy, we have now made this wider view of quality integral to our definition.

Our quality strategy and quality improvement work is therefore structured around four core quality themes:

- Ensuring timely access to services
- Delivering safe and reliable care
- Improving patient and staff experience
- Improving outcomes and reducing mortality.

The Trust has a robust approach to the assessment of the potential impact of cost reduction programmes on the quality of services. The Trust's Quality Impact Assessment process involves a structured risk assessment, using our standardised risk assessment framework, which includes assessment against the risk domains of safety, quality and workforce.

The Medical Director and Chief Nurse are responsible for assuring themselves and the Board that Cost Improvement Programmes will not have an adverse impact on quality. The Trust's overall processes for monitoring quality and triangulating information provide a framework within which to monitor the impact of schemes.

The Trust has a robust Quality Governance reporting structure in place through an established Quality and Outcomes Committee. Our internal business planning and associated monitoring processes underpin the triangulation of our quality, workforce and finance objectives. Our Operating Plans are developed through the five clinical and Trust Services corporate divisions with monthly and quarterly Divisional Reviews conducted with the Executive team. The Trust's Clinical Quality Group monitors compliance with Care Quality Commission Fundamental Standards on an ongoing basis and our Quality and Outcomes Committee monitors performance against a range of performance standards.

Our governors engage with the quality agenda via their Governors' Strategy Focus Group and Quality Focus Group. Each quarter, the Board and its sub-committees receive the BAF and the Trust's Risk Register which report high level progress against each of the Trust's corporate objectives (including quality objectives) and any associated risks to their achievement. Additionally, the Board's Audit Committee works with the Trust's Clinical Audit and Effectiveness team to consider evidence that the Trust's comprehensive programme of clinical audit effectively supports improving clinical quality in alignment with the Trust's quality objectives.

During 2016/17 the BAF was re-aligned to the Trust's core strategic objectives and principal risks. The BAF is reviewed quarterly at the Risk Management Group, the Audit Committee and the Quality and Outcomes Committee before onward consideration by the Board of Directors.

In June 2016, a number of independent reports and findings about services in the Bristol Royal Hospital for Children were published. The Trust fully accepted the findings of these reports and the Trust welcomed their publication as a way to learn from mistakes.

The Trust Board established a Steering Group led by the Chief Nurse who would be accountable for the delivery of the recommendations. Work on the implementation of the recommendations is progressing well and progress reported at each Board meeting.

During 2016/17 the Care Quality Commission inspected four core services at the Main site which included:

- Urgent and emergency services
- Medical care
- Surgery
- Outpatients and diagnostic imaging.

As a result of the inspection, the Trust's overall rating has moved to Outstanding. The CQC's detailed judgements in respect of core services and domains of quality are available on the CQC website.

There are no material inconsistencies between the Annual Governance Statement, the annual and board statements required by NHS Improvement, the corporate governance statement and reports arising from Care Quality Commission planned and responsive reviews of the Trust. The Directors' approach to quality governance is explained in more detail in the Quality Report.

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

Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights

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

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

The Trust has a range of processes to ensure that resources are used economically, efficiently and effectively. This includes clear and effective management and supervision arrangements for staff and the presentation of monthly finance and performance reports to the finance and performance committee, trust executive committee and to the board. More information about this is in the financial review section of this report.

Our external auditors, are required as part of their annual audit to satisfy themselves the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and report by exception if in their opinion the Trust has not.

4.7.7 Information governance

Information governance (IG) provides the framework for handling information in a secure and confidential manner; covering the collecting, storing and sharing information, it will provide assurance that personal and sensitive information is managed legally, securely, efficiently and effectively in order to deliver the best possible care and service.

The Trust has an Information Risk Management Group chaired by the Medical Director, who is the Senior Information Risk Officer (SIRO), which is the principal body overseeing IG compliance and the management of information risks. This group has a reporting line into the Trust Senior Leadership Team. It also oversees submission of the Trust's information governance toolkit.

The Trust's control and assurance processes for information governance include:

- the key structures in place, principally the senior information asset owners covering all patient and staff personal data areas
- a trained Caldicott Guardian, a trained SIRO and a trained data protection officer
- a risk management and incident reporting process
- staff training
- information governance risk register
- the Information Governance Toolkit, the Trust achieved a satisfactory score of 67 per cent for 2016/17
- internal audit review of the evidence provided to comply with the criterion of the information governance toolkit.

The Trust has a positive culture in relation for incident reporting, the lessons learned from all incidents are shared to educate staff. During 2016/17 progress has continued to be made raising staff awareness on information governance issues.

Staff information including posters, staff guidance, articles have been published in the Trust wide, weekly 'Newsbeat' email which make staff aware of incidents that have occurred and remind staff of their responsibilities.

The Trust Medical Records Manager and Information Governance Officer undertake monthly spot checks around the hospital.

The Information Management and Technology Group in conjunction with Information Risk Management Group identify, assess and monitor data, cyber, and infrastructure threats to the organisation.

Where the risk is controlled by the Information Management and Technology Group, the Information Risk Management Group are provided with regular

assurance and evidence to support the criteria of the Information Governance Toolkit.

The impacts of the worldwide cyber-outbreak of the WannaCry worm on 13 May 2017 demonstrated the critical importance of an organisation being constantly prepared to defend itself from the incursion of any cyber threat, having an immediate skilled response to contain and eliminate infiltration of those defences, and to clean up and recover from any resulting damage as rapidly as possible.

UH Bristol takes its cyber-security responsibilities very seriously, with members of the technical staff trained in the necessary techniques and a substantial investment in cyber-security countermeasures, all of which need to be updated frequently as the nature of the threats evolve. In addition to internal these processes and assets, UH Bristol subscribes to NHS Digital's cyber-security service, CareCERT, and is an active participant in the national Chief Information Officers Network, which was instrumental in enabling collaboration between Trusts during the 'Brown Friday' attacks.

Four cases recorded in the Information Governance Incident Reporting Tool were reported to the Information Commissioner's Office in 2016/17. The details are provided in the following table.

Table 47: Information Governance Incidents reported to the Information Commissioner

Date	Incident	Data loss or Confidentiality	Action by Information Commissioner
April 2016	A patient was given the notes of another patient on discharge.	Confidentiality	No further action following the remedial action taken by the Trust.
August 2016	Confidential document was found by a member of the public.	Confidentiality	No further action following the remedial action taken by the Trust.
August 2016	Documentation given to patient in error, which contained list of patient names for a clinic.	Confidentiality	No further action following the remedial action taken by the Trust.
October 2016	A spread sheet sent out as part of a response to a Freedom of Information Request was not properly redacted and contained personal data.	Confidentiality	No further action following the remedial action taken by the Trust.

4.7.8 Annual Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The annual quality report and quality accounts provide a firm foundation for our quality ambitions: looking back to identify progress, celebrate success and understand our challenges; and looking ahead by setting specific annual quality objectives which, if delivered, will make a significant difference to the safety, effectiveness and experience of care that our patients receive.

The structure of our annual quality report and accounts follows prescribed guidance from NHS Improvement and NHS England; the themes we report are agreed with our governors and tested with our commissioners. Our choice of annual quality objectives is shaped through consultation with our staff, members and our Involvement Network (patients and public).

The process of producing the quality report and accounts is overseen by the Chief Nurse and Medical Director, who have a shared board-level leadership responsibility for quality. Drafts of the report and account are reviewed by our Clinical Quality Group, Senior Leadership Team, Audit Committee and Quality and Outcomes Committee prior to approval by the Board. Local stakeholders submit formal statements for inclusion in the quality report and accounts describing their relationship and interaction with the Trust on matters of quality, and offering comment on the Trust's reported quality story and ambitions. Data included in the report and accounts is cross-referenced for accuracy with quality and performance data reported to the board during the previous year; national comparative indicators published in the report and accounts are also guided by local data quality frameworks. Finally, external auditors carry out detailed testing of three indicators included in the report, one of which is selected by our governors.

A Data Quality Framework has been developed by the Trust, which encompasses the data sets that underpin the key access and quality indicators reported in monthly in the Trust Quality and Performance Report and on an annual basis in the Quality Report. The framework addresses the six dimension of data quality (i.e. accuracy, validity, reliability, timeliness, relevance and completeness), and describes the process by which the data is gathered, reported and scrutinised by the Trust. The Data Quality Report is underpinned by the Data Quality Policy which describes the policy and procedures for supporting data quality across the Trust, including core responsibilities of staff.

4.7.9 Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. 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, finance committee and the quality and outcomes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The head of internal audit provides me with an opinion on the overall arrangements for gaining assurance through the BAF and on the controls reviewed as part of the internal audit work. My review of the effectiveness of the system of internal control is informed by executives and managers within the organisation, who have responsibility for the development and maintenance of the system of internal control and the assurance framework. The BAF itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its objectives have been reviewed.

The assurance framework has been reviewed by the trust's internal auditors. They have confirmed that a BAF has been established which is designed and operating to meet the requirements of the 2016/17 annual governance statement. Their opinion supported that there is an effective system of internal control to manage the principal risks identified by the organisation and stated that no significant issue remained outstanding at the year-end which would impact the opinion.

The Board reviews risks to the delivery of the Trust's performance objectives through monthly monitoring and discussion of the performance in the key areas of finance, activity, national standards, patient safety and quality and workforce. This enables the Board of Directors to focus on key issues as they arise and address them.

The Audit Committee oversees the effectiveness of the Trust's overall risk management and internal control arrangement. On behalf of the board, it independently reviews the effectiveness of risk management systems in ensuring all significant risks identified, assesse, recorded and escalated as appropriate. The Audit Committee regularly receives reports on internal control and risk management matters from the internal and external auditors.

None of the internal or external auditors' reports considered by the audit committee during 2016/17 raised significant internal control issues. There is a full programme of clinical audit in place.

The responsibility for compliance with the CQC essential standards is allocated to lead executive directors who are responsible for maintaining evidence of compliance. The trust is addressing all areas of underperformance and non-compliance identified either through external inspections, patient and staff surveys, raised by stakeholders, including patients, staff, governors and others or identified by internal peer review.

4.7.10 Conclusion

The Board is committed to continuous improvement of its governance arrangements to ensure that systems are in place which ensure risks are correctly identified and managed and that serious incidents and incidents of non-compliance with standards and regulatory requirements are escalated and are subject to prompt and effective remedial action so that the patients, service users, staff and stakeholders of the University Hospitals Bristol NHS Foundation Trust can be confident in the quality of the service we deliver and the effective, economic and efficient use of resources.

My review confirms that University Hospitals Bristol NHS Foundation Trust has sound systems of internal control with no significant internal control issues having been identified in this report.

Signed ……..

Robert Woolley, Chief Executive
26 May 2017

Appendix A – Biographies of Members of the Board of Directors

John Savage – Chairman

John Savage was appointed Chairman of University Hospitals Bristol NHS Foundation Trust on 1 June 2008. From 1989, he was full-time Chief Executive of the Bristol Initiative and, from February 1993, Chief Executive of the Bristol Chamber of Commerce and Initiative, after the merger of these two bodies.

He was awarded the CBE for service to Business and Regeneration in the 2006 New Year Honours List. He is Canon Treasurer of Bristol Cathedral, Chairman of the Bristol Chamber of Commerce and Initiative, Chairman of Learning Partnership West and Chairman of Destination Bristol. He is the Patron of the Bristol Refugee Rights.

He served for ten years as a board member of the Regional Development Agency and was Chairman of the South West Learning and Skills Council from inception until its closure. He has gained a broad range of business experience over a period of more than 40 years.

John is Chairman of the Trust Board of Directors, Chairman of the Council of Governors and Chairman of the Governors' Nomination and Appointments Committee.

Robert Woolley – Chief Executive

Robert has been Chief Executive of University Hospitals Bristol NHS Foundation Trust since 2010, having served on the Trust Board since 2002. In his time as Chief Executive, the Trust has been rated outstanding by the CQC, completed a major redevelopment programme, achieved Biomedical Research Centre status and been named a Global Digital Exemplar, while maintaining a positive financial position throughout. Before moving to Bristol, he spent nine years at Barts and the London in a range of senior planning and operational roles.

Robert is STP lead for Bristol, North Somerset and South Gloucestershire, as well as a director of the West of England AHSN and member of the HEE South of England Education and Training Board.

He has an English degree from Oxford University and an MBA with distinction from the University of Bath.

Emma Woollett – Vice-Chair and Senior Independent Director

Emma was appointed as a Non-executive Director on 01 June 2008, and is Vice-Chair and Senior Independent Director of the Trust.

She has held executive, non-executive and advisory positions at board level across both private and public sector industries including health, retail, utilities and rail. Her expertise is in managing change and strategy development. She has a particular interest in encouraging the exchange of ideas between different organisations and indeed different sectors in order to find innovative solutions.

Emma was Marketing Director of Kwik Save Stores, following its merger with retailer Somerfield plc, and oversaw a transformation in performance. Since 2003, Emma has deployed her commercial and strategic experience in the NHS, providing strategic and governance advice to NHS hospitals.

She has an undergraduate degree in Physics and a Masters in International Relations from Cambridge University.

As a non-executive director, Emma has served on Finance, Quality and Audit Committees and chaired Remuneration and Nominations Committee and Audit and

Assurance Committees. She Co-Chairs a Partnership Programme Board with the Vice-Chair of North Bristol Trust.

Lisa Gardner – Non-executive Director

Lisa Gardner was appointed as a Non-executive Director on 1 June 2008. She has acquired a broad range of business experience over more than 20 years; the posts held during that time include finance director of Aardman Animations Limited and Business West Bristol, as well as in the retail industry before returning to accounting practice and freelance work. She qualified as a chartered accountant in 1992 after gaining a BA Honours degree in accounting and finance at Kingston University. Her current role is as Interim Director of Finance at Above and Beyond, a local charity that raises funds for the Trust's hospitals.

Lisa is Chair of the Finance Committee at the Trust and sits on the Audit Committee and Remuneration and Nominations Committee. She is also a board member at the Watershed's Trust and Trading Companies. In the past she has served as a Parent Governor at Westbury Park Primary School, where she was also Chair of the Finance Committee.

David Armstrong – Non-executive Director

David was appointed as a Non-Executive Director on 28 November 2013. After graduating from Southampton University with First Class Honours in Mathematics and its Applications, David worked in the banking sector before taking up a position as a Systems Engineer with GEC-Marconi in 1983.

During his 30 years in the Aerospace and Defence Sector he worked in a number of Engineering and Project Manager Roles. In 1999 he was appointed as the Alenia Marconi Systems Ltd Business Improvement, ICT and Quality Director and since that time has held board level positions in a number of multi-national Defence Businesses, most recently working for Finmeccanica as UK Vice President of Quality.

He is a Fellow of the Institute of Engineering and Technology and of the Chartered Quality Institute and is a Chartered Engineer and Chartered Quality Professional.

David has also served on a number of policy making committees including Engineering UK's Business and Industry Panel and as a Trustee of the Chartered Quality Institute.

He has recently completed a part-time role as Head of Profession at the Chartered Quality Institute where he was responsible for developing the Profession and raising its profile across academia and the public and private sectors.

Currently David is working as the Interim Corporate Business Process and Assurance Manager at the Ministry of Defence, in support of the defence equipment and support transformation project.

Alison Ryan – Non-executive Director

Alison Ryan read PPE at Oxford and started her career in the United Kingdom Atomic Energy Authority latterly being responsible for major international nuclear R&D contracts and intergovernmental research agreements. After nine years she changed career paths joining the voluntary sector where she was CEO of a number of organisations working in health and social care notably the Princess Royal Trust for Carers (now the Carers' Trust) and Weldmar Hospicecare Trust – providing end of life services for rural Dorset. She retired, after 30 years in the voluntary sector, in 2016.

She has been a NHS NED since 1997 working on the boards of Somerset Partnership NHS Mental Health Trust, NHS Southwest and NHS South of England (both Strategic Health Authorities). She has been a member of University Hospital's Bristol Board since 2013 and she chairs the Quality and Outcomes Committee for that Board.

Guy Orpen – Non-executive Director

Guy Orpen is Deputy Vice-Chancellor at the University of Bristol, a role he has held since 2014. He has previously served as Pro Vice-Chancellor (Research and Enterprise) from 2009-14 in which role he held strategic oversight of the University's research and its engagement with society and industry. He is Chair of the Board of the GW4 research alliance with Bath, Exeter and Cardiff Universities; serves on the Board of Bristol Health Partners (the city's academic health sciences collaboration) and is a non-executive director of the University Hospitals Bristol Foundation Trust. He has chaired the UK National Composites Centre, and served on the Executive Board of the SETsquared Partnership (for enterprise, with the universities of Bath, Bristol, Exeter, Southampton & Surrey). He has served as Chair of the Board of Trustees of the Cambridge Crystallographic Data Centre and is a member of the Board of the 2015 Company delivers the European Green Capital for Bristol in 2015.He has previously served as Dean of the Faculty of Science (2006-9) and Head of the School of Chemistry (2001-6) and as Professor of Structural Chemistry since 1994.

John Moore – Non-executive Director

John Moore was appointed as a Non-executive Director of University Hospitals Bristol NHS Foundation Trust on 1 January 2011. He is an experienced managing director and Trustee, supporting strategic change throughout organisations. He has multi-sector industrial experience (aerospace, defence, automotive, utilities) together with the public and third sectors.

Following 12 years international corporate life, and having sold a medium sized business, John has taken a Non-executive Director role with University Hospitals Bristol NHS Foundation Trust, and is a Trustee of various charities, including Education Towards a Future.

John is passionate about creating a service and quality culture in the organisations he serves as a board member, whether in an executive or non-executive capacity. A chartered director and chartered engineer, John has a Master's degree in Engineering and a Master of Business Administration from the International Institute for Management Development. He is married with three children and lives near Bristol.

John is currently Chair of the Audit Committee of the Board.

Jill Youds – Non-executive Director

Jill was appointed as Non-Executive Director on 1st November 2014, following her role with the Trust as Non-Executive observer from November 2013.

Jill has a highly successful career in the commercial sector with blue chip organisations such as Virgin Media, where she was an Executive Director, and Lloyds Group. Jill brings her general business leadership experience to the Trust and her specialist interests include People and Workforce and organisation effectiveness. Jill is an experienced non-executive director in the public and not-for-profit sectors.

Julian Dennis – Non-executive Director

Julian was appointed as Non-Executive Director on 1st June 2014, following his role with the Trust as Non-Executive observer from 1 November 2013.

A company director and public health scientist, Julian worked for the Public Health Laboratory Service at Porton Down before joining Thames Water. He was appointed a Director of United Kingdom Water Industry Research Limited in 2003 before joining the board of Wessex Water as Director of Environment and Science in 2004. He is also Visiting Professor of Water Science and Engineering at the University of Bath.

Mark Smith – Chief Operating Officer & Deputy Chief Executive

Mark practiced as a GP until he became the Deputy Medical Director for the North East Strategic Health Authority. Whilst in the role he worked with organisations in the North East to develop commissioning, clinical engagement and the North East Transformation System (NETs) programme which utilised quality improvement methodology to improve patient care. He has worked on several national committees and the High Quality Care for All Strategy whilst on secondment to the Department of Health. He has a wide experience in Heath Informatics including working with the National Programme for IT and developing one on the first national e-referral systems for cancer patients.

Mark has held several Chief Operating Officer roles, including City Hospitals Foundation Trust, Leeds University Teaching Hospital and Brighton and Sussex University Teaching Hospital.

Paul Mapson – Director of Finance and Information

Paul Mapson joined the NHS as a national finance trainee in 1979. He became a fully qualified accountant in 1983 and has undertaken a wide variety of roles within the NHS in the acute sector.

Paul has eleven years of experience at Board level including significant experience in the management of capital projects, specialised commissioning, systems development, information technology and procurement. Prior to joining the Trust in 1991 as Deputy Finance Director, Paul held posts in Somerset, Southmead and Frenchay hospitals. He was appointed Director of Finance in February 2005. Paul serves on the Finance Committee of the Board.

Sean O'Kelly – Medical Director

Following degrees in Medicine and Psychology at Bristol University Dr O'Kelly undertook postgraduate training in paediatrics and anaesthetics at Southampton University Hospitals. He then worked at the University of Michigan, Ann Arbor for six years as Associate Clinical Professor and Director of Paediatric Cardiac Anaesthesia.

Returning to the UK in 1998, Dr O'Kelly worked initially as a Consultant Anaesthetist in Swindon, where he took on the role of College Tutor and Lead for Paediatric Anaesthesia. Dr O'Kelly then undertook the year-long National Clinical Governance Development Programme, after which he worked with the Modernisation Agency as National Clinical Lead for the Agency Associate Scheme.

In 2002 Dr O'Kelly was appointed Associate Medical Director for Clinical Governance in Swindon and in 2004 was seconded to the Department of Health as Associate Medical Director to the Deputy Chief Medical Officer. In 2006 he was seconded to North Devon Healthcare Trust as Interim Medical Director during a period of performance turnaround and in 2008 was appointed Associate Medical Director for Women's and Children's Services at the Great Western Hospital, Swindon. In 2009 Dr O'Kelly was appointed Medical Director at Salisbury NHS Foundation Trust and was appointed to University Hospitals Bristol NHS Foundation Trust as Medical Director in January 2011.

Between 2005 and 2009 Dr O'Kelly also completed a Master of Science degree in Strategic Management at the University of Bristol, chaired the Department of Health National Steering Group on Cosmetic Surgery Regulation and acted as Honorary Treasurer to the Quality in Healthcare section of the Royal Society of Medicine.

Alex Nestor, Acting Director of Workforce and Organisational Development

Alex began working in the NHS in 1990 and worked in a number of roles across the South West before joining University Hospitals Bristol NHS Foundation Trust in 2003. She held a number of roles within the Trust before she become Deputy Director of

Workforce and Organisational Development in 2011. She has held a number of regional or national positions. She was seconded to the Department of Health in 2010 to support NHS organisations the South West to implement the Health & Wellbeing recommendation of the Boorman report; she was HR adviser to the Health and Wellbeing Development Unit of the Royal College of Physicians during 2010 - 2014 and she was Vice President of the South West Health Care People Management Association from 2011 - 2013. Alex is a Chartered Fellow of the Institute of Personnel & Development.

Carolyn Mills – Chief Nurse

Carolyn is an experienced nurse whose career in the NHS spans 30 years. Carolyn has worked in acute, community and academic sectors. She moved into senior nursing leadership roles in 1998. Between 1998 - 2005, Carolyn held two Assistant Director of Nursing positions, at Hillingdon Hospitals NHS Trust and University College London Hospitals NHS Foundation Trust. Previous to joining University Hospitals Bristol NHS Foundation Trust as Chief Nurse in January 2014, Carolyn was Director of Nursing at Northern Devon Healthcare Trust. Carolyn serves on the Quality and Outcomes Committee.

Paula Clarke – Director of Strategy and Transformation

Paula joined the NHS as an NHS General Management trainee in 1991 and over the last 25 years, has held senior manager posts in commissioning, provider and primary care organisations, primarily in the integrated health and social care system in Northern Ireland. Paula has over 8 years' experience at Board level, including one year as the interim Chief Executive of Southern Health and Social Care Trust, providing all health and social care services to c360,000 children and adults and managing an operating income of £550m.

Paula joined UH Bristol in April 2016, and brings to Bristol extensive experience in strategic development, partnership working and service redesign.

Key priorities for Paula are to drive improvement in care through strategic transformation, alongside supporting every member of the organisation to take personal ownership in doing things better every day.

Appendix B – Contact details

The **Trust Secretary** can be contacted at the following address:

Trust Secretary
University Hospitals Bristol NHS Foundation Trust
Trust Headquarters
Marlborough Street
BRISTOL
BS1 3NU

Telephone: 0117 34 21577
Email: Trust.Secretariat@UHBristol.nhs.uk

The **Membership Office** can be contact at the following address:

Membership Office
University Hospitals Bristol NHS Foundation Trust
Trust Headquarters
Marlborough Street
BRISTOL
BS1 3NU

Telephone: 0117 34 23764
Email: FoundationTrust@UHBristol.nhs.uk

Appendix C

University Hospitals Bristol
NHS Foundation Trust

Quality Report 2016/17

Contents

Part 1

1.1 Statement on quality from the chief executive

Welcome to this, our ninth annual report describing our quality achievements. Our mission is to improve the health of the people we serve by delivering exceptional care, teaching and research every day. The Quality Report (also known as the Quality Account) is one of the key ways that the Trust demonstrates to the public and its stakeholders that its services are safe, effective, caring and responsive. The report is an open and honest assessment of the last year, its successes and its challenges.

I write with a deep sense of pride in the staff of University Hospitals Bristol and the care they give to hundreds of thousands of patients across Bristol and the south west of England each year. Following their inspection in November last year, the Care Quality Commission has assessed the Trust as Outstanding – making us one of only half a dozen acute Trusts in England to achieve this recognition, and currently the only Trust to have gone from Requires Improvement to Outstanding in one step. This is a great achievement and is testimony to the dedication, passion and focus of our staff. You can read more about what the CQC found in the pages of this report.

Prior to the CQC's visit, our Trust Board had approved a new four year strategy for quality, setting out our road map for quality improvement and describing the kind of organisation we aspire to be. I've asked the Trust's medical director and chief nurse to say a few words about the strategy in their introduction to this report. The fact that the vast majority of our patients receive treatment and care of the highest standards must not overshadow the reality that we don't always get it right. As we seek to build on a safe, effective, caring, responsive and well-led foundation, it is timely and appropriate that, in the quality strategy, our Board has laid down a challenge to everybody in the organisation to think about what consistently great customer service looks and feels like and to develop that mind-set in all our dealings with patients, relatives and carers.

Apart from the CQC outstanding rating, the past year has included a number of significant developments which have the potential to transform care of patients in the future. To give you a flavour of these, UH Bristol is one of 16 acute trusts in the UK designated as 'digital exemplars', trialling the next generation of information technology; we were delighted to receive a grant of £21 million over the next five years from the National Institute for Health Research Biomedical Research Centre, underpinning our research collaboration with the University of Bristol and its partners; and 2016/17 also saw the opening of the West of England Genomic Medicine Centre, hosted by our Trust.

Elsewhere, UH Bristol is leading the process to create a five-year plan for Bristol, North Somerset and South Gloucestershire, so we have a real opportunity to influence the transformation in health and social care that's required for the long term and which is a condition of our continuing success.

Finally, you may notice that our Quality Report is shorter and more focussed than has been our practice in recent years. If you have any views about this or any other aspect of this report, I would be delighted to hear from you. As always, I would like to thank everyone who has contributed to this year's Quality Report, including our staff, governors, commissioners, local councils, and local Healthwatch. To the best of my knowledge, the information contained in this Quality Report is complete and accurate.

Robert Woolley, chief executive

1.2 Introduction from the medical director and chief nurse

In writing this introduction to the annual Quality Report, we would like to begin by echoing the sense of pride already expressed by Robert, our chief executive, about the outcome of our recent Care Quality Commission inspection. The Chief Inspector of Hospitals' report spoke of the compassionate, sensitive and respectful way that the CQC team saw patients being cared for, and highlighted numerous areas of best practice. You can read more about the CQC's findings later in the pages of this report.

In 2016 our Trust Board approved a new four year quality strategy, the purpose of which is to articulate our ambitions for quality in a way that is meaningful and serves as a statement of intent that patients, carers, staff, commissioners and other stakeholders can use to hold the Trust Board to account for the delivery of high quality services.

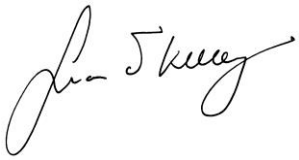
At the beginning of 2016, we met with members of our Trust's Involvement Network to hear what patients and members of the public had to say about quality priorities. The overriding message from this event was that we cannot divorce the concept of quality from the process of waiting to access health services as somehow being an 'administrative' process, be that in one of our emergency departments, in an outpatient clinic, or whilst waiting on a list for cancer treatment or planned surgery. We also asked our staff what quality meant to them: we received hundreds of truly inspiring responses. We used this feedback from the public and our staff to shape our strategy, the strapline of which is "We are proud to care".

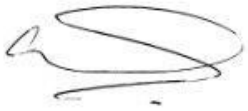
In summary, our strategy says that we will cancel fewer operations, reduce patient waiting times, improve the safety of patients by reducing avoidable harm and strengthen our patient safety culture. We will also create new opportunities for patients, families and staff to give us feedback about their experiences, and in a way which enables concerns to be addressed in real-time. Elsewhere, the Trust will take a lead role in the implementation of a new national 'learning from mortality' system, screening all deaths in hospital and undertaking structured review of those deaths from which learning may be derived. And finally, we will continue our work to significantly improve staff satisfaction, making UH Bristol an employer of choice.

As you would expect, the strategy has influenced our choice of quality objectives for 2017/18, which you can read more about in this report.

The same strapline, "We are proud to care", is the title of our new Trust film, which was launched in 2016/17. The film promotes the commitment that binds our staff together and is

the essence of what it means to work at UH Bristol. You can watch it at http://www.uhbristol.nhs.uk/about-us/who-we-are/





Dr Sean O'Kelly
Medical director

Carolyn Mills
Chief nurse

Part 2

Priorities for improvement and statements of assurance from the Board

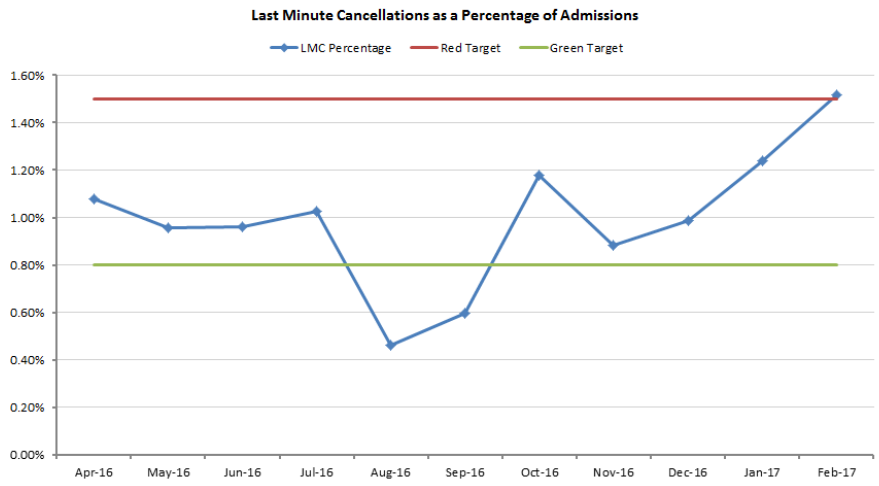
2.1 Priorities for improvement

2.1.1 Update on quality objectives for 2016/17

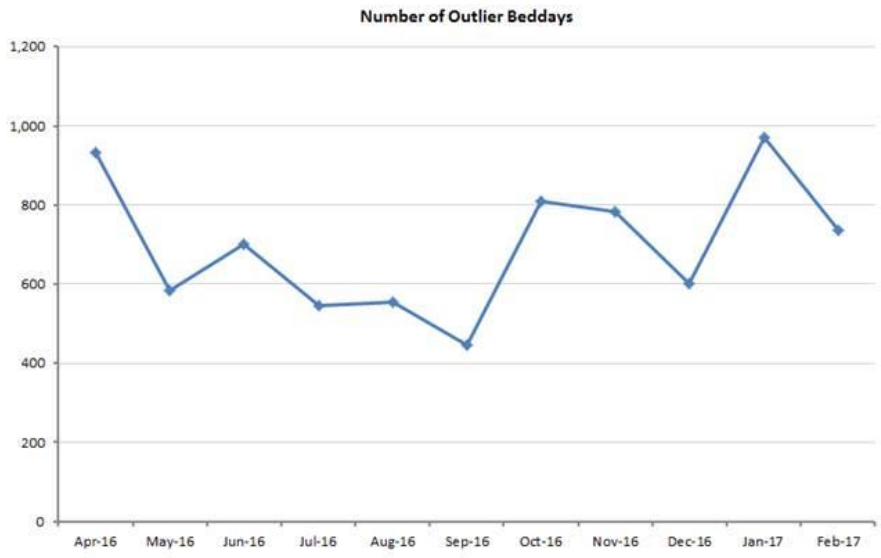
Twelve months ago, we identified 12 specific areas of practice where we wanted to see improvements in 2016/17. These were a combination of ambitions we had not fully realised in 2015/16 and new objectives aimed at improving different aspects of patient experience. A progress report is set out below, including a reminder of why we selected each objective and an overall 'RAG' rating of the extent to which we achieved each ambition. Overall, we fully achieved five objectives and made significant progress in six more.

Objective 1	**To reduce the number of last minute cancelled operations**
Rationale and past performance	We had set this objective for the last two years, but had not achieved our goal. Our target in 2015/16 – as per 2014/15 – was to reduce the percentage of operations cancelled at the last minute for non-clinical reasons to no more than 0.92 per cent. In 2015/16, we achieved 1.03 per cent.
What were our patients saying?	"Any operation is a big deal but when it's cancelled and, in my case, cancelled twice the impact is devastating - I had cancer and was really worried this would affect the success of the operation when it finally happened."
What did we say we would do?	We said that we would embed a revised standard operating procedure across all our divisions and amend our escalation plan to ensure that everyone is aware of the current Trust-wide state-of-play relating to cancellations and that decisions to cancel are recorded through escalation 'Silver meetings'. Further, we said that our divisions would review the reasons why operations are cancelled at the last minute and agree a plan which sets out specific actions to reduce cancellations further related to the cause of breach.
Measurable target/s for 2016/17	We retained our previous target to reduce the percentage of operations cancelled at the last minute for non-clinical reasons to no more than 0.92 per cent.
How did we get on?	Throughout the year it has been apparent that hospital occupancy levels and emergency demand are the key triggers for suboptimal performance in respect of last minute cancelled operations. Divisions are held accountable for their performance in respect of cancelled operations, providing monthly updates to a shared action plan to deliver necessary improvements. The Trust's standard operating procedure for management of last minute cancelled operations was refreshed; any on-the-day cancellations related to bed pressures are recorded on patient flow boards and as part of the 'sitrep'[1]. In 2016/17 0.98 per cent of operations were cancelled at the last minute. This represents an improvement on 2015/16 but fell short of both our annual target (0.92 per cent) and the national target (0.8 per cent).

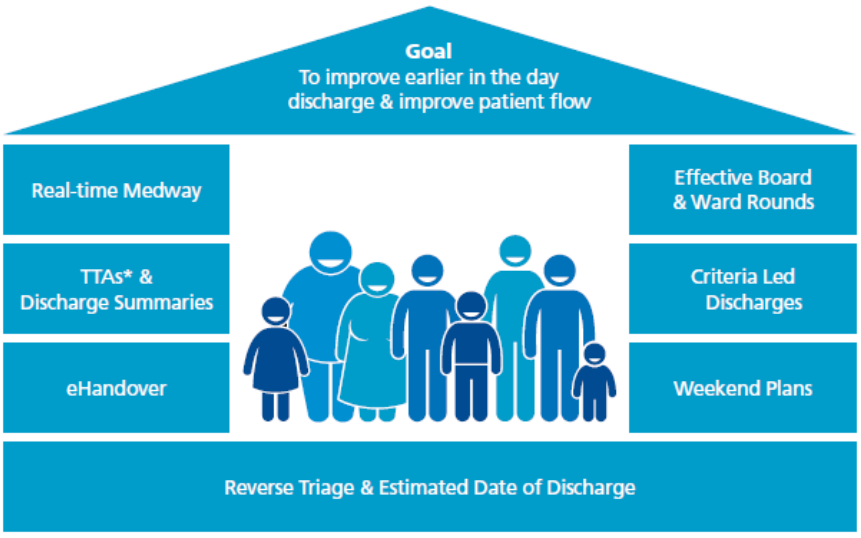
[1] Situation report - across the day the hospital produces a snapshot picture of the operational pressures and levels of escalation

	
RAG rating	Amber – our performance in 2016/17 was better than in the previous year but fell short of our target. This objective is being carried forward into 2017/18.

Objective 2	**To ensure patients are treated on the right ward for their clinical condition**
Rationale and past performance	We had set this objective for several consecutive years, but had not achieved our goal. Our target in 2015/16 was to have no more than 9,029 outlier bed days in total; we achieved 9,666.
What did we say we would do?	We said we would continue our work focussing on improving flow through our hospitals and, by doing so, improving bed occupancy. We said that in 2016/17 we would roll out our ward processes to all wards and implement our new virtual ward scheme, ORLA Healthcare, enabling patients to receive hospital care at home.
Measurable target/s for 2016/17	We retained our previous target, to have fewer than 9,029 outlier bed days during the year.
How did we get on?	During the year the total number of bed days spent by patients outlying into a different ward was 8,178, therefore the Trust achieved its annual target by a significant margin. During the second and third quarters of the year in particular, we built further on our ward processes programme, embedding routines in adult inpatient areas in collaboration with matrons and ward sisters, improving patient flow through our hospitals. The development of our virtual ward scheme (ORLA) increased capacity, with staff gaining in confidence with the processes for referring patients into the new service. During periods of escalation, particularly in the final quarter of the year, we have focussed on identifying the most suitable patients to move and providing more structured medical cover to each ward so that patients are seen in a timely way and their care progressed.

	
RAG rating	Green – we achieved our target for 2016/17 and our performance was significantly better than in 2015/16.

Objective 3	**To improve timeliness of patient discharge**
Rationale and past performance	Despite huge efforts, we had yet to achieve our goal of increasing the number of discharges before noon. This has an impact on the number of cancelled operations as operations cannot start if a bed hasn't been identified. Delayed discharges are also a source of frustration for patients who may spend many hours awaiting their discharge.
What were our patients saying?	"I was required to wait for a letter of discharge I saw the doctor at approximately 8.30am. My letter of discharge was given to me at 3pm." "I think the discharge process could be a lot more organised."
What did we say we would do?	We said we would continue to embed our ward processes in order to promote timely discharge with an emphasis on pre-day planning of pharmacy requirements, patient transport and discharge letters. We also said we would pilot new models of discharge including therapist such as physiotherapists and occupational therapists being able to discharge patients based on agreed criteria.
Measurable target/s for 2016/17	We retained our previous target, for at least 1,100 patients per month to be discharged between 7am and 12noon. We also set a target to increase the number of patients discharged at weekends by 20 per cent.
How did we get on?	Throughout the year, we have continued to roll out and embed the ward processes work across the Trust, supported by a schedule of workshops with multi-disciplinary ward teams.



Alongside this, we ran two successful "reset" events. In May, an event called "Plans for the Weekend" focussed on weekend discharges and provided a good understanding of the progress we have made with discharge and weekend planning, and the areas we are continuing to address to support improvement in weekend discharges. In December and January we ran another event to promote discharges to support improved flow before and after the Christmas period.

We have continued to make good progress in the adoption and embedding of the ward processes good practice. Progress has been most notable in the Division of Medicine where our ward processes routines are most embedded and levels of timely discharge have continued to increase, but it is notable that in the second half of the year other divisions also matched this progress. The winter reset events further reinforced key messages around ward processes and confirmed areas where further work is required. All of this learning has been taken into the next phase of our operating model programme.

These activities contributed to an overall improvement in timely discharge compared to 2015/16: across the year as a whole, more patients were discharged between the hours of 7am and 12noon (946 on average per month in 2016/17 versus 870 per month in 2015/16). At the same, we were disappointed that our performance once again fell short of our stretching annual target.

Our reset events allowed us to specifically test progress in the use of Criteria Led Discharge (CLD) to try to increase the number of weekend discharges. While we have seen an improvement in the number and proportion of weekend discharges, this has fallen well short of the very stretching ambition we set, with growth in the number of weekend discharges of approximately three per cent. The winter reset events highlighted the limited progress we have made in CLD, in part as we have prioritised our improvement work to focus on the greater adoption, and accuracy of expected date of discharge in order to improve the predictability and number of discharges every day of the week.

RAG rating	Amber – our performance was better than in 2015/16 but fell short of our target. This objective is being carried forward into 2017/18.

Objective 4	To reduce appointment (in-clinic) delays in outpatients, and to keep patients better informed about any delays
Rationale and past performance	We carried forward this objective from 2015/16 because we had more work to do.
What were our patients saying?	"Staff treated me well and with respect, but my appointment time was delayed, and no-one informed us of this until my wife asked at the reception desk. Then we had a 90 minute delay, but the sign over the desk area indicated no delays."
What did we say we would do?	We said that we would complete the Trust-wide implementation of our new standardised layout for information boards in outpatient departments, and embed a standard operating procedure to ensure teams proactively inform patients about any delays. We anticipated that associated work reviewing clinic productivity and utilisation would lead to improved booking practices and scheduling to help minimise delays. Each quarter, we committed to carrying out a '15-step'[2] senior management walk around to ensure our redesigned clinic status boards are being used correctly.
Measurable target/s for 2016/17	In the absence of service-wide real-time data about clinic running times, we agreed to set targets based on patient feedback using our monthly survey, setting minimum targets which would represent a statistically significant improvement on our patient-reported performance in 2015/16. We agreed that the questions we would use and our minimum target scores would be as follows: • How long after the stated appointment time did the appointment start? (our target was that at least 78 per cent of patients would say that they were seen within 15 minutes of their appointed time) • Were you told how long you wold have to wait? (our target was that at least 50 per cent of patients would say 'yes') • Did you see a display board in the clinic with waiting time information on it? (our target was that at least 55 per cent of patients would say 'yes') cent) In addition to asking patients about their experiences, we also wanted to progress work to develop our own real-time objective measurement of clinic running times.
How did we get on?	We established a 'task and finish' group to oversee the replacement of information boards in outpatient clinics. New boards were installed in approximately half of our outpatient clinics during October and November 2016, focussing initially on areas where there were no boards or where existing boards were in a poor state of repair. Further funding is currently being identified to complete the project to ensure that boards in all areas are consistent. At the same time, a new standard operating procedure has been introduced in outpatient clinics to improve the way that staff keep patients updated and to ensure consistent use of the boards displaying information. As part of our work to improve productivity in our outpatients departments we have been focussing on improving booking practices and reducing

[2] The '15 Step Challenge' is The 15 Steps Challenge is a series of toolkits which are part of the resources available for the Productive Care work stream. They have been co-produced with patients, service users, carers, relatives, volunteers, staff, governors and senior leaders, to help look at care in a variety of settings through the eyes of patients and service users, to help capture what good quality care looks, sounds and feels like. - See more at: http://www.institute.nhs.uk/productives/15stepschallenge/15stepschallenge.html#sthash.XhyOdrrc.dpuf

	cancellations through a work stream focussed on improved usage of the Electronic Referral Service which is a CQUIN in 2016-18. Due to a key vacancy in the role of outpatient manager, the introduction of senior management walk rounds has been delayed until the summer of 2017. Our new outpatient standards have been published on Connect (our internal web site) specific to staff roles, and we hope that increased awareness of the contribution each member of staff makes to the experience of the patients will drive up quality particularly in this area of communication whilst patients are in the department. In 2016/17, a marginally greater proportion of outpatient attendees told us that their appointment had started on time (within 15 minutes of the appointed time): 73 per cent compared to 72 per cent in 2015/16. However this fell short of the threshold that would constitute a statistically significant improvement (78 per cent). Disappointingly, in 2016/17, a smaller proportion of outpatient attendees said that they were told how long they would have to wait in-clinic (37 per cent compared to 39 per cent in 2016/17) and the same was true of patients who saw a display board with waiting time information on it (46 per cent in 2016/17 compared to 51 per cent in 2016/17). Our plans for developing real-time measurement of in-clinic waiting times have been extended into 2017/18 – see section 2.1.2 of this report.
RAG rating	Red – despite targeted improvement activities, performance for all three patient-reported indicators has fallen short of our targets. This objective is being carried forward into 2017/18.

Objective 5	**To improve the management of sepsis**
Rationale and past performance	Sepsis is recognised as a significant cause of mortality and morbidity in the NHS, with around 37,000 deaths attributed to sepsis annually. Of these, estimates suggest as many as 12,500 could have been prevented. Problems in achieving consistent recognition and rapid treatment of sepsis nationally are thought to contribute to the number of preventable deaths from sepsis. Locally, we have identified – through mortality reviews and incident investigations into deteriorating patients – that we can improve our management of patients with sepsis. Therefore, this is one of the sub work streams of our patient safety improvement programme and a continuation of a quality objective we first set ourselves in 2015/16.
What were our patients saying?	"During my three months after suffering sepsis, the treatment I received was first class, the doctors and surgeons saved my life. I would like to put on record that all staff at BRI are fantastic." "The ward did not recognise how unwell my wife was (viral sepsis) and at first did not manage her symptoms very well."
What did we say we would do?	Our goal was to achieve the national sepsis CQUIN, which requires rapid identification and treatment of sepsis in emergency departments and acute inpatient settings.
Measurable target/s for 2016/17	In paediatrics, the measurable target for 2016/2017 was the proportion of patients in the children's emergency department who met the requirements for sepsis screening who received screening. In adult services, this target was also measured in addition to time taken to

	antibiotic administration from arrival. This target was analysed in the paediatric group as well but not included as a reflection of the "watch and wait" approach often required in paediatric medicine as most children will settle with time, antipyretics, fluids etc. due to the viral aetiology of most febrile illness. The paediatric population will be included next year as the quality measure has since been changed to the time from diagnosis rather than arrival, which is more relevant to the paediatric population, provided that adequate screening is already in place.
How did we get on?	In adult services: Two whole time equivalent sepsis nurses were appointed by the Trust and commenced in post in August 2016. These appointments facilitated a number of positive developments in the timely and effective identification and treatment of sepsis, including: • Development and implementation of a new adult sepsis guideline written in line with NICE guideline NG51 published in July 2016. • Sepsis education in the Emergency Department, Acute Medical Unit and the Surgical Trauma Assessment Unit for nursing and medical staff. • Trust-wide sepsis training with participation in the Academic Heath Science Network '600 in 60 days' initiative (the goal of training 600 staff in 60 days): more than 800 staff were trained. • Foundation doctor teaching. • Completion of a sepsis death certification audit which highlighted that fewer than 30 per cent of patients who die with an infection have sepsis written on their death certificate. This was presented at medical grand round and has now been incorporated in foundation doctor sepsis teaching programme. • Improved sepsis coding has been achieved through implementation of local policy in line with updated national guidance. As a result, identification of sepsis cases has increased from an average of 38 per month in 2014/15 to an average of 61 per month in 2016/17. • Implementation of new sepsis pathway in maternity services. • Creation of a new sepsis patient and relative information leaflet. • Inclusion of sepsis prompts on medical and surgical admission proformas. In children's services: The Bristol Royal Hospital for Children's (BRHC) Emergency Department undertook a range of activities to improve the identification and treatment of sepsis. These include: • A rolling programme of rapid-cycle audits to assess ability to meet the CQUIN standards for sepsis screening and antibiotic delivery. • Raising awareness of the sepsis CQUIN amongst medical and nursing staff through educational study days and self-directed on-line learning resources. • Implementing a triage screening tool to help increase recognition of potentially septic children. This is now a mandatory, electronic screening tool which ensures that all children meeting the criteria are screened and flagged as potentially septic. • Adapting NICE guideline NG51 for use in the BRHC ED to create a paediatric sepsis guideline.

	In 2016/17 the scope of the national CQUIN was broadened to encompass paediatric inpatient services. In response to this, the Trust appointed a sepsis implementation lead working across the BRHC (Dr Marion Roderick). The patient safety team at BRHC has developed an age-appropriate sepsis screening tool which has been piloted on wards 30 and 35, with plans to roll this out to surgical ward 31. Our progress meant that, in the final quarter of the year: • A 90 per cent screening rate was achieved in the adult ED. • Antibiotic delivery within one hour of patient arrival in adult ED with sepsis was 63.3 per cent (target was 65 per cent for partial delivery / 80 per cent for full delivery). • Antibiotics were reviewed within 48 hours for 100 per cent of adult ED patients with sepsis. • Inpatient sepsis screening was embedded and was much improved at 31.8 per cent; timely inpatient antibiotic delivery was 68 per cent (antibiotic target delivery was 75 per cent). • Antibiotics were reviewed for 100 per cent of inpatients with sepsis. • 93 per cent of eligible children were screened for sepsis in the Children's ED. Overall, although many challenging individual targets were met, the Trust achieved 66.3 per cent of the total value of the national CQUIN.
RAG rating	Amber – the Trust made significant strides in the recognition and rapid treatment of sepsis during 2016/17, including a two thirds achievement of the related CQUIN. This objective is being carried forward into 2017/18.

Objective 6	**To ensure public-facing information displayed in our hospitals is relevant, up-to-date, standardised and accessible**
Rationale and past performance	The objective formed part of the Trust's previous two year commitment to improve key aspects of communication with patients. The issue was raised via a previous consultation on quality priorities. The intention is that patients and visitors walking through our hospital campus will see information that is relevant, up-to-date, standardised and accessible.
What did we say we would do?	We said we would: • Produce guidelines for all staff about the standard of information that should be displayed in public areas and advice on how to get support to produce it. • Work with areas to professionally produce and print any materials that arise from this process. • Continue to provide good quality corporate posters, publications and other materials for display in public areas – ensuring they communicate key information and messages.
How did we get on?	As part of its work, the Trust's communications team advises services, teams, individuals and hospitals on the best way of communicating to a wide range of audiences. This includes supporting our Divisions to ensure that public-facing information in our hospitals meets the criteria set out above. Guidance has been produced and made available on the Trust's intranet site. Periodic walk-rounds have been carried out in 2016/17 and will become a more regular feature in 2017/18.
RAG rating	Amber – guidance is available for our divisions but we need to make walk-rounds a more regular feature to ensure the guidance is being followed

Objective 7	**To reduce the number of complaints received where poor communication is identified as a root cause**
Rationale and past performance	This objective was identified by our Trust Board as an improvement area – we know that failures in communication account for a significant proportion of complaints received by the Trust.
What were our patients saying?	"The information relayed by doctors was vague and the language that they used was jargon." "My experience was a very positive one and this has not been the case in some other hospitals I have used. The big difference was UH Bristol provided clear, timely communication."
What did we say we would do?	Analysis of complaints data revealed that in 2015/16, the Trust received a total of 320 complaints relating to the following categories: - Telecommunications and failure to answer phones (97) - Administration including waiting for correspondence (64) - Communication with patients and relatives (159). We said that we would roll out the changes to patient letters and that we would run a transformation project to improve the quality of telephone communications. Finally, we said that we would conduct further analysis of complaints previously received within the "communication with patients and relatives" category, to see whether common themes and opportunities could be identified.
Measurable target/s for 2016/17	Our target was to achieve a reduction in complaints received in the categories described above.
How did we get on?	*Patient Letters Project* After a considerable amount of work to ensure that letters meeting our local quality standard are delivered through the Medway patient administration system and Synertec, a pilot went 'live' in the Bristol Heart Institute outpatients department during the summer of 2016. Initial teething problems relating to system connectivity were resolved and an evaluation of the pilot showed a positive improvement in the quality of letters. The project group is now overseeing the implementation of revised letters across the Trust with new letters approved for obstetrics and gynaecology, the children's hearing centre, and diagnostics and therapies. The outpatient letters for the children's hospital and inpatient letters in Surgery, Head and Neck Division will be the next areas to go live. The project group will continue to oversee this process ensuring adherence to the standard. A pilot of 'easy read' letters is also planned, linking with Medway alerts (system flags which tell staff that a patients has a particular communication need). *Telephone communications* We know that there are a number of factors which contribute to the quality of telephone communications. These include staff training, the way that staff who receive incoming telephone calls are organised, and the switchboard technology and directory information available. In the first quarter of the year, we undertook further analysis of complaints data about telephone communications, and agreed the scope of work needed in response to this. In the second quarter, we completed further work with the information management and technology team to understand the areas in which

	improvements would reap the greatest benefits for patients. Unfortunately, progress thereafter was hampered by vacancies in the Trust's transformation team. Work on the project recommenced in February 2017 and has been carried forward in our quality objectives for 2017/18. *Analysis of complaints* Further analysis of complaints coded in the category of "communication with patients and relatives" (as described above) in 2015/16 initially identified six potential 'hot spots' around the Trust, however closer inspection of these complaints failed to reveal any common themes over and above those already being acted upon, i.e. quality of letters and telephone communications. At the outset of the year, we said that our target was to achieve a reduction in complaints received in the categories described here. In 2016/17, the Trust received a total of 342 complaints which were subsequently coded in one the three categories described above, a small increase compared to 2015/16.
RAG rating	Amber – The patient letters project has been successfully piloted and is in the process of being rolled out. The telephone communications project has not yet progressed to the extent we had intended and will now be taken forward as a work stream within the Trust's ambitions for embedding a customer service culture.

Objective 8	**To ensure inpatients are kept informed about what the next stage in their treatment and care will be, and when they can expect this to happen**
Rationale and past performance	This objective was identified in discussions with our involvement network as an important marker of positive patient experience when in hospital.
What were our patients saying?	"I was kept informed at all times, from the cleaners to the doctors, and had excellent treatment" "I would like to see more communication between doctors and patient keeping them informed of what is happening with treatment."
What did we say we would do?	During the first half of the year, we said that we would carry out targeted '*Face2Face*' interviews with inpatients to gain a clearer understanding of their needs and expectations around being kept informed, the ways in which patients are kept informed, and opportunities to do this better.
Measurable target/s for 2016/17	We said that a target would be determined by the chief nurse and medical director following scoping work described above.
How did we get on?	In the first quarter of the year, we asked our *Face2Face* ward interview team to go out onto wards to talk to patients about the things they wanted/expected to be kept informed about. Answers included: - My treatment options - My plan for care over the next few days - What's going to happen in respect of my hospital care and treatment each day - Whether any tests or procedures are due - Getting test results and what they mean - When I'm going to be discharged - What's going to happen with my care when I go home.

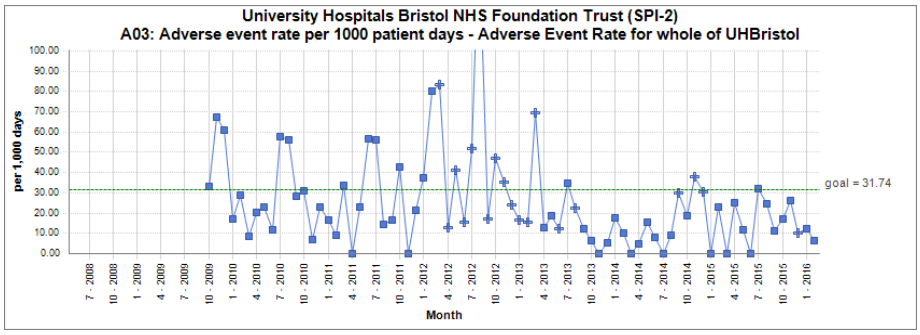
	Detailed patient feedback gathered during May and June 2016 suggested that, in relative terms, the specific areas we perform least well in are keeping patients informed about plans for discharge and going home. However overall, our performance was not a cause for concern: 72 per cent of inpatients told us that hospital staff had "always" kept them informed about what would happen next in their care and treatment during their stay, and 65 per cent said they were told *when* this would happen. We continued to monitor this aspect of care throughout the remainder of 2016/17, during which these scores further improved. In the final quarter of the year, 74 per cent of patients said that they had always been kept informed about next steps and 70 per cent said that they were told when that would happen (the latter being a statistically significant improvement). In light of this positive feedback, the Trust did not initiate a specific improvement project however there are a number of ongoing Trust plans which will support progress in this area. Specifically: • The Trust's ward round check-list will be adapted to include a check that the patient has understood what's been discussed with them. • Based on learning from the Bristol Royal Hospital for Children, the Trust is developing a system to enable adult patients and their families to quickly escalate any matters of clinical concern to Trust staff. • As described elsewhere in this report, in 2017/18 we will be implementing a system to enable patients and their families to give real-time feedback about their experiences of care, which will open up the possibility of staff being able to make positive interventions where feedback is poor, including any situations where communication about plans for care has not met expectations. We will also continue to monitor this theme and will take further appropriate action in accordance with what our patients tell us.
RAG rating	Green – following the Involvement Network's suggestion, we investigated this theme in detail as planned; patient feedback on this topic was significantly more positive than we had anticipated, and our patient-reported scores improved during the year. There are related improvement plans which will maintain our focus on this topic in 2017/18.

Objective 9	**To fully implement the Accessible Information Standard, ensuring that the individual needs of patients with disabilities are identified so that the care they receive is appropriately adjusted**
Rationale and past performance	This is a key national standard which has the potential to make a significant difference to patients with disabilities who are cared for in our hospitals.
What were our patients saying?	"Some nurses didn't know my child was disabled." "This operation was for my 15-year-old son who is deaf. We never got help from anyone who could sign to him and, if I wasn't there, he would have been lost. No-one could talk to him. They knew that he was deaf."
What did we say we would do?	We said we would develop and implement a Trust-wide plan to address the requirements of the standard.
How did we get on?	The Trust seconded an experienced sister to become a dedicated AIS implementation lead and convened a steering group chaired by the Trust's

	deputy chief operating officer to scope out the detailed actions and resources needed in order to systematically identify, record and respond to patients' communication needs. The AIS steering group has met monthly to oversee the delivery of our implementation plan, which has incorporated a number of standards contained within the Bristol Deaf Charter. Work with the Trust's Medway (patient administration system) team is ongoing to improve the management of alerts on the system. This is a key component of our approach because the alerts bring staff's attention to the existence of a communication need. Standard operating procedures have been implemented to govern the processes by which communication needs are identified and recorded and have been incorporated into the Trust's outpatient standards. A related project is underway to offer patients the opportunity to receive their Medway generated letters by email. This will provide the Trust with an alternative solution to written material but more work is underway to scope technical solutions to deliver information in an accessible format.
RAG rating	Green – significant progress has been made to enable the Trust to become compliant with Accessible Information Standard. Further work will be taken forward into 2017/18 to embed the consistent and effective use of Medway flags to alert staff to the existence of a communication need.

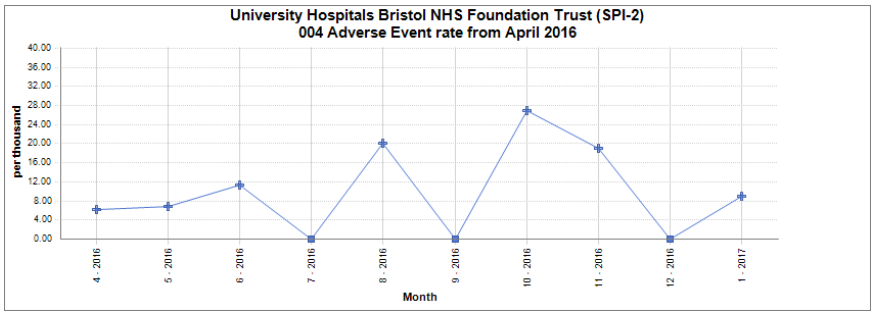
Objective 10	**To increase the proportion of patients who tell us that, whilst they were in hospital, we asked them about the quality of care they were receiving**
Rationale and past performance	All trusts perform relatively poorly on this measure in the national inpatient survey; UH Bristol particularly so, because our current surveys are geared largely towards asking patients to reflect on their care post-discharge.
What were our patients saying?	"Please remember that you (midwives/doctors etc.) do this daily, patients don't, so don't forget to take a moment however busy you are, to mean it when you ask a patient if they are okay and listen. Too often the question is asked but the reply is unheard."
What did we say we would do?	We said that, during 2016/17, we would procure a new in-hospital patient feedback system to run alongside our existing post-discharge survey. We said that this would enable staff to routinely ask patients about the quality of care they are receiving whilst they are still in hospital, at point of care, as part of a wider theme of delivering responsive care. During the first half of the year, we said that we would carry out targeted *Face2Face* interviews with inpatients to gain a clearer understanding of their needs and expectations around being asked about quality of care and raising anything they are unclear or concerned about.
Measurable target/s for 2016/17	To achieve significantly improved scores in this measure in the 2017 National Inpatient Survey (by virtue of when the survey takes place), but in the meantime, to see consistent progress through our own monthly survey.
How did we get on?	We set this quality objective for 2016/17 with the aim of delivering a "real-time" patient feedback and reporting system. During the second quarter of the year, the Trust's patient experience and involvement team carried out an extensive literature search, spoke to the Picker Institute (who run the national patient surveys for the Care Quality Commission) about patients' understanding of the question "Were you asked about the quality of your care whilst you were in hospital?" and carried out *Face2face* interviews on our wards. This confirmed that patients usually interpret this question as being about participation in a survey or an opportunity to give feedback. The

	purpose of this background review was to rule out the possibility that patients might interpret this question in a different way: it confirmed that the survey question is a valid way of assessing the impact of our plans to increase in-hospital feedback opportunities. At the same time, a conscious decision was taken to delay the system procurement to ensure that it supports the ambitions set out in the Trust's new Quality Strategy 2016-2020 which was approved by Trust Board in October 2016. The system requirements have subsequently been refined and a functional specification has been developed that will form the basis of a procurement exercise during 2017/18. This objective will therefore be carried forward into 2017/18. We have also established a baseline measure from patient feedback to enable us to set future improvement targets: in 2016/17, 30 per cent of respondents to our local post-discharge survey said that they had been asked to give their views on the quality of their care whilst in hospital.
RAG rating	Amber – we carried out background research and have developed a functional specification for a new patient feedback system, however the procurement has been delayed until early 2017/18.

Objective 11	**To reduce avoidable harm to patients**
Rationale and past performance	Reducing avoidable harm is a stated aim of our 'Sign up to Safety' Patient Safety Improvement Programme 2015-2018 and aligns with our vision 'to be among the best and safest places to receive healthcare' and the national 'Sign up to Safety' campaign's aims and objectives. Avoidable harm reduction is a longer term goal over several years. In our previous Safer Care Southwest Patient Safety Improvement Programme[3] 2009-2015, we set an improvement goal to reduce our adverse event rate[4] by 30 per cent. The graph below shows that over a five year period we achieved our goal to reduce our adverse event rate to below 31.74 per 1,000 patient days and sustain this. 
What did we say we would do?	We said we would broaden the scope of our adverse event rate audit tool for adult patients to include additional types of adverse events not previously included. We said that we would test this new tool during the first quarter of

[3] Formerly known as the South West Quality and Patient Safety Improvement Programme

[4] Adverse events are events which are judged to have caused moderate or a higher level of harm to patients and which we want to reduce, whereas reported incidents may or may not have caused any harm to patients. We want to increase incident reporting so that we can learn as much as possible about events which could impact on our patients and enable us take action to minimise the risk of a similar incident.

	2016/17. We predicted that the new tool would initially increase our adverse event rate, and so we planned to establish a new baseline and to then set an improvement target of 50 per cent reduction in avoidable harm to be achieved over the next three years.
Measurable target/s for 2016/17	Completion of testing of the new audit tool in quarter 1 and establishing a new baseline by the end of quarter 3. Then, in quarter 4, setting a future improvement goal of a 50 per cent reduction against baseline.
How did we get on?	In Q1, we tested a new audit tool to look for adverse events. Adverse events are not the same as incidents. Incidents can include an element of error, but adverse events are about harm as an outcome of healthcare provision which may not necessarily be caused by error or be preventable. The new tool was based on the Institute of Healthcare Improvement[5] Global Trigger Tool for identifying adverse events, with additional items added to the audit tool as potential triggers for harm to patients. The new tool was successfully implemented in June 2016, starting with a review of a sample of patients who were discharged in April 2016. Baseline data was gathered using the new tool throughout Quarter 2 and Quarter 3 as planned.  In February 2017, the Patient Safety Programme Board considered evidence for reliably identifying avoidable harm, drawing on Professor Sir Charles Vincent's work[6] . The Board agreed a new improvement goal for harm reduction of 3.23 adverse events per 1,000 bed days to be achieved over a three year period commencing October 2016.
RAG rating	Green – we tested the new tool, gathered data and have set ourselves a three year improvement target.

Objective 12	**To improve staff-reported ratings for engagement and satisfaction**
Rationale and past performance	Although our 2015 staff survey results were better than the previous year, we recognised that we still needed to make considerable improvements in order to achieve our ambition of being rated as one of the best teaching hospitals to work for.
What did we say we would do?	Our plans for 2016/17 included: • a focus on improving two way communication between staff and management • recognition events and team building • a review of the Trust's appraisal process • training programmes for line managers • health and wellbeing initiatives, with a specific focus on stress related

[5] Institute for Healthcare Improvement, Cambridge, Massachusetts

[6] Vincent C, Burnett S, Carthey J. BMJ Quality and Safety 2014; 23:670-677, Vincent C. Patient safety. 2nd edition. Oxford: Wiley Blackwell, 2010

	illness, reduction in staff seeing errors and near misses and an increase in reporting where they are seen to increase lessons learned from the reporting • a piloted employee assistance programme • targeted action to address harassment and bullying • a revision and re-launch of the 'Speaking Out' policy, and • support for staff forums and reverse mentoring.
Measurable target/s for 2016/17	Our target was to achieve improvements in the following areas of staff-reported experience: • Staff Friends and Family Test scores (this asks whether staff would recommend the Trust as a place to work and receive treatment) • Overall staff engagement (a 'basket' of measures covering staff motivation, involvement and advocacy) • The percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month. We said that we would measure improvement via our annual all-staff census (this takes place in the third quarter of the year) as well as tracking progress via our quarterly Friends and Family Test survey (different staff groups are surveyed each quarter: scores for each quarter are directly comparable to the equivalent survey 12 months previously).
How did we get on?	In 2016/17 we have moved forward with a broad range of initiatives and activities as described above, designed to improve staff experience and engagement. This has included in-depth staff consultation regarding two significant new initiatives, both of which will be launched in the first quarter of 2017/18. Firstly, the introduction of electronic staff appraisal and secondly the development of a leadership behaviours framework for the Trust. Two of our divisional boards have also completed the Aston 'team journey'. Relevant Trust scores in the 2016 NHS Staff Survey improved: • Our score for staff engagement improved from 3.78 in 2015 to 3.83 in 2016 so that we are now ranked better than the average in our benchmark group. • Our score for whether staff would recommend the Trust as a place to work and receive treatment has also improved from 3.81 in 2015 to 3.90 in 2016; again better than the average score in our benchmark group. Our own all-staff Friends and Family Test scores (measured in the first quarter of the year) have also improved: • In 2016/17, 70 per cent of staff said that they would recommend UH Bristol as a place to work, compared to 62 per cent in 2015/16. • In 2016/17, 86 per cent of staff said that they would recommend UH Bristol as a place to receive treatment, compared to 85 per cent in 2015/16. Similarly, the Trust achieved improvements in two NHS staff survey indicators which we are required to publish in our quality report: • In 2016, 23 per cent of staff said that they had experienced harassment and bullying or abuse from other staff[7], compared to a national average of 25 per cent and a Trust score of 27 per cent in 2015. Amongst BME

[7] Indicator KF26 in the NHS staff survey

	staff, reported experience improved from 34 per cent in 2015 to 28 per cent in 2016 (national average 27 per cent). • In 2016, 89 per cent of staff said that they believed that the organisation provides equal opportunities for career progression or promotion[8], compared to a national average of 87 per cent and a Trust score of 87 per cent in 2015. Amongst BME staff, reported experience improved from 73 per cent in 2015 to 77 per cent in 2016 (national average 75 per cent).
RAG rating	Green – improving staff engagement and experience has been the focus of significant activity throughout 2016/17, the early benefits of which have been reflected in the 2016 NHS Staff Survey scores and were a contributory factor in the Trust's 'Outstanding' Care Quality Commission's rating.

2.1.2 Quality objectives for 2017/18

The Trust is setting eight quality objectives for 2017/18. Five of the objectives relate to ambitions we have only partially realised in 2016/17: reducing last minute cancelled operations; reducing cancellations and delays in outpatients; improving the management of sepsis; implementing a new patient feedback system; and improving staff-reported ratings for engagement and satisfaction. In addition, we have identified three new objectives, which relate to initiatives described in our 2016-2020 Quality Strategy: creating a new Quality Improvement Academy; establishing a new mortality review programme; and developing a consistent customer service mind set in all our interactions with patients and their families.

Objective 1	**To reduce the number of last minute cancelled operations**
Rationale and past performance	We understand the impact that the last minute cancellation of operations can have on patients – particularly those who require urgent treatment – and their families, creating uncertainty and adding to worry. We have set this objective for the last three years but have yet to achieve our goal. In 2016/17, 0.97 per cent of operations were cancelled at the last minute, against a target of no more than 0.92 per cent. This means that 734 patient operations were cancelled on the planned day of surgery.
What will we do?	We will conduct a detailed review of 2016/17 data to understand reasons for cancellations and will ensure that our action plan is directed towards areas where the greatest improvement is needed. In particular, we will adopt a new approach around the key themes of staffing, scheduling, capacity (linked to wider issues of bed occupancy and escalation) and improved understanding of the risks and impacts of cancelling operations.
Measurable target/s for 2017/18	We are retaining our existing target to reduce the percentage of operations cancelled at the last minute for non-clinical reasons to no more than 0.92 per cent.
How progress will be monitored	Progress will be monitored by the Trust's Service Delivery Group.
Board sponsor	Chief operating officer
Implementation lead	Associate director of operations

[8] Indicator KF21 in the NHS staff survey

Objective 2	**To reduce cancellations of outpatient appointments and to reduce waiting times in clinic**
Rationale and past performance	We recognise the inconvenience and stress caused to patients by altering their planned appointments. From a Trust operational perspective, changing appointments is an inefficient use of our administrative team's resources; there is also evidence to suggest that it contributes to overall Did Not Attend (DNA) performance. In 2016/17, we cancelled 12.8 per cent of consultant-led clinics and 11.6 per cent of all outpatient appointment. We have set the objective of reducing waiting times in clinic for the last two years. A significant amount of work has been undertaken. However, in the absence of a method for reliably and objectively measuring waiting times, improvements have yet to be seen in patient-reported feedback about in-clinic waits.
What will we do?	Reducing cancelled appointments: Working with the Trust's Information Management and Technology team, we will improve the reporting of reasons for cancellation. This requires an effective link between our patient administration system and the national electronic referral service (ERS). We also hope to extend the notice period for booking of annual leave by consultants from six weeks to eight weeks which we believe will help reduce the number of clinics cancelled for booked leave that have already been open to book into. Most significantly, we believe that the improved management of the ERS will lead to a reduction in the number of patients who are cancelled and rebooked because they have been booked into the wrong clinic initially. Planned activity includes a full review of the directory of services available to referrers, improved management of capacity and reduction in unavailability of appointment slots – all part of a national CQUIN. Reducing waiting times in clinic: We will complete the installation and upgrade of all waiting times boards and 'you said-we did' boards in outpatient departments, and embed the daily management of them into the outpatient standards and monthly quality visits. We will also continue to pursue objective measurement of in-clinic waits using the Medway-based tracker that follows patients through their outpatient visit. We will review the findings of our pilot project and consider extending it to the Bristol Eye Hospital where patients often attend multiple departments on a single visit.
Measurable target/s for 2017/18	Reducing cancelled appointments: Using CHKS benchmarking information which compares us with a group of 50 other hospitals, we have set a target of 2 per cent improvement in both hospital and patient cancellation rates. Reducing waiting times in clinic: We will continue to pursue the stretching targets for patient-reported experience that we set ourselves last year, and complete the implementation of all standardised boards and processes.
How progress will be monitored	Progress will be monitored via reports to the Trust's Outpatient Steering Group.
Board sponsor	Chief operating officer

Implementation lead	Associate director of operations

Objective 3	**To improve the management of sepsis**
Rationale and past performance	Sepsis is recognised as a major cause of mortality and morbidity in the NHS. We made significant strides in the recognition and rapid treatment of sepsis during 2016/17, but we know there is more to be done. Despite our progress, early recognition and administration of IV antibiotics within one hour of sepsis presentation, while improving, is still being performed reliably in only 60-70 per cent of patients who present with possible sepsis. Audit evidence also shows that in inpatient areas only 30 per cent of deteriorating patients are appropriately screened for sepsis. In 2016/17, NCEPOD and NICE produced updated guidance on the management of sepsis following new worldwide Sepsis 3.0 definitions that were developed in 2016. The terms of a national sepsis CQUIN for 2017-19 have been agreed as a result.
What will we do?	We will: • Update the Trust's sepsis guideline following its initial implementation in August 2016 • Implement NICE sepsis guidance • Complete mini-Root Cause Analysis investigations to gain a better understanding of the reasons why inpatients are not appropriately screened for sepsis and/or receiving timely antibiotics. learning from these will be fed back to the clinical teams. • Undertake training and education in sepsis for all new staff at induction • Provide targeted education to foundation doctors, core trainees and higher specialist trainees in medicine, surgery, emergency medicine and anaesthesia/intensive care • Provide *Face2Face* ward based sepsis education for ward teams • Review SHMI, HSMR and ICNARC data to ensure that sepsis associated mortality continues to be lower than average.
Measurable target/s for 2017/18	Our goal is to achieve the national sepsis CQUIN: timely identification and treatment of sepsis in emergency departments and acute inpatient settings. The following Emergency Department (ED) targets have been agreed: • 90 per cent of appropriate ED patients to be screened for sepsis • 90 per cent of ED patients who present with sepsis to receive antibiotics within one hour of diagnosis. • 90 per cent of patients with sepsis on antibiotics to have a 72 hour antibiotic review. Sepsis CQUIN targets and milestones for inpatient services remain subject to negotiation with commissioners at the time of writing (May 2017).
How progress will be monitored	Progress will be monitored by the Trust's Deteriorating Patient Group and the Patient Safety Programme Board.
Board sponsor	Medical director
Implementation lead	Adult services – Dr J Bewley, consultant in intensive care Children's services – Dr Marion Roderick, consultant paediatrician immunology and infectious disease Children's emergency department – Dr W Christian, consultant in paediatric medicine

Objective 4	**To implement a new, more responsive, system for gathering patient feedback at point of care**
Rationale and past performance	Implementation of the new system was postponed from 2016/17 and has been carried forward into 2017/18 (see section 2.1.1 of this report).
What will we do?	During 2017/18, as part of a wider focus on delivering responsive care, we will procure a new in-hospital patient feedback system to run alongside our existing post-discharge surveys. This will enable patients, their families and carers to give feedback about quality of care whilst the patients are still in hospital, thereby increasing our opportunities to address issues and concerns in real-time. The system that we procure will create a data 'hub' which brings together different streams of patient feedback and enables this information to be shared with staff more rapidly and in a format which facilitates its use for service improvement.
Measurable target/s for 2017/18	Our target is to achieve a significantly improved score in the 2018 National Inpatient Survey (by virtue of when the survey takes place), in relation to whether patients say that they have been asked about the quality of their care whilst they have been in hospital. In the meantime, we will measure progress through our own monthly survey.
How progress will be monitored	Reports to patient experience group
Board sponsor	Chief nurse
Implementation lead	Patient experience and involvement team manager

Objective 5	**To improve staff-reported ratings for engagement and satisfaction**
Rationale and past performance	Our Quality Strategy sets out our ambition that, by 2020, we will be recognised as one of the top 20 NHS trusts to work for. The 2015 and 2016 NHS staff survey results have shown incremental improvements in our score for staff engagement (3.69 in 2014, 3.78 in 2015, 3.83 in 2016). We need to maintain focus in order to realise our 2020 ambition: a staff engagement score of at least 4.00.
What will we do?	Our plans for 2017/18 include: • Implementation of a new E-Appraisal system • Developing a new framework to support line managers to consistently display positive leadership behaviours • Continuing to deliver established and successful health and wellbeing initiatives • Revising our Tackling Bullying and Harassment policy and further developing our tackling bullying advisory service • Developing local improving staff experience plans, in response to the findings of the 2016 NHS Staff Survey.
Measurable target/s for 2017/18	Our target is to achieve year-on-year improvements in the following areas of staff-reported experience: • Staff Friends and Family Test scores (this asks whether staff would recommend the Trust as a place to work and receive treatment) • Overall staff engagement (a 'basket' of measures covering staff motivation, involvement and advocacy)

	• The percentage of staff witnessing potentially harmful errors, near misses or incidents in the last month. We will measure improvement via our annual all-staff census (this takes place in the third quarter of the year). We will also track progress via our quarterly Friends and Family Test survey (different staff groups are surveys each quarter. Scores for each quarter are directly comparable to the equivalent survey 12 months previously).
How progress will be monitored	Divisional Board meetings, Workforce and Organisational Development Board, and Trust Board
Board sponsor	Director of people
Implementation leads	Divisional directors, supported by corporate organisational development team

Objective 6	**To create of a new Quality Improvement Academy**
Rationale and past performance	The quality strategy describes our plans to link up a number of strands of current activity that fall within our shared understanding of quality improvement, creating a learning environment to promote and encourage quality improvement. This includes clinical audit, research and innovation, patient safety and transforming care. All of these existing programmes continue to demonstrate huge value to the organisation, however we recognise that there are opportunities to work together more closely to support innovation and improvement across all areas of the Trust. A key part of this is the development of a new Quality Improvement Academy.
What will we do?	We want to promote and encourage innovation and improvement, so that staff with good ideas can bring them to life for the benefit of patients, staff, the Trust and the wider NHS. Within this ambition, we have three aims: • To support and connect people with our existing quality improvement programmes • To provide support to staff with good ideas outside these programmes • To build capability to support staff to lead improvement independently of these programmes. To create ownership and to build capacity to change, we should encourage staff with ideas to implement their ideas themselves. To drive and encourage this we will provide staff with support and education to give them the skills to lead improvement themselves. A key part of this will be the creation of a new Quality Improvement (QI) Academy to provide a broad range of staff with the quality improvement skills and tools they will need. The academy will be supported by a virtual team consisting of leads from established quality improvement programmes, who will offer advice and guidance to those implementing change, including project management skills and more general business innovation expertise. As part of our plan, we will establish a quarterly innovation forum to bring together the leaders of QI projects in a structured event to share learning. We will also seek to further strengthen our partnership with the West of England Academic Health Science Network.

Measurable target/s for 2017/18	Our target is for 100 members of staff to attend the QI Academy 'Bronze' programme during 2017/18.
How progress will be monitored	Progress will be monitored by the Innovation and Improvement Group which reports into Transformation Board.
Board sponsor	Director of strategy and transformation
Implementation lead	Clinical lead for transformation

Objective 7	**To establish new mortality review programme**
Rationale and past performance	This mortality review will further underpin the established work around patient safety, assessing the care provided to inpatients. Where areas of excellent and good care are established, this can be highlighted and learning fed back. Learning from poorer aspects of care can form the basis of developing quality improvement programmes which will lead to improvement in the provision of inpatient care. This programme replaces the previous inpatient mortality review which was established in 2014.
What will we do?	In response to national guidance published in March 2017, and as part of a national pilot, the Trust has redesigned the way it undertakes mortality review. We have assembled a multi-disciplinary team which will review all inpatient adult deaths. The process will involve an initial screening assessment, leading to a structured case note review wherever a death has followed an elective procedure or, for example, has involved a patient with learning difficulties or severe mental illness, or where a family has expressed concerns about a patient's care. The case note review will use methodology recently introduced by the Royal College of Physicians and we anticipate it will highlight aspects of both good and potentially poor care. Care is graded using both a scoring system and subjective comments and if concerns are raised by the reviewer then a further review of the case notes will be undertaken by the medical director's office.
Measurable target/s for 2017/18	The national guidance illustrates measures that will need to be reported to our Trust Board by the third quarter of 2017/18. This includes the total number of the Trust's inpatient deaths (including emergency department deaths for acute Trusts) and those deaths that the Trust has subjected to case record review. Of those deaths subjected to review, Trusts will need to provide estimates of how many deaths were judged more likely than not to have been due to problems in care.
How progress will be monitored	Progress will be monitored via the Trust's Mortality Surveillance Group.
Board sponsor	Medical director
Implementation lead	Deputy medical director and associate medical director

Objective 8	**To develop a consistent customer service mind set in all our interactions with patients and their families**
Rationale and past performance	Customer service is a thread running throughout our Quality Strategy for 2016-20. UH Bristol is a caring organisation: we know from our surveys that the vast majority of patients (97 per cent+) have a positive experience of care

	in our hospitals, but we also acknowledge that this isn't true of everyone. Aimed squarely at addressing issues which give rise to "the three percent", this objective marks the first year of an ongoing project aimed at embedding the consistent understanding and application of customer service principles across our organisation. The project will be developed and led by the Transformation Team in partnership with the Patient Experience & Involvement Team. The 2016/17 quality objective relating to improving telephone communications will be taken forward in 2017/18 under the banner of this customer service objective.
What will we do?	We have identified three levels of intervention to target future improvement activities: - Individual and team behaviours that demonstrate and support a customer service mind set - Establishing a set of customer service principles that can be held up as a mirror to proposed service changes and programmes of work - Initiating specific improvement programmes that directly support excellence in customer service (e.g. telephones, letter, receptions, complaints handling). In the first quarter of the year, we will: - hold a workshop targeted at a broad range of hospital staff to explore the concept of customer service within healthcare and to test staff appetite for developing future programmes of work supporting this objective - engage with an external consultant with international experience in leading customer care programmes - achieve sign-up from our Transformation Board for our direction of travel. In the second quarter of the year, we will: - continue with staff and patient engagement activities, enabling us to define what customer service means for UH Bristol and to begin to develop our set of customer service principles; these conversations will be supported by the Trust's *Face2Face* interview team and will include our involvement network - identify key customer service "touchpoints" within the organisation - mobilise an executive-led steering group to finalise priorities and objectives and ensure clear ownership for our year 1 activities - agree at least four work streams which will directly support excellence in customer service, including measurable improvement targets; this will include a telecommunications work stream, carried forward from last year's objectives - agree how existing improvement programmes (e.g. outpatients transformation) will support our customer service objective. In the second half the year, we will begin to deliver the products and programmes of work described above, some of which may continue into 2018/19 and beyond as we work towards our goal of customer service accreditation by 2020 (as set out in our quality strategy).
Measurable target/s for 2017/18	To be agreed at the end of quarter 2

How progress will be monitored	Progress will be monitored via the Trust's Transformation Board.
Board sponsor	Chief nurse
Implementation lead	Director of transformation and patient experience and involvement team manager

2.1.2.1 How we selected these objectives

These objectives have been developed, following consideration of:

- the quality priorities of our Trust Board as set out in our quality strategy for 2016-2020
- feedback from staff, governors and members of the public received during the consultation which resulted in that strategy
- our desire to maintain our focus on any quality objectives that were not achieved in 2016/17
- views expressed by our members of our involvement network at a meeting in January 2017.

2.2 Statements of assurance from the Board

2.2.1 Review of services

During 2016/17, UH Bristol provided relevant health services in 70[9] specialties via five clinical divisions (medicine; surgery, head and neck; women's and children's services; diagnostics and therapies; and specialised services).

During 2016/17, the Trust Board has reviewed and selected high-level quality indicators covering the domains of patient safety, patient experience and clinical effectiveness as part of monthly performance reporting. Sufficient data was available to provide assurance over the services provided by the Trust. The Trust also receives information relating to the review of quality of services in all specialties via, for example, the Clinical Audit Annual Report. The income generated by UH Bristol services reviewed in 2016/17 therefore, in these terms, represents 100 per cent of the total income generated from the provision of relevant health services by the Trust for 2016/17.

2.2.2 Participation in clinical audits and national confidential enquiries

For the purpose of the Quality Account, the Department of Health published an annual list of national audits and confidential enquiries, participation in which is seen as a measure of quality of any trust clinical audit programme. This list is not exhaustive, but rather aims to provide a baseline for trusts in terms percentage participation and case ascertainment. The detail which follows, relates to this list.

During 2016/17, 40 national clinical audits and four national confidential enquiries covered NHS services that University Hospitals Bristol NHS Foundation Trust provides. During that period, University Hospitals Bristol NHS Foundation Trust participated in 100 per cent (40/40) national clinical audits and 100 per cent (4/4) of the national confidential enquiries of which it was eligible to participate in.

The national clinical audits and national confidential enquiries that University Hospitals Bristol NHS Foundation Trust was eligible to participate in during 2016/17, and whether it did participate, are as follows:

Table 1

Name of audit / Clinical Outcome Review Programme	Participated
Acute	
Adult Asthma	Yes
Case Mix Programme (CMP)	Yes
Major Trauma: The Trauma Audit & Research Network (TARN)	Yes
National emergency laparotomy audit (NELA)	Yes
National Joint Registry (NJR)	Yes
Moderate & Acute Severe Asthma (care in emergency departments)	Yes
Severe Sepsis and Septic Shock (care in emergency departments)	Yes
Blood and Transplant	
National Comparative Audit of Blood Transfusion programme	Yes

[9] Based upon information in the Trust's Statement of Purpose (which is in turn based upon the Mandatory Goods and Services Schedule of the Trust's Terms of Authorisation with NHS Improvement)

Cancer	
Bowel cancer (NBOCAP)	Yes
Head & Neck Cancer (HANA)	Yes
Lung cancer (NLCA)	Yes
Oesophago-gastric cancer (NAOGC)	Yes
Heart	
Acute coronary syndrome or Acute myocardial infarction (MINAP)	Yes
Cardiac Rhythm Management (CRM)	Yes
Congenital heart disease (Paediatric cardiac surgery) (CHD)	Yes
Coronary Angioplasty/National Audit of PCI	Yes
National Adult Cardiac Surgery Audit	Yes
National Cardiac Arrest Audit (NCAA)	Yes
National Heart Failure Audit	Yes
Long term conditions	
Inflammatory bowel disease (IBD)	Yes
National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme	Yes
National Clinical Audit for Rheumatoid and Early Inflammatory Arthritis	Yes
National Diabetes Core Audit (Adult)	Yes
National Diabetes Foot Care Audit (NDFA)	Yes
National Diabetes Inpatient Audit	Yes
National Pregnancy in Diabetes Audit	Yes
Renal Replacement Therapy (Renal Registry)	Yes
National Ophthalmology Audit	Yes
UK Cystic Fibrosis Registry	Yes
Older People	
Fracture Liaison Service Database (FLS)	Yes
National Audit of Dementia	Yes
National Audit of Inpatient Falls (NAIF)	Yes
National Hip Fracture Database (NHFD)	Yes
Sentinel Stroke National Audit Programme (SSNAP)	Yes
Other	
Elective surgery (National PROMs Programme)	Yes
Endocrine and Thyroid National Audit	Yes
Women's & Children's Health	
National Diabetes (Paediatric) (NPDA)	Yes
Neonatal intensive and special care (NNAP)	Yes
Paediatric intensive care (PICANet)	Yes
Neurosurgical National Audit Programme	Yes
Outcome Review Programmes	
Medical and Surgical Clinical Outcome Review Programme (NCEPOD)	Yes
Child Health Clinical Outcome Review Programme	Yes
Maternal, Newborn and Infant Clinical Outcome Review Programme	Yes
Learning Disability Mortality Review Programme (LeDeR)	Yes

The national clinical audits and national confidential enquiries that University Hospitals Bristol NHS Foundation Trust participated in, and for which data collection was completed during 2016/17, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry (where known).

Table 2

Acute	
Adult Asthma	27*
Case Mix Programme (CMP)	100% (1242/1242)
Major Trauma: The Trauma Audit & Research Network (TARN)	117% (368/312)**
National emergency laparotomy audit (NELA)	106% (168/158)**
National Joint Registry (NJR)	42*
Moderate & Acute Severe Asthma (care in emergency departments)	92% (92/100)
Severe Sepsis and Septic Shock (care in emergency departments)	100% (50/50)
Blood and Transplant	
National Comparative Audit of Blood Transfusion programme	90% (36/40)
Cancer	
Bowel cancer (NBOCAP)	113% (147/166)**
Lung cancer (NLCA)	178*
Oesophago-gastric cancer (NAOGC)	>90% (198)*
Heart	
Acute coronary syndrome or Acute myocardial infarction (MINAP)	832*
Cardiac Rhythm Management (CRM)	987*
Congenital heart disease (Paediatric cardiac surgery) (CHD)	100% (1081/1081)
Coronary Angioplasty/National Audit of PCI	100% (1713/1713)
National Adult Cardiac Surgery Audit	100% (1325/1325)
National Cardiac Arrest Audit (NCAA)	79*
National Heart Failure Audit	482*
Long term conditions	
Inflammatory bowel disease (IBD)	10*
National Diabetes Core Audit (Adult)	488*
National Diabetes Foot Care Audit (NDFA)	57*
National Diabetes Inpatient Audit	77*
National Pregnancy in Diabetes Audit	116*
Renal Replacement Therapy (Renal Registry)	57*
National Ophthalmology Audit	100% (4215/4215)
UK Cystic Fibrosis Registry	380*
Older People	
Fracture Liaison Service Database (FLS)	100% (1443/1443)
National Audit of Dementia	100% (50/50)
National Hip Fracture Database (NHFD)	100% (320/320)
Sentinel Stroke National Audit Programme (SSNAP)	>90% (453)

Other	
Elective surgery (National PROMs Programme)	45% (70/155)
Endocrine and Thyroid National Audit	9*
Women's & Children's Health	
National Diabetes (Paediatric) (NPDA)	511*
Neonatal intensive and special care (NNAP)	100% (432/432)
Paediatric intensive care (PICANet)	100% (761/761)
Neurosurgical National Audit Programme	Yes
Outcome Review Programmes	
Medical and Surgical Clinical Outcome Review Programme (NCEPOD)	7*
Maternal, Newborn and Infant Clinical Outcome Review Programme	100% (74/74)

*No case requirement outlined by national audit provider/unable to establish baseline
** Case submission greater than national estimate from Hospital Episode Statistics (HES) data

The reports of 13 national clinical audits were reviewed by the provider in 2016/17. University Hospital Bristol NHS Foundation Trust has taken or intends to take the following actions to improve the quality of healthcare provided:

British Thoracic Society (BTS) Smoking Cessation Audit (actions to be completed by December 2017)

- To amend the current admission clerking paperwork to improve the documentation of smoking status and provision of nicotine replacement therapy.
- To introduce a new 'smoking status' box on the Trust patient administration system to record current smoking status for inpatients.
- To provide brief intervention training for more front line staff (in particular F1 and F2 doctors).
- To seek funding for a smoking cessation service that will be available to staff and patients.

National Emergency Laparotomy Audit (actions completed by October 2016)

- To introduce pre and post theatre checklists to help guide decisions around pre and post-operative care and to improve the standardisation of care in theatres. These will be integrated into the current theatre system.
- To implement formalised care pathways for emergency laparotomy surgery.
- To implement a consistent mortality review approach following emergency laparotomy.

College of Emergency Medicine Audits (actions to be completed by December 2017)

- To attach a patient information leaflet to the current thromboprophylaxis risk assessment to help ensure that patients receive information regarding their care.
- To move from the use of injectable anticoagulants to oral anticoagulants within the Emergency Department.
- To update the department sedation proforma.
- To produce age-specific CAS (Central Alerting System) cards with clear abnormal level guidance, to help prompt appropriate action when vital signs cause concern.

National Audit of Inpatient Falls (actions completed by April 2016)

- To develop local guidelines on lying and standing blood pressures.
- To introduce 'falling star' stickers onto all assessment areas, indicating where a patient is at risk of falling.

- To undertake a re-audit of key areas including medication, vision, hearing, continence, call bell, multi-disciplinary team documentation and giving of patient leaflets.

National End of Life Care Audit (actions completed by April 2017)

- To establish additional core medical trainee and F2 formal training sessions.
- To develop an information leaflet to aid communication with nominated relatives regarding hydration and nutrition for patients without capacity.

National Clinical Audit of Rheumatoid and Early Inflammatory Arthritis (actions completed by December 2016)

- To introduce an early inflammatory arthritis pathway as a separate referral stream for GPs.

Sentinel Stroke National Audit Project (actions completed by September 2016)

- To increase the role of specialist stroke nurses in facilitation of the pathway.
- To undertake further education of clinical staff regarding the importance of the stroke pathway.
- To introduce an information stamp which will be used in the notes to help to make it clear when patients have been discharged from occupational therapy.

National Cancer Audits

- There has been an increase in proactive data collection for this audit with much day-to-day work now delegated to multi-disciplinary team coordinators and teams, supported by full guidance and data completeness trackers. Our data completeness is now better than the national average for most data fields.

National Diabetes Audit – Pregnancy in Diabetes (actions completed by June 2016)

- To update the diabetes antenatal database to enable the endocrine antenatal team to record folic acid use at first contact with patient on diabetes antenatal database to ensure capture of information.
- The endocrine antenatal team will continue to deliver teaching/training for community midwives but will broaden teaching to practice nurses and primary care clinicians.
- To undertake local audit to determine the location of care of babies born to women with diabetes at UH Bristol, the causes of admission to the Neonatal Intensive Care Unit and the causes of preterm births.

National Parkinson's Disease Audit (actions to be completed by December 2017)

- To develop a patient leaflet introducing the roles of all members of the team and providing contact details.
- To update Band 7 staff appraisals to include wheelchair and specialist seating competencies.
- To introduce screening documentation for identifying and referring onwards those with specialist seating needs.
- To develop an assessment and review checklist for inpatients with Parkinson's Disease to improve assessment and documentation of communication, swallow and saliva control.
- To identify standardised assessments for communication and swallow for speech and language therapists to complete as part of Parkinson's Disease specific assessment and reviews.
- To increase the speech and language therapy profile on older people's rehabilitation wards by attending board round and providing training to ensure any patients are seen in timely way.

- To investigate the use of Skype to deliver intensive LSVT (Lee Silverman Voice Treatment) programme.

The outcome and action summaries of 260 local clinical audits were reviewed by University Hospital Bristol NHS Foundation Trust in 2016/17; summary outcomes and actions reports are reviewed on a bi-monthly basis by the Trust's Clinical Audit Group. Details of the changes and benefits of these projects will be published in the Trust's Clinical Audit Annual Report for 2016/17[10].

Clinical Outcomes Publication (COP)

Previously the Consultant Outcomes Publication, the Clinical Outcomes Publication (COP) is an NHS England initiative, managed by the Healthcare Quality Improvement Partnership (HQIP) to publish quality measures at the level of individual consultant doctors using National Clinical Audit and administrative data. COP began with ten national clinical audits in 2013, with two further audits/registries added in 2014. Those that published in the inaugural year have continued to build on and develop the number of procedures and quality measures covered including team-based or hospital measures.

The table below shows the medical specialties/societies that reported consultant outcomes in 2016/17 and whether the Trust submitted data to the required national audit/registry.
Table 3

Specialty	Clinical audit/registry title	Specialist Association	Submitted
Adult cardiac surgery	National Adult Cardiac Surgery Audit ***Open heart surgery***	Society for Cardiothoracic Surgery	Yes
Bariatric surgery	National Bariatric Surgery Register ***Surgery concerning the causes, prevention and treatment of obesity***	British Obesity & Metabolic Surgery Society	N/A
Colorectal surgery	National Bowel Cancer Audit Programme ***Surgery relating to the last part of the digestive system***	The Association of Coloproctology of Great Britain and Ireland	Yes
Head and neck surgery	National Head and Neck Cancer Audit ***Surgery concerning the treatment of head and neck cancer***	British Association of Head and Neck Oncology	Yes
Interventional cardiology	Adult Coronary Interventions ***Treatment of heart disease with minimally invasive catheter based treatments***	British Cardiovascular Intervention Society	Yes
Lung cancer	National Lung Cancer Audit ***Treatment of lung cancer through surgery, radiotherapy, and chemotherapy***	British Thoracic Society and SCTS	Yes
Neurosurgery	National Neurosurgery Audit Programme	Society of British Neurological Surgeons	Yes
Orthopaedic surgery	National Joint Registry ***Joint replacement surgery***	British Orthopaedic Association	Yes
Thyroid and endocrine surgery	BAETS national audit ***Surgery on the endocrine glands to achieve a hormonal or anti-hormonal effect in the body***	British Association of Endocrine and Thyroid Surgeons	Yes

[10] Available via the Trust's internet site from July 2017

Upper gastro-intestinal surgery	National Oesophago-Gastric Cancer Audit ***Surgery relating to the stomach and intestine***	Association of Upper-gastrointestinal Surgeons	Yes
Urological surgery	BAUS cancer registry ***Surgery relating to the urinary tracts***	British Association of Urological Surgeons	N/A
Vascular surgery	National Vascular Registry ***Surgery relating to the circulatory system***	Vascular Society of great Britain and Ireland	N/A

All data can be found on the individual association websites and is also published on NHS Choices (MyNHS). No UH Bristol consultant has been identified as an 'outlier' within these published outcomes.

2.2.3 Participation in clinical research

UH Bristol has maintained and expanded its commitment to provide exceptional evidence based care to patients by offering them the opportunity to take part in research.

The number of patients receiving relevant health services provided or subcontracted by UH Bristol in 2016/17 that were recruited during that period to participate in research approved by a research ethics committee was 5,521. This compares with 4,429 in 2015/16.

As of 31 March 2017, the Trust had 684 active studies, 49 of which are sponsored by UH Bristol. At the equivalent point 12 months before, the Trust had 756 active studies. Our sponsored research includes trials of investigational medicinal products, investigational devices and surgical interventions.

In a snapshot taken on 31 March 2017, the number of research studies and recruited participants were as follows (March 2016 comparator in brackets):

Table 4

Number of active non-commercial (portfolio) studies	429 (457)
Number of active non-commercial (non-portfolio) studies	121 (144)
Commercial studies registered	134 (155)
Number of recruits in non-portfolio non-commercial trials	564 (555)
Number of recruits in portfolio non-commercial trials	4,539 (3,524)
Number of recruits in commercial trials	418 (350)

In the last year, we have focused on the efficient set up and delivery of both commercial and non-commercial trials, so that we can recruit participants to time and target. This ensures the most effective use of funding. Examples of our successes include:

- In the Bristol Eye Hospital, a number of studies have recruited the first patient in the UK and the first patient globally, and have reached full recruitment a year ahead of target. We have a 100 per cent success rate in recruiting to time and target for our industry led trials in ophthalmology.
- In the Bristol Heart Institute, Bristol Haematology and Oncology Centre, and the Bristol Royal Hospital for Children we routinely recruit all our participants on time and are often recognised in this respect as being among the best performing centres nationally and internationally.

In 2016/17, we successfully expanded our research activity into new areas, including:

- Obstetrics, supporting a locally-led study and working collaboratively across the city and the region to deliver the trial;
- Rheumatology, developing a pipeline of new studies which will start to recruit in 2017/18;
- Haematology and oncology, focussing on identifying novel treatments for patients.

We continue to work with commercial partners to open new trials. These provide novel treatments under trial protocols that patients might otherwise not access. Our commercial income for 2016/17 surpassed our previous highest yearly income figure and we plan to support more clinical specialities, e.g. those previously unfamiliar with delivering research, to open commercial trials in 2017/18. This income enables the Trust to build capacity to increase the number of trials and access to research for our patients.

UH Bristol currently holds National Institute for Health Research (NIHR) grants bringing in a total research income of almost £7 million per year. We have recently been awarded a further £20.8m over five years, in partnership with the University of Bristol, in the latest round of NIHR Biomedical Research Centre awards. The award began on 1 April 2017 and the funding will allow us to build on our existing programmes in cardiovascular disease and nutrition, diet and lifestyle with the addition of themes in surgical innovation, reproductive and perinatal health and mental health. Working in close partnership with the University of Bristol, North Bristol NHS Trust and Avon and Wiltshire Mental Health Partnership NHS Trust, we will draw together population studies, laboratory science and patient-based research to benefit our patients and the local population.

After completing target recruitment on time in 2016/17, two UH Bristol grants are drawing to a close:

- reducing arthritis fatigue: clinical teams using cognitive-behavioural approaches (RAFT) led by Professor Sarah Hewlett, was awarded through an NIHR commissioning brief that asked us to test whether a simplified psychological intervention that could be delivered widely in the NHS reduces rheumatoid arthritis fatigue and is an efficient use of NHS resources. Professor Hewlett and her team are now analysing the results with the aim of developing the optimal RAFT package for roll out in the NHS.
- Can skin grafting success rates in burn patients be improved by using a low friction environment – a feasibility study? (SILKIE), led by Dr Amber Young. The aims of this NIHR research for patient benefit feasibility study are in part to determine whether patients can be recruited and the study be run in an NHS setting. Once all data have been analysed the team will decide whether the study warrants a full scale clinical trial.

We have been awarded three new project grants in 2016/17. Looking ahead, we continue to work with our staff to develop high quality grants that will help answer important clinical questions and improve patient care.

2.2.4 CQUIN framework (Commissioning for Quality and Innovation)

A proportion of University Hospitals Bristol NHS Foundation Trust's income in 2016/17 was conditional upon achieving quality improvement and innovation goals agreed between University Hospitals Bristol NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of NHS services, through the Commissioning for Quality and Innovation payment framework. The amount of potential income

in 2016/17 for quality improvement and innovation goals was approximately £10.74m based on the sums agreed in the contracts (this compares to £9.77m in 2016/17).

The CQUIN goals were chosen to reflect both national and local priorities. 18 CQUIN targets were agreed, covering more than 40 measures. There were three nationally specified goals: staff health and wellbeing, sepsis (screening and timely provision of antibiotics) and antimicrobial resistance (reduce volume prescribed and review prescriptions within 72 hours).

The Trust achieved 15 of the 18 CQUIN targets and three in part, as follows:

- Staff health and wellbeing
- Sepsis (partial)
- Antimicrobial resistance
- Paediatric personal asthma action plan
- Advice and guidance
- Expanding Surgical Site Infection Surveillance (SSIS)
- Discharge communication
- Cancer recovery package
- End of life
- Achieving 62 day cancer target (partial)
- Reduction in alcohol dependence
- Hepatitis C
- Clinical utilisation review
- Adult critical care (partial)
- Optimal device
- Dose banding
- Transition
- Bowel cancer screening

2.2.5 Care Quality Commission registration and reviews

University Hospitals Bristol NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is 'registered without compliance conditions'. The CQC has not taken enforcement action against the Trust in 2016/17.

In November 2016, the Trust received a follow-up to its previous comprehensive inspection in September 2014. A team of CQC inspectors visited the hospitals on and around the Bristol Royal Infirmary campus, reviewing medical care, surgery, outpatient services and emergency departments. On this occasion, inspectors did not visit South Bristol Community Hospital or the Central Health Clinic, these being the other registered locations from which UH Bristol provides healthcare services.

The Trust was delighted to receive an overall rating of Outstanding from the CQC, becoming the first Trust in the country to go from Requires Improvement to Outstanding between two inspections and only the sixth acute Trust to receive this rating. Staff were praised by the Chief Inspector of Hospitals, Professor Sir Mike Richards, who said "the hard work has paid off in making a real difference to the lives of people using the services, in the immediate Bristol area and in the wider South West in general."

The CQC's report went on to say that:

"We spoke with over 200 patients and relatives during our inspection. All were overwhelmingly positive about the care and treatment they had received. Patients told us they had received compassionate and sensitive treatment and care by staff. Patients on wards we spoke with were consistently positive about how staff interacted with them. Patients we spoke with said they made sure people's privacy and dignity were always respected, including during physical or intimate care. When patients experienced physical pain, discomfort or emotional distress, we saw staff responded with kindness and compassion in a timely way. Patients said their needs were responded to in time and with good care. Patients told us they felt involved in the decisions about their care, and relatives told us they were kept informed and updated with any changes to their relatives care."

During the inspection, the CQC identified a number of areas of outstanding practice, including (in the words of the Chief Inspector of Hospitals):

- In times of crowding the emergency department was able to call upon pre-identified nursing staff from the wards to work in the department. This enabled nurses to be released to safely manage patients queueing in the corridor.
- The audit programme in the emergency department was comprehensive, all-inclusive and had a clear patient safety and quality focus.
- New starters in the emergency department received a comprehensive, structured induction and orientation programme, overseen by a clinical nurse educator and practice development nurse. This provided new staff with an exceptionally good understanding of their role in the department and ensured they were able to perform their role safely and effectively.
- In the emergency department the commitment from all staff to cleaning equipment was commendable.
- The comprehensive register of equipment in the emergency department and associated competencies were exceptional.

- Staff in the teenagers and young adult cancer service continually developed the service, and sought funding and support from charities and organisations, in order to make demonstrable improvements to the quality of the service and to the lives of patients diagnosed with cancer. They had worked collaboratively on a number of initiatives. One such project spanned a five year period ending May 2015 for which some of the initiatives were ongoing. The project involved input from patients, their families and social networks, and healthcare professionals involved in their care. It focused on key areas which included: psychological support, physical wellbeing, work/employment, and the needs of those in a patients' network.
- The use of technology and engagement techniques to have a positive influence on the culture of an area within the hospital. There were clear defined improvements in the last 12 months in Heygroves Theatres.
- The governance processes across the trust to ensure risks and performance were managed.
- The challenging objectives and patient focused strategy used to proactively develop the quality and the safety of the trust.
- The use of real time feedback from staff via the 'happy app' to improve and take action swiftly in areas where staff morale is lower.
- The focus on the leadership development at all levels in order to support the culture and development of the trust.
- The use of innovation and research to improve patient outcomes and reduce length of stay. The use of a discrete flagging system to highlight those patients who had additional needs. In particular those patients who were diabetic or required transport to ensure they were offered food and drink.
- The introduction of IMAS (Interim Management and Support) modelling in radiology to assess and meet future demand and capacity.
- The use of in-house staff to maintain and repair radiology equipment to reduce equipment down time and expenses.
- The introduction of a drop in chest pain clinic to improve patient attendance.

The inspection team identified four areas of practice where the Trust needed to take action (again, in the words of the Chief Inspector of Hospitals):

- Ensure all medicines are stored correctly in medical wards, particularly those which were observed in dirty utility rooms.
- Ensure records in the medical wards and in outpatient departments are stored securely to prevent unauthorised access and to protect patient confidentiality.
- Ensure all staff are up to date with mandatory training.
- Ensure non-ionising radiation premises in particular Magnetic Resonance Imaging (MRI) scanners restrict access.

The Trust has submitted action plans to the CQC to address each of these concerns. The Trust's rating for responsiveness reflects the need to achieve effective flow of patients into and out of our hospitals, which is a challenge not just for UH Bristol but for the wider local and regional health and social care economy. Details of how the Trust is seeking to address related themes, including cancelled operations and delayed discharges from hospital, can be found in earlier sections of this report.

2.2.6 Data quality

UH Bristol submitted records during 2016/17 to the secondary uses service for inclusion in the hospital episode statistics, which are included in the latest published data.

The percentage of records:

- which included the patient's valid NHS number was: 99.2 per cent for admitted patient care; 99.6 per cent for outpatient care; and 97.8 per cent for accident and emergency care.
- which included the patient's valid general practice code was: 99.9 per cent for admitted patient care; 100 per cent for outpatient care; and 100 per cent for accident and emergency care.

(Data source: NHS number, Trust statistics. GP Practice: NHS Information Centre, SUS Data Quality Dashboard, April 2016 - January 2017 as at Month 10 inclusion date)

UH Bristol's information governance assessment report overall score for 2016/17 was 67%.

UH Bristol has not been subject to a national payment by results audit in 2016/17 as the accuracy of clinical coding is within accepted norms.

In November 2016/17, the accredited auditor for the Trust's clinical coding team undertook an audit of 81 Finished Consultant Episodes (FCEs) across a range of adult surgery specialties. The following levels of accuracy were achieved (2015/16 results in brackets):

- Primary diagnosis accuracy: 97.5 per cent (90 per cent)
- Primary procedure accuracy: 91.7 per cent (90.3 per cent).

In March 2016/17, the clinical coding team also carried out an audit of 50 FCEs in oral surgery. The results showed an increase in accuracy for diagnoses and procedures (2015/16 results in brackets):

- Primary diagnosis accuracy: 100 per cent (92.2 per cent)
- Primary procedure accuracy: 96.0 per cent (90.2 per cent).

(Due to the sample size and limited nature of the audit, these results should not be extrapolated)

The Trust has taken the following actions to improve data quality:

- the data quality programme involves a regular data quality checking and correction process. This involves the central information system team creating and running daily reports to identify errors and working with the Medway support team and users across the Trust in the correction of those errors (this includes checking with the patient for their most up to date demographic information)
- the Trust has installed self-check-in devices across the Trust in addition to outpatient clinic reception staff to enable patients to update their own demographic information.

2.3 Mandated quality indicators

In February 2012, the Department of Health and NHS Improvement announced a new set of mandatory quality indicators for all Quality Accounts and Quality Reports. The Trust's performance in 2016/17 (or in some cases, latest available information which predates 2016/17) is summarised in the table below. The Trust is confident that this data is accurately described in this Quality Report. The Trust maintains a data quality and reporting framework which details what the measures are, where data comes from and who is responsible for it.

Table 5

Mandatory indicator	UH Bristol 2016/17 (or most recent)	National average	National best	National worst	UH Bristol 2015/16
Venous thromboembolism risk assessment	99.1% Apr-Dec16	95.6%	100%	78.7%	98.2% Apr-Mar16
Clostridium difficile rate per 100,000 bed days (patients aged 2 or over)*	15.6 Apr-Dec16	14.9	0.0	66.0	16.7 Apr15-Jan16
Rate of patient safety incidents reported per 1,000 bed days	57.26 Apr-Sep16	40.77	71.81	21.15	55.7 Oct15-Mar16
Percentage of patient safety incidents resulting in severe harm or death	0.38% Apr-Sep16	0.40%	0.02%	1.73%	0.36% Oct15-Mar16
Responsiveness to inpatients' personal needs	71.4 Apr15-Mar16	69.6	86.2	58.9	69.4 Apr14-Mar15
Percentage of staff who would recommend the provider	81% 2016 survey	70%	85%	49%	77% 2015 survey
Summary Hospital-level Mortality Indicator (SHMI) value and banding	99.4 (Band 2 "As Expected") Oct15-Sep16	100	69.0	116.4	98.8 (Band 2 "As Expected") Apr15-Mar16
Percentage of patient deaths with specialty code of 'palliative medicine' or diagnosis code of 'palliative care'	27.6% Oct15-Sep16	29.7%	56.3%	0.4%	23.9% Apr15-Mar16
Patient Reported Outcome Measures	Provisional comparative groin hernia data for 2015/16 (the most recent available) shows that 61.1% of UH Bristol patients reported an improved EQ-5D score compared to the national average of 50.9%; 62.5% of UH Bristol patients reported an improved EQ-VAS score compared to the national average of 37.7%). An increase in EQ-5D or EQ-VAS scoring indicates that patients felt that their quality of life had improved after surgery. UH Bristol does not carry out any other procedures covered by the national PROMs programme.				
Emergency readmissions within 28 days of discharge: age 0-15	Comparative data for 2011/12**: UH Bristol score 7.8%; England average 10.0%; low 0%; high 47.6%. Comparative data is not currently available for subsequent years from the Health & Social Care Information Centre.				
Emergency readmissions within 28 days of discharge: age 16 or over	Comparative data for 2011/12**: UH Bristol score 11.15%; England average 11.45%; low 0%; high 17.15%. Comparative data is not currently available for subsequent years from the Health & Social Care Information Centre.				

* NHS Digital has published monthly *Clostridium difficile* numbers for 2016/17, but not as a rate per bed days. Using our own internal reports and estimated bed days, we get the following totals for Apr16-Jan17: UH Bristol = 14.1, Average = 13.8, Max=79.7,Min=0.0. Note this is NOT official published data.

** NHS Digital quote "Please note that this indicator was last updated in December 2013 and future releases have been temporarily suspended pending a methodology review" – therefore latest published data is still for financial year 2011/12.

Part 3

Review of services in 2016/17

3.1 Patient safety

The safety of our patients is central to everything we want to achieve as a provider of healthcare. We are committed to continuously improving the safety of our services, and will focus on avoiding and preventing harm to patients from the care, treatment and support that is intended to help them. We will do this by successfully implementing proactive patient safety improvement programmes and by working to better understand and improve our safety culture. We will also continue to conduct thorough investigations and analyses when things go wrong, identifying and sharing learning, and making improvements to prevent or reduce the risk of a recurrence. We will be open and honest with patients and their families when they have been subject to a patient safety incident, and will strive to eliminate avoidable harm as a consequence of care we have provided.

In 2016/17 we have continued to sustain high quality performance in a number of key patient safety indicators as show in Table 7, in particular achieving a reduction in the number of hospital acquired pressure ulcers (40 in 2016/17, a 34 per cent reduction from 2015/16) and comfortably meeting our target for *Clostridium difficile* infection (10 avoidable cases in 2016/17 against a target of 45). Unfortunately, however, there were more falls per 1,000 bed days in 2016/17 (4.23 compared to 3.95 in 2015/16) and more falls with harm (36 compared to 30 in 2015/16).

3.1.1 Our Patient Safety Improvement Programme

UH Bristol 'signed up to safety' in 2014 by making our pledges under five national themes:

- put safety first
- continually learn from feedback and by measuring and monitoring how safe our services are
- be open and honest
- collaborate with others in developing system wide improvements
- support patients, families and our staff to understand when things go wrong and how to put them right.

We reported last year on the development of our 'Sign up to Safety' programme and the partnership work with colleagues in the West of England Patient Safety Collaborative to identify and develop opportunities for system wide safety improvements and to share and learn from each other.

In line with the national Sign up to Safety initiative, the overall aim of our programme is to reduce mortality and harm to patients. In 2016/17 we have refined our overall measures of the programme, recognising that the measurement of avoidable mortality and avoidable harm is more complex than a single indicator. For mortality we are aiming to achieve and sustain an upper quartile ranking of English NHS trusts for the Summary Hospital Mortality Indicator published quarterly by NHS Digital, and for harm reduction we are aiming to achieve and sustain reduction to 3.23 adverse events per 1,000 bed days to be achieved over a three year period.

Please see section 3.3 of this report for more details of our work on mortality and section 2.1.1 for a summary of progress on our 2016/17 quality objective for harm reduction.

We have four key work streams within our patient safety programme, described below.

3.1.1.1 Safety Culture work stream

Culture is a 'collective mindfulness' which defines how people behave and interact with others. In healthcare, the development of a positive patient safety culture ensures that staff have a constant and active awareness of the potential for things to go wrong and are enabled to acknowledge mistakes, learn from them, and take action to put things right. We have chosen to use a safety culture assessment tool based on the Manchester Patient Safety Framework[11] for acute trusts.

What we have done in 2016/17

Last year we reported that we had completed our first organisation-wide assessment of safety culture of clinical teams across the organisation. In 2016/17 we have completed the analysis of data at team, divisional and Trust level and have given face to face feedback to boards and over 100 clinical teams regarding what they said about their team's and the Trust's safety culture. Across the organisation as a whole, most people rated their team's and the Trust's safety culture as 'proactive' in each of the ten domains within the Manchester Patient Safety Framework tool, indicating that they place a high value on improving safety, actively investing in continuous safety improvements and rewarding staff who raise safety related issues. Each Board – divisional and Trust – and clinical team has been asked to select one or two safety culture areas to develop depending on the detailed feedback received.

What we will do in 2017/18

We will:

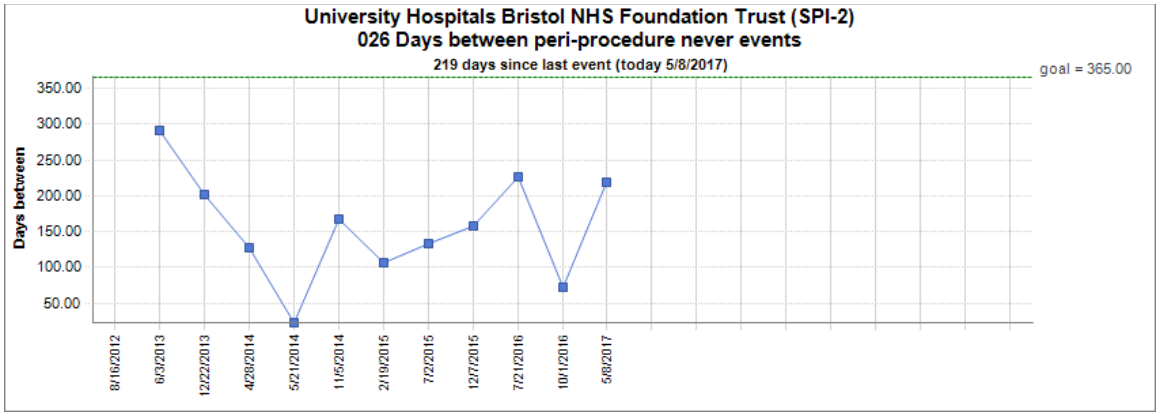
- Continue with our organisational development work on staff engagement and support
- Complete the final feedback to clinical teams
- Develop a safety culture toolkit with information and resources to support teams in the areas they have chosen to develop
- Conduct a further detailed analysis of the free text comments staff made to look at themes to take forward as a trust
- Make plans to repeat the safety culture assessments starting in the first half of 2018.

3.1.1.2 Peri-procedure never events work stream

We are aiming to reduce the incidence of peri-procedure never events: wrong site surgery, retained foreign object and wrong implant/prosthesis by the introduction of a Trust-wide process that staff can use to identify and mitigate any risk associated with the procedure being carried out. Much work has already been done in our operating theatre environments, but in 2016/17 we focussed on adapting and spreading our local safety standards for invasive procedures (LocSSIPs) into other areas such as our emergency departments, our intensive care units and outpatient areas. In the first instance we are aiming to have no never events for a year. The graph below shows, as at the time of writing, that we have had no never events for 219 days.

[11] Manchester Patient Safety Framework, University of Manchester 2006.

Figure 1



Source: UH Bristol serious incident log

Despite the work we are doing, there were two peri-procedure never events which occurred in our Trust in 2016/17:

- One retained laparoscopic retrieval bag containing a sample
- One retained vaginal swab following the delivery of a baby.

We have investigated these cases thoroughly and have learned that despite having very high levels of compliance with the WHO[12] surgical safety checklist, there are improvements we can make to our safety systems to make it easier for our staff to do the right thing and harder for them to do the wrong thing.

Examples of these improvements include:

- Amending the WHO checklist to clarify the checks for specimens being sent to the laboratory
- Appropriate use of the white board in the central delivery suite to record swabs purposefully placed inside (intended for removal at the end of the procedure) and their removal.

What we have done in 2016/17

- We have refined our WHO surgical safety checklist in theatres to include checks on dispatch of samples as a result of learning from a never event
- We have conducted "mystery shopper" audits of the quality of how we conduct WHO checklists and shared the results with teams to support them in making improvements in areas where required
- We have worked across clinical teams and specialties to successfully develop and introduce local safety standards for invasive procedures in a number of 'out of theatre' procedures such as chest drain insertion, central line insertion, ascitic tap, lumbar puncture, endoscopy, nerve block
- We have incorporated awareness of local safety standards for invasive procedures into induction and updates for all clinical staff with more in depth education for staff involved in the procedures.

What we will do in 2017/18

- We will continue to adapt and spread local safety standards for invasive procedures

[12] World Health Organisation

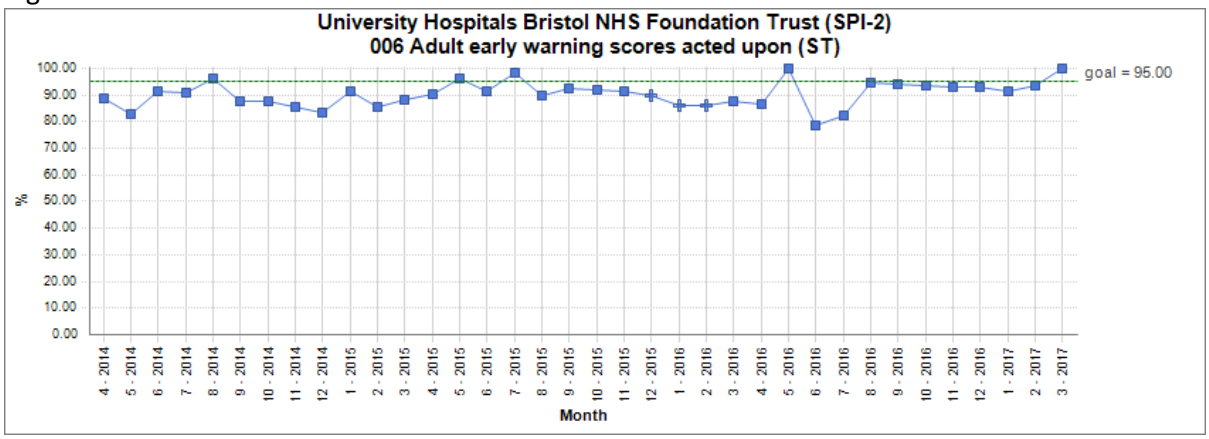
- We will continue with our education plan
- We will repeat our "mystery shopper" audits of the quality of how we conduct WHO checklists.

3.1.1.3 Deteriorating patient work stream

Last year we reported on the introduction of the national early warning score (NEWS)[13] for adult patients (excluding maternity) at the end of 2015 which took place as a collaborative project with North Bristol NHS Trust. We have spent much of 2016/17 embedding this within practice and have worked closely with front line staff to understand the barriers they have encountered in identifying and escalating deteriorating patients within our Trust and working with them to find solutions. We have also been working with our system-wide partners in the West of England Academic Health Science Network to use NEWS as a common language for individual patients at the points of transfer of care. Using NEWS in this way enables receiving healthcare providers to know in advance how sick a patient is and this helps ensure the sickest patients are prioritised for clinical review and are accommodated in the most suitable environment, and have the best chance of a good outcome.

A key measure of success is escalation of deteriorating patients in accordance with protocol. Figure 2 shows that we reached our 95 per cent goal in March 2017. We now need to sustain this improvement.

Figure 2



Source: monthly safety thermometer point prevalence audit

3.1.1.4 Deterioration due to sepsis and acute kidney injury

During 2016/17 we have continued to work on two of the key causes of deterioration: sepsis and acute kidney, particularly sepsis. It is widely recognised that early identification of patients with red flag sepsis and prompt administration of antibiotics can reduce mortality due to sepsis. For more information please see section 2.1.1 for progress on our sepsis quality objective for 2016/17.

[13] The National Early Warning Score (NEWS) was developed by the Royal College of Physicians in 2012 with the aim of standardising early warning scoring systems already in existence in many healthcare organisations. An early warning score is derived from measuring a range of physiological parameters (commonly known as patient observations) such as temperature, pulse and blood pressure, and scoring each parameter. Higher scores are allocated to measurements further outside of the normal range. The scores for each parameter are added together to reach a single early warning score for the patient. Higher scores indicate sicker patients and progressively higher scores indicate deteriorating patients, both of which will trigger the need for a response. Responses are graded in terms of urgency and the seniority of clinician needed to review the patient.

What we did in 2016/17

- We refined our adult observation chart further working in collaboration with North Bristol NHS Trust in response to feedback from staff and learning from incidents
- We focussed on targeted education and training on NEWS to support identified areas
- We devised point of care simulation training in adult services about deteriorating patients
- We produced and distributed NEWS 'credit cards' as aide memoirs for adult services , and PEWS ones for children's services
- We conducted individual debriefs with staff to learn more about themes and human factors when NEWS incidents happen and what we can do to improve our systems
- We have mapped out of hours coverage for adult specialities and identified where further action is needed
- We have integrated the adult observation chart and NEWS into the existing emergency department pro forma with a prompt for sepsis screening
- We started testing a new acute kidney injury care bundle for adults
- In conjunction with North Bristol NHS Trust, we developed an acute kidney injury dashboard so we can monitor the impact of our improvements
- Please see section 2.1.1 for information about what we did to achieve our sepsis quality objective for 2016/17.

What we plan to do in 2017/18

- We will use the learning from our incident debriefs to inform further improvements and education in our systems for recognition and escalation deteriorating patients
- We will conduct a focus group of doctors and nurses to ascertain how we need to change our structured communication tool (SBAR) for handover and the escalation of deteriorating patients so that it works better for our staff
- We plan to procure and implement an e-observation system that will reduce the risk of human error in the recognition and escalation deteriorating patients
- We will review our out of hours medical cover in relevant specialities and fine tune our escalation protocol where necessary
- We will continue to work with our system partners to develop a reliable system to ensure NEWS for individual patients is communicated at the point of transfer of care
- If agreed and supported by our system partners, we have proposed that we lead work to develop a region wide paediatric early warning score, thus standardising the early warning scoring system for children across the west and south west of England
- We will continue with our point of care simulation training about deteriorating patients
- We will complete testing and implement a n acute kidney injury pathway for adults
- Please see section 2.1.2 for information about our sepsis quality objective for 2017/18.

3.1.1.5 Medicines safety work stream

Our medicines safety works stream is a system wide approach across the West of England Academic Health Science Network. Its stated aim is "working together (with patients and each other) to deliver safer and better outcomes from medicines at transfer of care in the domains of patient safety, patient outcomes and patient experience for people in target population. The two main areas of focus are:

- supporting patients with complex medicines to take them safely, thereby reducing hospital readmissions as a consequence of poor compliance with self- administration of medicines in the community, and
- insulin safety with emphasis on self-administration of insulin by patients and reducing harm from errors in insulin administration."

What we did in 2016/17

- We have been taking a lead role within the West of England Academic Health Science Network in the system-wide work on referrals of patients with complex medicines and compliance aids to community pharmacies
- We implemented an electronic system (PharmOutcomes) to enable community pharmacies to support patients discharged with complex medicines. PharmOutcomes is a referral system to improve medication safety at patient discharge by referring patients on medication compliance aids and high risk patients to their community pharmacist for a medication review.
- We have incorporated the transfer of care referrals for patients on complex medicines into pharmacy noting systems
- We have engaged with research study run by Durham University on outcomes of clinical handover to community pharmacy
- We have incorporated this work into the BNSSG medicines optimisation STP project
- Higher strength insulins have recently been introduced which are two, three or five times stronger than the commonly used u100 insulin, and are now being used by some patients. Our diabetes team has drafted a drug chart and guidance document for adults using insulin u500 to help ensure safe administration of this much stronger insulin while patients are in our hospitals.

What we plan to do in 2017/18

We will further develop the PharmOutcomes referrals by:

- Incorporating PharmOutcomes into the developing pharmacy noting process using mobile technology in order to embed into practice
- Further embedding PharmOutcomes process for patients on warfarin
- Testing and implementing an agreed service design (for patients on complex medicines) in a range of clinical areas
- Extending PharmOutcomes to GP pharmacists
- Implementing an electronic interface between with PharmOutcomes and our hospital systems.

We will ensure that transfer of care issues around insulin are incorporated into the insulin work stream by:

- Implementing the u500 insulin drug chart and guidance
- Completing and acting on the result of a self-assessment on insulin safety using a tool from the Oxford Academic Health Science Network
- Producing patient self-administration of insulin, protocols, procedures and safe storage
- Incorporating safe systems of insulin prescribing in the new Electronic Prescribing and Medicines Administration system to be implemented in the Trust.

3.1.2 Further plans for our patient safety programme in 2017/18

In early 2017 NHS Trusts were invited to join a new national maternity and neonatal health collaborative which aims to reduce maternal deaths, stillbirths, neonatal deaths and brain injuries that occur during or soon after birth by 20 per cent by 2020 and 50 per cent by 2030. We put ourselves forward to be part of the first wave of the programme and were delighted to be accepted. In 2017/18 we will be developing our local maternity and neonatal improvement programme and will commence implementation.

During 2016/17 we also identified further areas we want to work on as a result of learning from incidents and which support our deteriorating patient work stream in particular. In 2017/18 we will take forward a project to design a system for the escalation of concerns when a family recognises that their loved one in hospital "just isn't right" or "isn't their usual self" and they are worried that they are deteriorating but they can't put their finger on the problem and they feel that their concerns aren't being listened to. We will also be seeking to spread the use of a new ward round checklist which has been piloted in the Bristol Haematology and Oncology Centre.

3.1.3 Serious incidents

The purpose of identifying and investigating serious incidents, as with all incidents, is to understand what happened, learn and share lessons, and take action to reduce the risk of a recurrence. The decision that an event should be categorised as a serious incident is usually made by an executive director. Throughout 2016/17, the Trust Board was informed of serious incidents via its monthly quality and performance report. The total number of serious incidents reported for the year was 52, compared to 69 in 2015/16. Of the 52 serious incidents initially reported, two were subsequently downgraded and eight investigations were still underway at the time of writing (May 2017). Fifteen further potential serious incidents were initially reported to commissioners but then downgraded as the initial incident review identified they did not meet serious incident criteria. The majority of these were 12 hour trolley breach incidents which caused no harm to patients. A breakdown of the categories of the 50 confirmed serious incidents is provided in Figure 12 below.

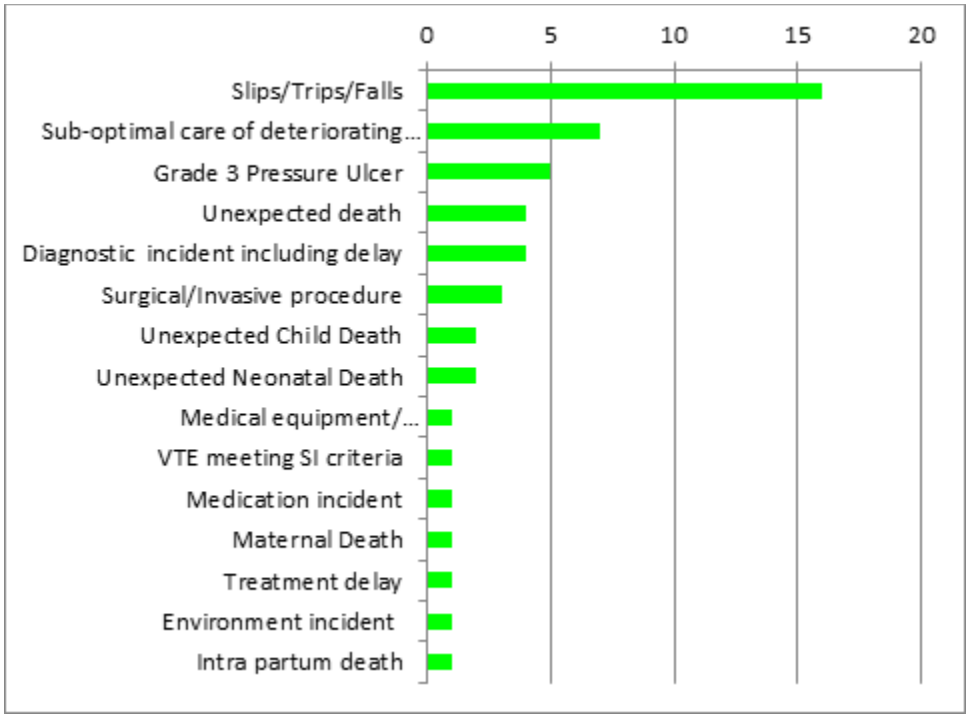
All serious incident investigations have robust action plans, which are implemented to reduce the risk of recurrence. The investigations for serious incident and resulting action plans are reviewed in full by the Trust Quality and Outcomes Committee (a sub-committee of the Trust Board of Directors).

Learning from serious incidents

Learning and actions arising from serious incidents involving deteriorating patients and invasive procedures are imported into our patient safety programme work streams as described in sections 3.1.1.2 and 3.1.1.3. Examples of learning themes from other serious incident investigations in 2016/17 have included actions to:

- improve the use of dynamic risk assessments and frequent reviews of falls risks for patients with fluctuating confusion
- review the enhanced observation policy and bed rails guidance for patients at risk of falls and have confusion
- and achieve a consistent standard of documentation and verbal handover of care when escalating or transferring care for individual patients between staff, shifts, wards, hospitals and providers.

Figure 12



Source: UH Bristol Serious Incident Log

3.1.4 Duty of Candour

Being open and honest when things go wrong has been an integral part of incident management and patient safety culture development since the advent of the Being Open Framework developed by the National Patient Safety Agency in 2009. The reports by Robert Francis QC (2010 and 2013) and Professor Don Berwick (2013), following the events which took place at Mid Staffordshire NHS Foundation Trust between 2005 and 2009, led to more formal arrangements in this respect: first, a contractual obligation (in 2013) and subsequently, a statutory obligation for duty of candour (in 2014). This was followed by explicit requirements of a professional duty of candour published jointly by the General Medical Council and Nursing and Midwifery Council in 2015.

The Trust has had a Staff Support and Being Open Policy in place since 2007. This policy has been developed over the years in response to learning from within the organisation, national guidance and, more recently, from the aforementioned contractual, statutory and professional obligations for duty of candour.

Last year we reported on our progress with regard to further embedding statutory duty of candour within our systems and culture. In 2016/17 we have been further reviewing our systems for duty of candour in anticipation of the publication of the report of the Independent Inquiry into our Paediatric Cardiac Services in July 2016. We recognise that the needs of individuals (patients, families and staff) require a more flexible approach to being open, based on where they are at particular times of the post-incident or grieving process. We have reviewed the support we provide and our communications to families who use our children's services to help them navigate their way through multiple investigative processes which may occur at a difficult time for them. We have also been looking at how we can ensure patients and families have the opportunity to include their perspective and comments on incident

investigations if they want to and how we can involve patients and families more in helping us develop solutions to problems if they want to.

We know that this is an iterative process and in 2017/18 we will be further developing our communications and systems for being open for patients and families who use our adult services, seeking the views of families on our proposals. We will also be finalising and implementing our improvements for patients and families to be involved in investigations and solutions as mentioned above.

3.1.5 Guardian of safe working hours: annual report on rota gaps and vacancies for doctors and dentists in training

The Trust has appointed Dr Alistair Johnstone as the Guardian of Safe Working for Junior Doctors. Our Trust Board receives quarterly reports and an aggregated annual report, all of which are available to read at: http://www.uhbristol.nhs.uk/about-us/key-publications/.

3.1.6 Overview of monthly board assurance regarding the safety of patients 2016/17

The table below contains key quality metrics providing assurance to the Trust Board each month regarding the safety of patients in our care. Where there are no nationally defined targets for safety of patients or where the Trust is already exceeding national targets, local targets or improvement goals are set to drive continuous improvement or sustain already highly benchmarked performance. These metrics and their targets are reviewed annually to ensure they remain relevant, challenging and achievable.

Table 7

Quality measure	Data source	Standard	Actual 2015/16	Target 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2016/17
Infection control and cleanliness monitoring									
Number of MRSA Bloodstream Cases	National Infection Control data (Public Health England)	No Cases	3	0	0	0	1	0	1
Number of *Clostridium difficile* Cases	National Infection Control data (Public Health England)	No target as target is set nationally for cumulative cases	40	No target as target is set nationally for cumulative cases	8	10	9	4	31
Number of MSSA Cases	Trust Infection Control system (MESS)	Local standard	26	25	8	13	8	8	37
Clostridium difficile Avoidable Cases	PHE Data and local CCG/Trust review	Commissioner / provider agreement whether avoidable	17	45	2	3	4	1	10
Hand Hygiene Audit Compliance	Monthly local observational audit	Local standard	97.3%	95%	97.3%	96.8%	96.4%	96.0%	96.6%
Antibiotic prescribing Compliance	Monthly local pharmacy audit	Local standard	87.6%	90%	84.5%	87.4%	90.8%	90.8%	88.3%
Cleanliness	Monthly audit	Local	94% (Mar-	95%	95%	95%	96%	95%	95%

Quality measure	Data source	Standard	Actual 2015/16	Target 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2016/17
Monitoring - Overall Score		standard	16)		(Jun-16)	(Sep-16)	(Dec-16)	(Mar-17)	(Mar-17)
Cleanliness Monitoring - Very High Risk Areas	Monthly audit	Local standard	98% (Mar-16)	98%	98% (Jun-16)	98% (Sep-16)	97% (Dec-16)	97% (Mar-17)	97% (Mar-17)
Cleanliness Monitoring - High Risk Areas	Monthly audit	Local standard	95% (Mar-16)	95%	96% (Jun-16)	97% (Sep-16)	97% (Dec-16)	95% (Mar-17)	95% (Mar-17)
Patient safety incidents, serious incidents and Never Events									
Number of Serious Incidents Reported	Local serious incident log	No target so as not to deter reporting	69	No target so as not to deter reporting	13	15	12	12	52
Number of Confirmed Serious Incidents[14]	Local serious incident log	No target so as not to deter reporting	55	No target so as not to deter reporting	12	13	12	TBC	TBC
Serious Incidents Reported Within 48 Hours	Local serious incident log	National Serious Incident Framework	84.1%	100%	93.2%	86.7%	100%	100%	94.2%
Serious Incidents - 72 Hour Report Completed Within Timescale	Local serious incident log	National Serious Incident Framework	Not reported	100%	92.3%	93.3%	75%	100%	90.3%
Serious Incident Investigations Completed Within Timescale	Local serious incident log	National Serious Incident Framework	74.1%	100%	100%	100%	93.3%	100%	98.3%
Total Never Events	Local serious incident log	National Never Events Policy and Framework	3	0	0	1	1	0	2
Number of Patient Safety Incidents Reported	Datix	No target so as not to deter reporting	13787	No target so as not to deter reporting	3619	3575	3794	TBC	TBC
Patient Safety Incidents Per 1000 Bed days	Datix/ Medway	No target so as not to deter reporting	44.75	No target so as not to deter reporting	47.41	46.88	48.25	TBC	TBC
Number of Patient Safety Incidents - Severe Harm[15]	Datix	No target so as not to deter reporting	97	No target so as not to deter reporting	19	22	32	TBC	TBC
Falls									
Falls Per 1,000 Bed days	Datix/ Medway	Local target set below national benchmark of	3.95	4.8	4.26	4.29	4.22	3.89	4.23

[14] Figures will change as further serious incident investigations are completed after year end.

[15] Figures may change as further incident investigations are completed after year end.

Quality measure	Data source	Standard	Actual 2015/16	Target 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2016/17
		5.6 falls per 1000 bed days							
Total Number of Patient Falls Resulting in Harm	Datix	Local target	30	24	8	9	8	11	36
Pressure ulcers developed in the Trust									
Pressure Ulcers Per 1,000 Bed days	Datix/ Medway	Local target	0.221	0.4	0.157	0.144	0.127	0.163	0.148
Pressure Ulcers - Grade 2	Datix	No target	61	No more than 10 in total pressure ulcers per month (all grades)	11	11	9	9	40
Pressure Ulcers - Grade 3	Datix	Local target	7	0	1	0	1	4	6
Pressure Ulcers - Grade 4	Datix	Local target	0	0	0	0	0	0	0
Venous Thromboembolism									
Adult Inpatients who Received a VTE Risk Assessment	Medway	Local target set above 95% national target	98.2%	99%	99.2%	99.1%	99.1%	99.0%	99.1%
Percentage of Adult In-patients who Received Thrombo-prophylaxis	Monthly local pharmacy audit	Local target	94.6%	95%	95.8%	95.8%	96.8%	97.4%	96.4%
Nutrition									
Nutrition: 72 Hour Food Chart Review	Monthly local safety thermometer audit	Local target	90.4%	90%	88.5%	89.6%	89.4%	90.6%	89.6%
Fully and Accurately Completed Nutritional Screening within 24 Hours	Quarterly local dietetics audit	Local target	Not reported	90%	80.8%	88%	91.2%	87.9%	87.9%
WHO checklist									
WHO Surgical Checklist Compliance	Medway/ Bluespier	Local target	99.9%	100%	99.6%	99.9%	98.7%[16]	97.8%	98.1%
Medicines									
Medication Incidents Resulting in moderate or	Datix	Local target	0.8%	0.5%	0.16%	0.51%	0.64%	0.25%	0.41%

[16] Reduction in quarters 3 and 4 attributed to a recording issue using a new IT system

Quality measure	Data source	Standard	Actual 2015/16	Target 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2016/17
greater harm									
Non-Purposeful Omitted Doses of the Listed Critical Medication	Monthly local pharmacy audit	Local target	0.87%	1%	0.73%	0.33%	0.75%	0.52%	0.59%
Safety Thermometer									
Safety Thermometer -Harm free care	Monthly safety thermometer audit	Local target	97.1%	95.7%	97.7%	98.6%	97.5%	97.9%	97.9%
Safety Thermometer -No new harms	Monthly safety thermometer audit	Local target	98.6%	98.3%	98.8%	99.2%	98.7%	98.7%	98.9%
Deteriorating patient									
National Early Warning Scores (NEWS) Acted Upon	Monthly local safety thermometer audit	Local improvement goal	90%	95%	89%	90%	93%	94.6%	91.7%
Timely discharges									
Out of Hours Departures (20:00 to 07:00)	Medway PAS	No target	10.7%	No target	7.6%	7.9%	7.5%	7.8%	7.7%
Percentage of Patients With Timely Discharge (07:00-12 noon)	Medway PAS	Local improvement	20.3%	25%	22.9%	22.1%	22.2%	21.7%	22.2%
Number of Patients With Timely Discharge (07:00-12 noon)	Medway PAS	No target	10444	No target as percentage target set above	2911	2852	2892	2705	11360
Staffing levels									
Nurse staffing fill rate combined	National Unify return	No target set. Target would be variable each shift depending on patient numbers, acuity and dependency.	103.1%	No target set. Target would be variable each shift depending on patient numbers, acuity and dependency	103.9%	103%	104%	104%	103.7%

3.2 Patient experience

We want all our patients to have a positive experience of healthcare , to be treated with dignity and respect and to be fully involved in decisions affecting their treatment, care and support. Our commitment to 'respecting everyone' and 'working together' is enshrined in the Trust's values. Our goal is to be continually improving by engaging with and listening to patients and the public when we plan and develop services, by asking patients what their experience of care has been and how we could make it better, and taking positive action in response to that learning.

3.2.1 It's good to talk: conversations with patients and the public

UH Bristol's involvement network provides a point of contact with a range of community organisations across Bristol, giving them a voice within the Trust. In 2016/17, for example, the involvement network:

- engaged in discussions about end of life care with our Palliative Care Team;
- participated in an NHS Improvement Quality and Safety review at the Trust; and
- helped us develop our corporate quality objectives for 2017/18.

In 2016/17, our *Face2Face* volunteer interview team continued to visit wards and departments across the organisation to have conversations with patients, visitors, and carers about their experiences at UH Bristol. We also explored new ways of utilising the skills of the *Face2Face* team, for example one member spent several weeks in the adult congenital heart disease service talking to long-term service-users as they came in for appointments, and during September 2016 the team interviewed patients who are homeless or vulnerably housed about their experiences of hospital care.

Other notable examples of patient and public involvement in the past year include:

- Inviting local Healthwatch to carry out an "enter and view" visit at South Bristol Community Hospital. The feedback the Trust received from Healthwatch was very positive and we are currently taking forward a number of their suggestions for further improvement.
- Participating in the Patient and Community Leadership Programme, a multi-agency collaboration co-ordinated by the King's Fund. The aim of the programme is to provide coaching to a group of public participants, equipping them to contribute more effectively in important local discussions about health and social care planning and development.
- Inviting the Patients' Association to carry out an evaluation of the Trust's dermatology service.
- Inviting members of the Bristol City Council Overview and Scrutiny Committee to visit the Bristol Royal Hospital for Children to learn more about the paediatric cardiac service there.

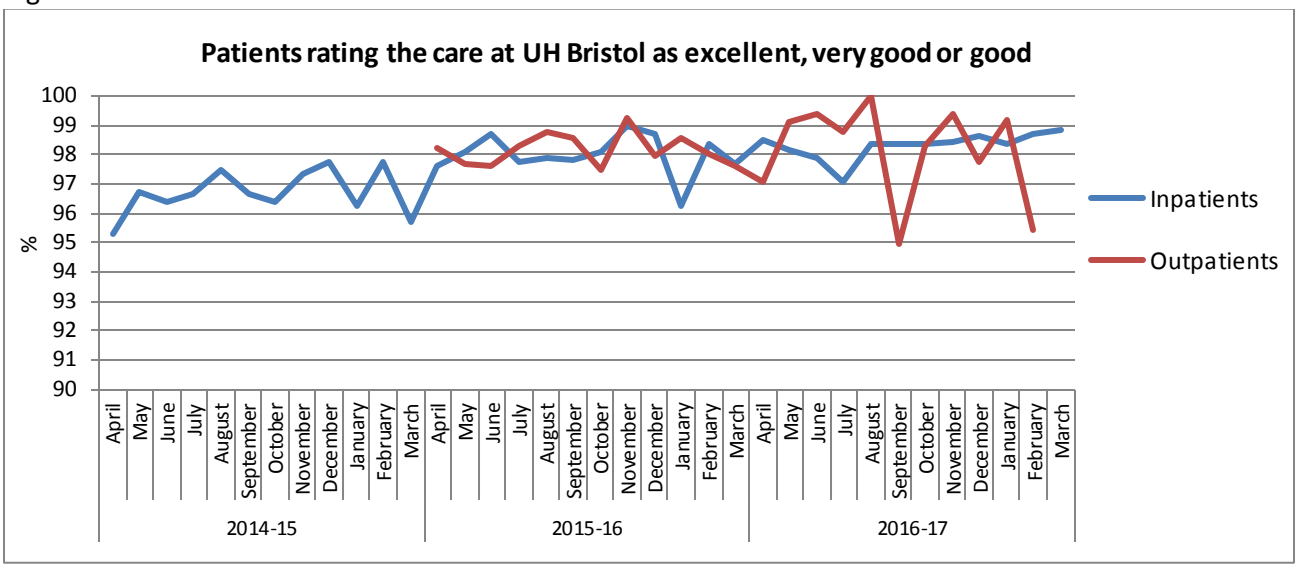
3.2.2 Gathering patient feedback from surveys

Patient surveys enable us to monitor the quality of patient experience and to compare ourselves to other trusts. UH Bristol has a comprehensive patient survey programme, incorporating the Friends and Family Test survey when patients are discharge from hospital, a comprehensive post-discharge postal survey, and participation in the national patient survey programme. In

2016/17 we received more 50,000 individual pieces of feedback about our services from these surveys.

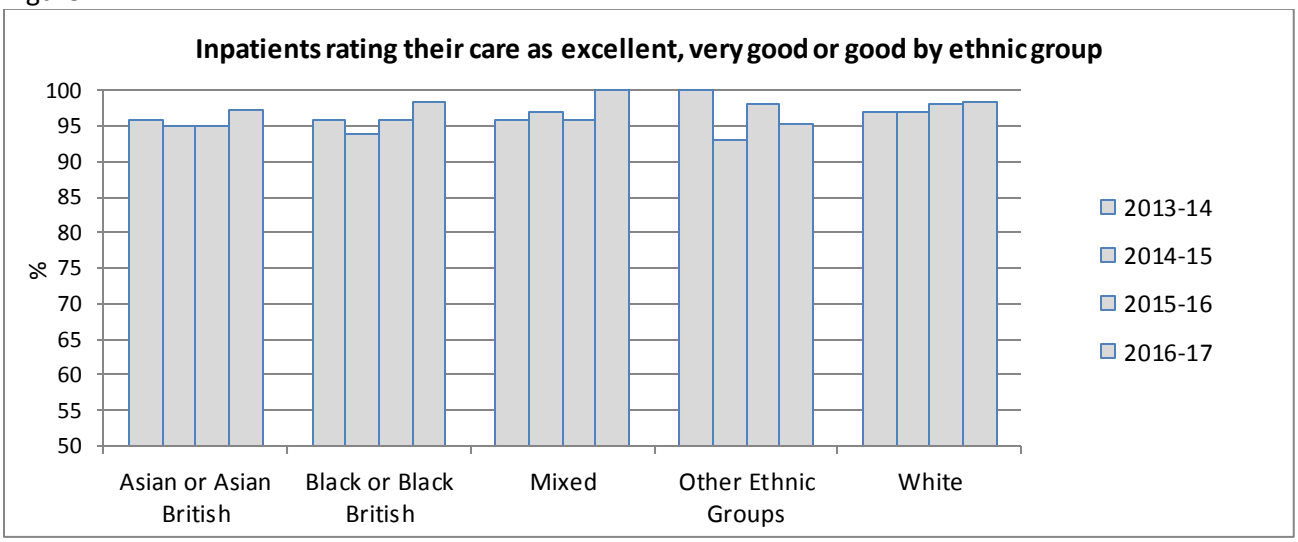
The Trust continues to receive very positive feedback from service-users, consistently achieving overall care ratings in excess of 95 per cent in our monthly postal surveys (Figure 3). Praise for our staff is by far the most frequent form of feedback that we receive. Figure 4 shows that these positive experiences of care are consistent across different demographic groups.

Figure 3



Source: UH Bristol monthly inpatient / parent survey; UH Bristol monthly outpatient survey

Figure 4



Source: UH Bristol monthly inpatient and parent survey

Each year, the Trust participates in the Care Quality Commission's national patient experience survey programme. These national surveys reveal how the experience of patients at UH Bristol compares with other NHS acute trusts in England. In 2016/17, the Trust received the results from two national surveys (Table 8).

Table 8: Results of national patient surveys received by the Trust during 2016/17 (number of scores above, in line with, or below the national average)

	Comparison to national average		
	Above (better)	Same	Below
National inpatient survey (patients who were discharged during July 2015)	1	61	1
National cancer survey (patients who were discharged between April and June 2015)	1	45	4

As in past years, UH Bristol performed broadly in line with the national average in the national inpatient survey. The Trust received particularly good scores for privacy and dignity. One score was slightly below the national average – availability of hand gel (9.3/10 compared to 9.6 nationally), however this was still a good score in itself and our local audits also confirm high levels of hand wash availability for patients, visitors and staff.

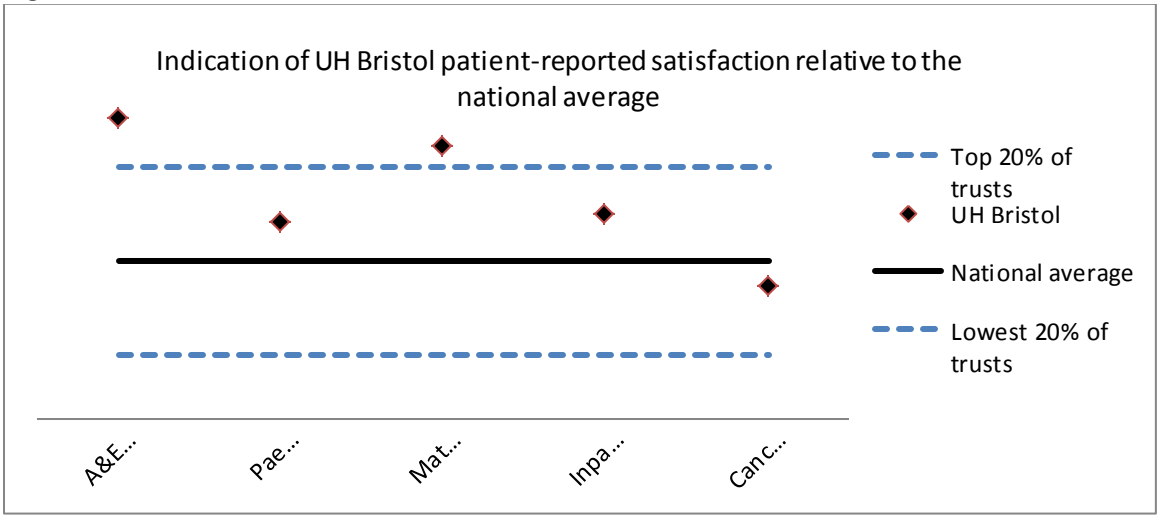
Historically, UH Bristol has performed less well in national cancer surveys. We were particularly disappointed when the 2013 survey results showed nearly half of UH Bristol's scores were in the lowest quintile (bottom 20 per cent) of trusts nationally. In response to this, Trust's lead cancer nurse led a comprehensive programme of stakeholder engagement and participated in an NHS England scheme which saw UH Bristol "buddied" with a trust which had achieved some of the best score in the 2013 survey, South Tees. This led to an improvement plan focusing on:

- Patient access to a clinical nurse specialist
- Information availability and accessibility
- GP support
- Clinic administrative processes and waiting times.

Although changes to the national cancer survey questionnaire and methodology made it difficult to directly compare UH Bristol's 2015 results to the 2013 survey, we were nonetheless encouraged by our achievement of an average five percentage point improvement across the questions that were comparable. Furthermore, a number of our key improvement actions would not have been in place in time to affect the 2015 results. We are therefore cautiously optimistic about the results of the forthcoming 2017 survey.

Figure 5 provides an overview of the Trust's performance in the most recent national patient surveys in relation to other NHS Trusts.

Figure 5



Looking ahead to 2017/18, sections 2.1.1 and 2.1.2 of this report describe our plans to procure a new Trust-wide patient feedback system which will enable patients, their families and carers to give feedback about quality of care whilst patients are still in hospital, increasing our opportunities to address issues and concerns in real-time.

3.2.3 Complaints received in 2016/17

The flip side of saying that more than 98 per cent of inpatients rate their treatment and care at UH Bristol as "good" or better is that, for one or two patients in every hundred, we don't get it right. Some of those patients will tell us about their experience through surveys and comment cards; around one in every 500 patients will make a complaint. How we respond to this group of patients and how we learn from their experiences is as much a marker of quality as the positive experience reported by the vast majority.

In 2016/17, 1,874 complaints were reported to the Trust Board, compared with 1,941 in 2015/16[17]. 487 (26 per cent) of these complaints were investigated under the formal complaints process, with the remainder addressed through informal resolution. This volume of complaints equates to 0.23 per cent of all patient episodes, compared to 0.25 per cent in 2015/16, against a target of <0.21 per cent.

We carried out formal complaints investigations and replied to complainants within agreed timescales in 86.1 per cent of cases: an improvement on the 75.2 per cent we reported last year. To date (May 2017), 65 complainants have expressed dissatisfaction with one or more aspects of our formal response to their concerns, slightly more than at the equivalent point in time last year (59).

In 2016/17, improvements to the way we handled complaints included:

- Systematically surveying complainants approximately six weeks after their concluding communication with the Trust, to better understand their experience of making a complaint and how we could improve what we do.
- Encouraging our divisions to offer appropriate forms of independent review of complaints in circumstances where complainants continue to express dissatisfaction.
- Publishing anonymised summaries of any complaints which are upheld or partially upheld by the Ombudsman.

Looking ahead to 2017/18, our plans include:

- Exploring the potential to develop a partnership approach with the Patients' Association for supporting complainants who remain dissatisfied with the Trust's response to their concerns, but who wish to pursue mutual resolution outside of an Ombudsman referral.
- Introducing a new complaints panel to create a shared learning environment to identify and share examples of best practice in responding to complaints and to identify opportunities to make improvements to way divisions and the Trust handle complaints.
- Making mediation skills training available to key front line staff, beginning with staff at the Bristol Royal Hospital for Children and the Trust's patient support and complaints team.

The Trust will be publishing a detailed annual complaints report, including themes and trends, later in 2017.

[17] Previously 1,883 in 2014/15, 1,442 in 2013/14, 1,651 in 2012/13, and 1,465 in 2011/12

3.2.4 Turning feedback and complaints into positive action: examples of improvements to patient care in 2016/17

Examples of positive action in 2016/17 included:

- The roll-out of open visiting in adult inpatient areas; visiting hours now extend from 8am to 9pm
- The publication of a new patient and family-friendly welcome guide to our hospitals
- New arrangements so that partners can now stay overnight on our maternity wards, to support mums
- The launch of a hospital Facebook page at the Bristol Royal Hospital for Children for patients, families and staff to share good news stories and updates on services
- The launch of the South Wales and South West Congenital Heart Disease Network which includes parents and patients as part of the network board
- *Patient Experience at Heart* and *#conversations* initiatives which were shortlisted for national awards
- New signage in the Bristol Royal Infirmary Emergency Department, developed by the Design Council, which helps to explain to patients how the department works, why they may be waiting and what to expect during their experience; also, improved Trust-wide signage telling people how they can give feedback or make a complaint
- Steps taken to improve the patient experience on our delayed discharge ward (A605), including a new nursing assistant who organises activities for patients, and a new role for volunteers.

3.2.5 Overview of monthly board assurance regarding patient experience

The table below contains key quality metrics providing assurance to the Trust Board each month regarding patient experience. Where there are no nationally defined targets or where the Trust is already exceeding national targets, local targets or improvement goals are set to drive continuous improvement. These metrics and their targets are reviewed annually to ensure they remain relevant, challenging and achievable.

Table 9

Quality measure	Data source	Standard	Actual 2015/16	Target 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2016/17
Monthly patient surveys									
Patient Survey - Patient Experience Tracker Score	Monthly postal survey	Locally agreed	90.1	87	91	91	92	92	91.5
Patient Survey - Kindness and Understanding	Monthly postal survey	Locally agreed	94.2	90	95	95	95	95	95.3
Patient Survey - Outpatient Tracker Score	Monthly postal survey	Locally agreed	88.8	87	89	90	90	88	89.3
Friends and Family Test – coverage									
Friends and Family Test Inpatient Coverage	Friends and Family Test	Locally agreed	19.5%	30%	39.4%	34.6%	33.5%	34.5%	35.5%

Friends and Family Test ED Coverage	Friends and Family Test	Locally agreed	13.0%	15%	14.6%	14.7%	17.2%	19.1%	16.4%
Friends and Family Test Maternity Coverage	Friends and Family Test	Locally agreed	22.7%	15%	20.5%	21.9%	21.6%	26.4%	22.5%
Friends and Family Test – score									
Friends and Family Test Inpatient Score	Friends and Family Test	Locally agreed	96.3%	90%	96.6%	96.7%	97.7%	97.6%	97.2%
Friends and Family Test ED Score	Friends and Family Test	Locally agreed	75.4%	-	77.5%	77.1%	77.6%	80.2%	78.2%
Friends and Family Test Maternity Score	Friends and Family Test	Locally agreed	96.6%	90%	97.2%	97%	95.6%	97.3%	96.8%
Patient complaints									
Number of Patient Complaints	Patient Support and Complaints Team	Locally agreed	1,941	-	520	517	397	440	1,941
Patient Complaints as a Proportion of Activity	Patient Support and Complaints Team	Locally agreed	0.25%	-	0.26%	0.27%	0.20%	0.21%	0.23%
Complaints Responded To Within Trust Timeframe	Patient Support and Complaints Team	Locally agreed	75.2%	95%	76.2%	88.1%	94.2%	86%	86.1%
Complaints Responded To Within Divisional Timeframe	Patient Support and Complaints Team	Locally agreed	91.3%	-	91.6%	88.8%	84.9%	80.9%	86.6%
Percentage of Responses where Complainant is Dissatisfied	Patient Support and Complaints Team	Locally agreed	6.2%	-	11.2%	14.2%	7.9%	Not yet available	11.4%

3.3 Clinical Effectiveness

We will ensure that the each patient receives the right care, according to scientific knowledge and evidence-based assessment, at the right time in the right place, with the best outcome.

3.3.1 Understanding, measuring and reducing patient mortality

Over the last year, the Trust has continued to monitor the number of patients who die in hospital and those who die within 30 days of discharge. This is done using the two main tools available to the NHS to compare mortality rates between different hospitals and trusts: Summary Hospital Mortality Indicator (SHMI) produced by NHS Digital (formally the Health and Social Care Information Centre) and the Hospital Standardised Mortality Ratio (HSMR) produced by CHKS Limited replicating the Dr Foster/Imperial College methodology.

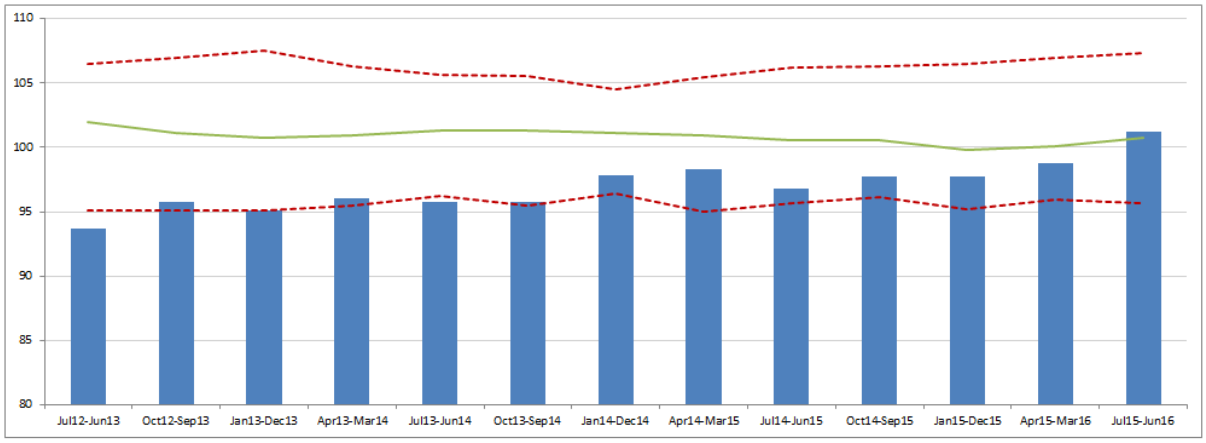
The HSMR includes only the 56 diagnosis groups (medical conditions) which account for approximately 80 per cent of in-hospital deaths. The SHMI is sometimes considered a more

useful index as it includes all diagnosis groups as well as deaths occurring in the 30 days following hospital discharge.

In simple terms, the SHMI 'norm' is a score of 100 – so scores of less than 100 are indicative of trusts with lower than average mortality. The score needs to be read in conjunction with confidence intervals to determine if the Trust is statistically significantly better or worse than average. NHS Digital categorises each Trust into one of three SHMI categories: "worse than expected", "as expected" or "better than expected", based on these confidence intervals. A score over 100 does not automatically mean "worse than expected". Likewise, a score below 100 does not automatically mean "better than expected".

In Figure 8, the blue vertical bars represent UH Bristol SHMI data, the green solid line is the median for all trusts, and the dashed red lines are the upper and lower quartiles (top and bottom 25 per cent). Comparative data from July 2015 to June 2016 shows that the Trust remains in the 'as expected' category. The most recent comparative data available to us at the time of writing is for the rolling 12 month period October 2015 to September 2016[18]. In this period the Trust had 1,741 deaths compared to 1,752 expected deaths; a SHMI score of 99.4.

Figure 6



Source: CHKS benchmarking

The latest HSMR data available at the time of writing is for the period January 2016 to December 2016. This shows 1,052 patient deaths at UH Bristol, compared to 1,095 expected deaths: an HSMR of 96.1

Understanding the impact of our care and treatment by monitoring mortality and outcomes for patients is a vital element of improving the quality of our services. To help facilitate this, the Trust has a Quality Intelligence Group (QIG) whose purpose is both to identify and be informed of any potential areas of concern regarding mortality or outcome alerts. Where increased numbers of deaths are identified in a specific specialty or service, QIG ensures that these are fully investigated by the clinical team. These investigations comprise an initial data quality review followed by a further clinical examination of the cases involved if required. QIG will either receive assurance regarding the particular service or specialty with an explanation of why a potential concern has been triggered, or will require the service or specialty to develop and implement an action plan to address any learning. The impact of any action is monitored through routine quality surveillance.

[18] Figure 8 is sourced from CHKS Limited and does not yet include data for the period October 2015 to September 2016

3.3.2 Local mortality review

Because the vast majority of deaths that occur in the hospital setting are expected, the SHMI and HSMR provide only a broad measure of the quality of care provided at a hospital. As the inherent limitations of global measures of death rate become more apparent, our desire to continually improve the care we provide has led us to focus our efforts on achieving a better understanding of unexpected and potentially preventable death. The way we are doing this is through individual case note review of deceased patients: a personalised approach which facilitates broad base organisational learning.

If a hospital knows and understands common causes of potentially avoidable mortality in the patients for whom it is responsible, it can also use this knowledge to direct clinical audit and quality improvement activity. Furthermore, this information can form the basis of integrated learning with partners in primary care and can be used as an effective learning tool, in combination with the deanery, to support post graduate education. This cross system involvement allows the construction of an integrated healthcare programme, where understanding and preventing potentially avoidable death becomes the highest safety and quality priority

The Trust's current process for adult mortality review was established for adult inpatient deaths in May 2014 with the aim of reviewing all inpatient deaths occurring in the organisation. The review is carried out by the lead consultant for each patient. However, this is now being revised and relaunched, with a new emphasis on peer review, in line with national guidance. UH Bristol has been selected as one of seven pilot sites for early adoption of the Royal College of Physicians' model of structured judgement case note review. Questions are based on the findings of the Preventable Incidents and Survivable Mortality study (PRISM2). Through the pilot, UH Bristol will play a lead role in shaping and developing this important quality and safety process at national level.

Given that the majority of hospital deaths are unavoidable, rather than review all deaths, we will instead develop a process ensuring detailed review of potential avoidable cases. This will include all deaths of elective admission patients and all deaths of patients with learning difficulties.

This process will also allow us to co-ordinate and integrate already established pockets of excellence such as the ICNARC[19] data which demonstrates we have one of the safest intensive carer units in the country. This co-ordinated approach will allow us to accurately identify areas where improvements will save lives.

Full integration with the coroner's office will be established so that pertinent information from patients undergoing coroners' post mortem is fed back into our mortality review group to maximise the learning. In addition, we already have an established process of reviewing both child and maternal deaths. All three of these processes will be fully integrated across the organisation, particularly where there is overlap or transition from childhood to adult.

3.3.3 Overview of monthly board assurance regarding clinical effectiveness

The table below contains key quality metrics providing assurance to the Trust Board each month regarding the clinical effectiveness of the treatment we provide. Where there are no nationally defined targets or where the Trust is already exceeding national targets, local targets or

[19] Intensive Care National Audit and Research Centre

improvement goals are set to drive continuous improvement. These metrics and their targets are reviewed annually to ensure they remain relevant, challenging and achievable.

Table 10

Topic	Data source	Standard	Actual 2015/16	Target 2016/17	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2016/17
Mortality									
Summary Hospital Mortality Indicator (SHMI)	NHS Digital	Locally agreed	97.7	<100	101.2	99.4	Not available	Not available	100.3
Hospital Standardised Mortality Ratio (HSMR)	CHKS	N/A	97.2	N/A	87.2	90.5	100.8	Not available	92.7
Stroke Care									
Percentage Receiving Brain Imaging Within 1 Hour	Medway PAS & Radiology Information System	Locally agreed	61.5%	>=80%	67.7%	58.3%	51.4%	51.2%	58%
Percentage Spending 90%+ Time On Stroke Unit	Medway PAS & Radiology Information System	Locally agreed	93.5%	>=90%	90%	90.4%	93.3%	87.2%	90.4%
High Risk TIA Patients Starting Treatment Within 24 Hours	Medway PAS & Radiology Information System	Locally agreed	66.4%	>=60%	63.4%	76.5%	68.2%	60%	66.8%
Dementia Care									
FAIR Question 1 - Case Finding Applied	Local data collection	CQUIN Target	94.8%	>=90%	94.8%	96%	90.2%	81.6%	90.4%
FAIR Question 2 - Appropriately Assessed	Local data collection	CQUIN Target	97.5%	>=90%	97.5%	98.6%	96.3%	96.2%	97.2%
FAIR Question 3 - Referred for Follow Up	Local data collection	CQUIN Target	97.2%	>=90%	97.2%	92.3%	88.2%	100%	94.7%
Percentage of Dementia Carers Feeling Supported	Local data collection	N/A	88.3%	No target agreed	75%	No longer reported			
Ward outliers									
Bed Days Spent Outlying.	Medway PAS	Locally agreed	9,666	<9,029	2,218	1,546	2,197	2,217	8,178
Fracture Neck of Femur									
Patients Treated Within 36 Hours	National Hip Fracture Database	Locally agreed	75.9%	>=90%	77.6%	65.2%	63.5%	76.7%	70.5%

Patients Seeing Orthogeriatrician within 72 Hours	National Hip Fracture Database	Locally agreed	82.5%	>=90%	78.9%	68.5%	81.1%	68.5%	74%
Patients Achieving Best Practice Tariff	National Hip Fracture Database	Locally agreed	63.5%	>=90%	57.9%	42.7%	54.1%	54.8%	51.9%

3.4 Performance against national priorities and access standards

3.4.1 Overview

This year saw the phasing-out of the NHS Improvement Risk Assessment Framework, and the introduction of the NHS Improvement Single Oversight Framework, reflecting the new approach to regulation and a national focus on four key areas of performance, as shown below:

- Accident and Emergency (A&E) 4-hour waiting standard
- 62-day GP cancer standard
- Referral to Treatment (RTT) incomplete pathways standard
- 6-week diagnostic waiting times standard.

Sustainability and Transformation Funds (STF) were made available to trusts achieving their improvement trajectories for the first three of the standards listed above. Trajectories were developed and agreed between February and May 2016, with agreement of these trajectories being the (only) pre-requisite for securing STF in the first quarter of 2016/17. The rules for the allocation of STF in quarters 2, 3 and 4 were published later in quarter 1. Performance against these four SOF standards is covered in detail in the following sections of the report.

Table 11: Performance (%) against the agreed trajectories for the four key access standards in 2016/17 during each quarter.

Access Key Performance Indicator		Quarter 1			Quarter 2			Quarter 3			Quarter 4		
		Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17
A&E 4-hours	Actual	87.2	91.7	89.0	89.3	90.0	87.3	82.9	78.5	79.6	80.4	80.7	83.3
	Traj.	81.9	84.4	85.9	87.6	88.4	92.2	93.3	90.0	89.3	88.5	87.4	91.0
62-day GP cancer	Actual	77.2	70.5	70.8	73.3	84.8	80.5	79.5	85.2	81.5	84.3	78.8	81.2
	Traj.	72.7	73.2	81.8	84.7	81.7	85.0	85.0	85.1	86.9	83.6	85.7	85.9
RTT*	Actual	92.3	92.6	92.1	92.0	90.5	90.4	91.2	92.0	92.0	92.2	92.0	91.1
	Traj.	92.6	92.6	92.8	93.2	93.2	93.4	93.4	93.4	92.8	92.8	92.8	93.0
6-week diagnostic*	Actual	98.3	98.6	96.3	96.1	95.5	96.9	98.9	99.0	98.2	98.4	98.7	98.7
	Traj.	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2	99.2

**minimum requirement is achievement of the national standard*

	National standard met
	STF trajectory met
	Neither STF or national standard met

The Trust received a contract performance notice from Bristol Clinical Commissioning Group (CCG) in February 2017, for the areas of performance where national and constitutional standards were not being met. This included the RTT incomplete pathways standard, 62-day GP cancer, A&E 4-hours, last-minute cancelled operations, and the six-week diagnostic standard. Remedial action plans and associated recovery trajectories were already in place for these standards, but were extended into 2017/18 where appropriate.

Full details of the Trust's performance in 2016/17 compared with the previous two years are set out in Table 11 below. Although there was a dip in performance for one quarter of the year due for reasons outside of the control of the Trust[20], performance against the primary percutaneous coronary intervention (PCI) heart revascularisation 90-minute door to balloon standard remained strong in 2016/17 with performance above the 90 per cent standard for the year as a whole. Although the Trust failed to achieve maximum 4-hour wait in A&E for at least 95 per cent of patients in each quarter of the year, the Trust met the other national A&E clinical quality indicators in the period. The level of ambulance hand-over delays was, however, higher in 2016/17 than 2015/16. This reflected higher levels of bed occupancy within the BRI and worsening flow through the hospital, with more patients needing to be cared for, for longer, in the emergency department. The higher levels of bed occupancy also meant that the level of last-minute cancellations (LMCs) of operations for non-clinical reasons remained high. However, there was still an improvement in the overall level of LMCs and an improvement in the percentage of patients readmitted within 28 days following an LMC, relative to 2015/16.

3.4.2 Referral to Treatment (RTT)

The national standard of at least 92 per cent of patients waiting less than 18 weeks from Referral to Treatment (RTT) was achieved at an aggregate (Trust) level in each month between April 2016 and July 2016, and again from November 2016 to February 2017. The Trust failed the 92 per cent standard between August 2016 and October 2016 due to a rising demand, and failed the standard again in March 2017 for the same reason. The number of patients waiting over 18 weeks for treatment grew in a number of specialties leading-up to the failure of the RTT national standard in August. This was related to a significant growth in outpatient referrals in the preceding months. Although this growth was not sustained, the peak in demand could not be matched by sufficient capacity to prevent a growth in the over 18-week waits.

As part of the 2017/18 annual planning round, all specialties have used the NHS Interim Management & Support (IMAS) capacity and demand modelling tools to estimate the amount of capacity required to achieve sustainable 18-week RTT waits by the end of March 2018. This modelling has included in its assumptions the need to reduce waiting times for first outpatient appointments and has informed the service level agreements now agreed with commissioners, and the resulting delivery plans developed.

3.4.3 Accident & Emergency 4-hour maximum wait

The Trust failed to meet the national A&E 95 per cent standard for the percentage of patients discharged, admitted or transferred within four hours of arrival in our emergency departments, in any month in 2016/17. System pressures continued to be evident in 2016/17 with levels of emergency admissions into the Bristol Royal Hospital for Children (BRHC), via the Emergency Department, being on average 4.6 per cent above the levels seen in 2015/16, and 9.2 per cent higher across November and December, which is when the BRHC experienced a significant decline in performance against the 4-hour standard. Work with our commissioners to understand the reason for the higher than expected levels of paediatric emergency demand continues.

Levels of emergency admissions into the Bristol Royal Infirmary (BRI) Emergency Department were variable across the year, but not markedly up on 2015/16. However, the proportion of

[20] For example, due to clinical complications, the catheter laboratory already being in use for an emergency patient, or where tests carried-out by the ambulance crew were non-diagnostic and needed to be repeated

patients admitted aged 75 years and over, which is a reliable proxy for patient acuity, was significantly higher over the winter months of 2016/17 than in the same period in 2015/16. The number of medically fit patients whose discharge from the BRI was delayed continued to be more than double the jointly agreed community planning assumption. The stays in hospital for these patients were also longer than in the previous year. The resulting increase in bed occupancy within the BRI led to a decrease in 4-hour performance, relative to previous years.

In 2016/17 there was continued focus on ensuring as many patients as possible were managed in the correct specialty ward, with a 15 per cent reduction in outlier bed-days relative to 2015/16. Being cared for on the correct specialty-ward remains important for ensuring patients receive the most appropriate care, but also helps to ensure patients do not stay in hospital longer than necessary.

3.4.4 Cancer

Compared with 2015/16, the Trust had a mixed year in terms of performance against the national cancer waiting times standards, largely for reasons outside of the Trust's control. Performance against the 31-day first definitive and 31-day subsequent surgery waiting times standards was unusually below the national standards in quarter 1, following a significant rise in demand for critical care beds in March and April 2016 due to exceptional emergency pressures. However, the Trust implemented a recovery plan and achieved these national standards again in quarters 2, 3 and 4, and for the year as a whole. The Trust continued to perform consistently well against the 2-week wait for GP referral for patients with a suspected cancer, and the 31-day standards for subsequent drug therapy and radiotherapy, with achievement in each quarter.

The Trust failed to achieve the 62-day referral to treatment standard for patients referred by their GP with a suspected cancer. Achievement of the 85 per cent national standard remains challenging due to the significant tertiary workload of the Trust, and the unusual group of tumour sites that comprise the majority of the Trust's cancer work following the transfer out of the urology and in particular breast cancer service (which nationally is one of only two tumour sites that consistently achieves the 85 per cent standard). However, the Trust achieved the 85 per cent standard for internally managed pathways (i.e. pathways not shared with other providers) in quarters 2, 3 and 4, and for the year as a whole. Performance was also above the national average in quarters 3 and 4, despite the considerable challenges of case-mix and the tertiary workload.

The three top causes of breaches of the 62-day GP cancer standard were: late referrals from, or pathways delayed by, other providers (36 per cent), medical deferral/clinical diagnostic complexity (21 per cent), and patient choice to delay their pathway (11 per cent). Performance was unusually impacted in quarters 1 and 2 by histology reporting delays following the transfer of the service to North Bristol Trust at the beginning of May 2016. Of the avoidable causes of delays, there are four specific areas of focus for improvement amidst a wider programme of improvement work. These are: reducing delays to thoracic outpatient appointments, reducing request to reporting times for CT (Computed Tomography) Colon and Head and Neck ultrasound scans, improving the availability of critical care beds for surgical patients and improvements to pathway tracking/management.

The Trust failed to achieve the 62-day referral to treatment standard for patients referred by the national screening programmes in 2016/17, although unlike in 2015/16 did achieve the standard in one quarter of the year. The majority of the breaches (71 per cent) of this standard continued to be outside of the Trust's control, including: patient choice, medical deferral and clinical complexity.

3.4.5 Diagnostic waiting times

Performance against the 6-week wait for the top 15 high volume diagnostic tests remained variable across the year, and below the 99 per cent standard in all except one month. The Trust started the year with a shortfall in adult endoscopy capacity, mainly as a result of a significant loss of capacity following the junior doctor industrial action during the last quarter of 2015/16. Recruitment challenges delayed prompt restoration in capacity, but through additional in-house sessions, the use of the independent sector and other initiatives, the number of long waiters was reduced significantly by December 2016. Sleep studies waiting times were also adversely affected by significant capacity constraints, particularly in quarter 4 of 2016/17. This was further exacerbated by high levels of demand across the year. During the last quarter of the year demand for cardiac CT scans rose sharply, resulting in an increase in over six week waits. This significant rise in demand is currently under investigation and highlights the need for a further review of capacity and demand in this and other services, where increasingly the Trust needs to be able to be responsive to rapidly changing demand.

Table 12: Performance against national standards

National standard	2014/15	2015/16	2015/16 Target	2016/17[21]	Notes
A&E maximum wait of 4 hours[3]	92.2%	90.4%	95%	85.0%Ⓐ	Target failed in each quarter in 2016/17
A&E Time to initial assessment (minutes) percentage within 15 minutes	98.3%	99.0%	15 mins	97.6%	Target met in every quarter in 2016/17
A&E Time to Treatment (minutes) percentage within 60 minutes	55.4%	52.8%	60 mins	52.6%	Target met in every quarter in 2016/17
A&E Unplanned re-attendance within 7 days	2.3%	3.0%	< 5 %	2.6%	Target met in every quarter in 2016/17
A&E Left without being seen	1.8%	2.4%	< 5%	2.2%	Target met in every quarter in 2016/17
Ambulance hand-over delays (greater than 30 minutes) per month	107	92	Zero	101	Target failed in each quarter in 2016/17
MRSA Bloodstream Cases against trajectory	5	3	Trajectory	1	Zero cases in every quarter except quarter 3.
Clostridium difficile infections against trajectory	50	40	Trajectory	31[22]	Target met in every quarter in 2016/17
Cancer - 2 Week wait (urgent GP referral)	95.5%	95.9%	93%	94.8%	Target met in every quarter in 2016/17
Cancer - 31 Day Diagnosis To Treatment (First treatment)	96.9%	97.5%	96%	96.7%	Target met for the year, and in quarters 2, 3 and 4 of 2016/17
Cancer - 31 Day Diagnosis To Treatment (Subsequent Surgery)	94.9%	96.8%	94%	94.4%	Target met for the year, and in quarters 2, 3 and 4 of 2016/17
Cancer - 31 Day Diagnosis To Treatment (Subsequent Drug therapy)	99.6%	98.9%	98%	98.7%	Target met in every quarter in 2016/17
Cancer - 31 Day Diagnosis To Treatment (Subsequent Radiotherapy)	97.6%	97.1%	94%	96.6%	Target met in every quarter in 2016/17
Cancer 62 Day Referral To Treatment (Urgent GP Referral)	79.3%	80.6%	85%	79.3%	Target failed in each quarter in 2016/17
Cancer 62 Day Referral To Treatment (Screenings)	89.0%	68.6%	90%	69.4%	Target only met in quarter 3 of 2016/17
18-week Referral to treatment time (RTT) admitted patients	84.9%	N/A	90%	N/A	Target no longer in effect
18-week Referral to treatment time (RTT) non-admitted patients	90.3%	N/A	95%	N/A	Target no longer in effect
18-week Referral to treatment time (RTT) incomplete pathways[23]	90.4%	91.3%	92%	91.7%Ⓐ	Target met in eight months of the year, but only for quarter 1 as a whole
Number of Last Minute Cancelled Operations	1.08%	1.03%	0.80%	0.98%	Target met in quarter 2 only in 2016/17
28 Day Readmissions (following a last minute cancellation)[24]	89.8%	88.7%	95%	90.8%	Target met in quarter 2 only in 2016/17
6-week diagnostic wait	97.5%	99.0%	99%	97.8%	Target failed in each quarter in 2016/17
Primary PCI - 90 Minutes Door To Balloon Time	92.4%	93.3%	90%	91.7%	Target met in each quarter in 2016/17 except quarter 3.

Ⓐ data subjected to external audit scrutiny as part of the process of producing this report

Achieved for the year and each quarter

Achieved for the year, but not each quarter

Not achieved for the year

Target not in effect

[21] All figures shown are up to and including March 2017

[22] Please note: the figures quoted for 2016/17 are the total number of cases reported against the limit of 45. To the end of February 2017 there were 10 cases deemed avoidable by commissioners (with one other case from January 2017 still the subject of review).

[23] Data subjected to external audit scrutiny as part of the process of producing this report

[24] IMPORTANT NOTE: this indicator must not be confused with the mandatory indicator reported elsewhere in this Quality Report which measures emergency readmissions to hospital within 28 days *following a previous discharge*

APPENDIX A – Feedback about our Quality Report

a) Statement from the Council of Governors of the University Hospitals Bristol NHS Foundation Trust

The Council of Governors welcomes this annual opportunity to comment on the Trust's quality report, which covers all key aspects of patient safety and experience, clinical effectiveness, the trust's performance against national priorities and its own key quality objectives.

We believe that this is a comprehensive report that identifies both the strengths and areas for improvement at the trust over the last twelve months. Although some of the results themselves are disappointing, the accompanying narrative highlights the challenging conditions that the Trust has faced over the last year and is honest about the impact of these. Importantly, there is clear evidence of robust response to concerns raised as a result of public and patient consultation and independent enquiries. Overall this is an honest and transparent report, which clearly demonstrates a commitment to listening and responding with action.

Governor involvement:
There is a public meeting of the Trust Board held every month, with a review of the quality and performance report for the previous month along with a report from the Non-Executive Director (NED) Chair of the Trust Quality and Outcomes Committee on the agenda every time. Governors attend these meetings as observers and have the opportunity to raise questions following the board's own discussion on each topic.

There is also a specific Governor Focus Group for Quality that meets every two months, attended by the NED Chair of the Trust Quality and Outcomes Committee, the medical director and the chief nurse, which supports further discussion about the quality reports and allows time for presentations on quality issues by other senior trust staff. This group reports back to the full Council of Governors who may then identify topics of concern for their regular meetings with the NEDs or individual questions to be raised on the Governors' Log of Communications.

During the past year this framework has enabled the governors to raise questions and offer challenges about many of the issues referred to in this report.

Quality objectives:
This report examines the Trust's performance against the quality objectives it set itself at the beginning of the year and outlines the key objectives for service improvement over the next year. In setting the objectives for 2017/18, we note that the Trust is now carrying forward key objectives that were not fully achieved in 2016/17 related to the cancellation of operations, cancellations and delays for outpatients and improving the management of sepsis. We welcome this continued effort in such key areas of concern for patients and their families, alongside an on-going commitment to improving staff engagement and satisfaction.

The creation of a Quality Improvement Academy is a new objective with great potential to support further improvements in the future and objective 8 relating to improved communication with a 'customer service mind set' is a great example of a direct response to consultation with staff and members of the public.

Patient safety:
The timing and thoroughness of responses to serious incidents have been closely monitored by the Quality and Outcomes Committee over the past year, and there have been consistently high levels of

achievement in key quality measures such as patient falls, pressure ulcers, incidents relating to medication and nutritional standards.
The plans for continued emphasis on the management of sepsis, the National Early Warning Scores system and recognising the deteriorating patient are to be welcomed and it is good to hear about the project to support family involvement in the recognition that their loved one 'just isn't right'.

Supporting patients to understand and safely manage their medicines on discharge is another safety theme with a high level of patient involvement, which is welcomed.

Patient experience:
Listening to previous, current and potential patients in a variety of settings is now established at the trust via a wide range of projects including patient stories presented at the Public Board meetings, the work of the *Face2Face* volunteer interview team, patient surveys and visits from external organisations.

Importantly, patients and their family members are also now becoming directly involved in action plans following significant independent reviews such as the recent Independent Review of Paediatric Cardiac Services in Bristol (2014-2016). Plans to develop a partnership approach with the Patients Association for supporting people who remain dissatisfied after receiving the trust's response to their complaints and further staff training in communication and mediation skills should also enhance the trust's ability to acknowledge and learn from patients' concerns.

Clinical effectiveness, audit and research:
The Trust continues to closely monitor performance in key areas of clinical effectiveness and staff work incredibly hard to achieve the nationally or locally agreed targets despite increasing levels of demand.

However, there are on-going concerns regarding the performance of the Trust in relation to the Best Practice Tariff for patients admitted with a fractured neck of femur. This service underwent review in May 2016 by the British Orthopaedic Association and their report in September 2016 made clear recommendations for improvement. The action plan in relation to this is under review by the Quality and Outcomes Committee and has been the subject of regular questions from the governors. Determining what level of resource can be made available to achieve the recommended actions is a challenge.

Another area that justifies on-going scrutiny is stroke care, specifically the target to achieve brain imaging within one hour of admission.

Participation in national clinical audits, national confidential enquiries and clinical research are strong themes within the report and we applaud the clear evidence of continuing commitment to these. The Trust is to be congratulated on the recent achievement of an impressive NIHR Biomedical Research Centre funding award (in partnership with the University of Bristol). This will support expansion of current research programmes along with the introduction of new themes over the next five years and we look forward to hearing more about these at Trust research showcase events.

Performance against national priorities and access standards:
The data relating to the Trust's performance against the four key nationally determined standards clearly demonstrates significant periods of time when these could not be achieved. As the report explains trajectories for these targets were affected by high levels of demand, emergency admissions and increased numbers of elderly patients with complex needs. The inability to discharge treated patients to suitable providers of care in the community put severe pressures on bed availability. These problems are common to many acute trusts and our Trust continues to pursue a number of

initiatives as part of its Transforming Care programme to improve patient flow without compromising patient safety and quality of care.

Summary:
The governors share the deep sense of pride expressed by our chief executive, Robert Woolley, in the achievements of all staff at the trust over the past year. In particular, we have been thrilled to see the trust assessed as Outstanding by the CQC and have been impressed by the progress achieved in key areas of quality monitoring and improvement.

The Quality and Outcomes Committee of the Trust has worked hard over the past year to sharpen their focus on, and strengthen the Trust's responses to, key areas of performance across all areas of the organisation. Increasingly detailed data that can be promptly and thoroughly reviewed is supporting them in this work; and the governors have also benefited from receiving this data alongside monthly reports from the committee meetings and specific updates on external reviews relating to the Trust.

In reflecting on all the work completed or on-going over 2016/17 this report is honest and open in acknowledging the objectives that proved challenging to meet alongside those for which the outcomes clearly warrant celebration.

Progress on quality has undoubtedly been achieved during the year. However, there can be no room for complacency and we are well aware that financial pressures, national requirements and ever-increasing patient numbers and complexity can only increase the challenges faced by everyone at the Trust. Further collaboration with other local healthcare providers, along with implementation of the Bristol, North Somerset and South Gloucestershire Sustainability and Transformation Plan (led by our chief executive), may yet provide sufficient integration of services to ease some of the current and anticipated pressures; but this work also requires an input of time and money.

In facing up to these challenges it is important to remember that the Trust's quality agenda is ultimately delivered by dedicated staff who offer a hugely impressive commitment to their patients and who deserve to be valued for this and constructively supported in every way possible.

Carole Dacombe
Clive Hamilton
May 2017

b) Statement from Healthwatch Bristol and Healthwatch South Gloucestershire

Healthwatch Bristol and Healthwatch South Gloucestershire (hereafter 'local Healthwatch') agreed that UH Bristol's performance against their 2015/2016 quality priorities had been very good. We agreed that the document evidences a culture of reflecting upon and learning from the experiences and feedback of patients and the public. It was good to see that objectives from 2015/2016 that had been only partly met were being carried through to the 2016/2017 Quality Account. Local Healthwatch thought the Trust's quality objectives were ambitious enough to drive improvement.

Local Healthwatch made the following comments and recommendations about UH Bristol's Quality Account 2016/2017.

The document suggested that quality improvement at UH Bristol's had been very good. For example:

- UH Bristol had achieved their annual target for the amount of bed days patients spent in outlying to different wards. This means that less patients had to move beds during their treatment at UH Bristol.
- There had been improvements noted in Sepsis care. UH Bristol had introduced a new screening tool and recruited two specialist Sepsis nurses. It is good that Sepsis care has a remained a quality priority for 2016/2017 and that UH Bristol has plans to introduce NICE guidelines, staff training and increase screening in its emergency departments for the future.
- UH Bristol had created a new tool for screening adverse incidents and this has worked well and reduced avoidable harm to patients.
- Patients gave very positive feedback about their care at UH Bristol. The Quality Account shows that patients were kept informed about their treatment, involved in decisions and updated about potential discharge dates and aftercare. Local Healthwatch also heard very positive feedback about clinical care and UH Bristol staff during our "Enter and View" visit to South Bristol Community Hospital in October 2016.
- There are plans to improve patient feedback mechanisms further and UH Bristol will introduce a new system that will allow patients to provide comments compliments and complaints in real time, during their care rather than at discharge, in 2017/2018.
- Local Healthwatch was impressed by the excerpt from the CQC's latest inspection. UH Bristol's list of what CQC saw as "Outstanding Practices" on page 35 showed that UH Bristol is providing care that is safe, effective and caring.

However, local Healthwatch did note that:

- Complaints about communication had actually increased between 2016 and 2017 and dissatisfaction with the time or content of responses appeared to have increased. We note however that this has been recognised and training introduced to improve the responses sent out.
- Although UH Bristol had made good progress against their 2015-2016 objective of increasing accessible information for patients, we would recommend that accessible information be added to 2016/2017 quality objective 8 – to develop a consistent customer service mind set – to ensure high quality customer service is received by patients and carers with enhanced needs.
- Timeliness of patient discharge still needs to improve in 2016/2017. UH Bristol had made progress, with more patients being discharged before 12 midday and therefore less patients needing to wait around for, for example, medicines and/or discharge letters. During local Healthwatch's recent enter and view visit to South Bristol Community Hospital, we met a number of inpatients who were healthy enough to leave the hospital but unable to be discharged as they were awaiting care packages from Bristol City Council. Although these delayed discharges were not the fault of UH Bristol, work needs to be done to reduce this as it has an effect on patient experience and wellbeing.
- Feedback in the Quality Account suggests that UH Bristol is not hitting its target of reducing the number of last minute cancelled operations. They have made progress since 2015/2016 but their percentage of cancelled operations is still higher than the national average. It was good to read that UH Bristol will continue to work on this quality priority in 2016/2017.
- Outpatient appointments are starting later than the appointment time. UH Bristol needs to improve its communication in outpatient clinics so patients and families know if their appointment is running late and why.
- We would recommend that staff training be embedded into the Trust's strategy and objectives for quality.

Local Healthwatch has found UH Bristol to be a high performing local provider and looks forward to working with their staff and patients further in the year 2017/2018.

We have noted that UH Bristol recognise their weaknesses and have shown a continued commitment to improvement.

The Trust is pursuing comprehensive and innovative consultation and engagement activities and involving the communities and groups they serve in the development of their services.

c) Statement from Healthwatch North Somerset

Healthwatch North Somerset welcomes the opportunity to provide a statement in response to the University Hospitals Bristol NHS Foundation Trust Quality Account produced by for the year 2016/17.

We would like to commend the Trust for achieving an Outstanding rating from the CQC during the year.

Overall the UH Bristol Quality Account provides a comprehensive reflection on quality performance during 2016/17 and demonstrates a good listening and learning approach. Patient safety and clinical outcomes are good and improvement criteria are clear and measurable. It is noted there was some deterioration against some national standards as compared to the previous year.

UH Bristol occupies nine different sites but it is not fully clear that each site is being reported on for all criteria. Analysis of performance associated with each site would be useful to aid fuller understanding.

The key quality metrics table providing assurance to the Trust Board each month regarding patient experience indicates a consistent and positive approach to managing patient experience – although it is noted that the percentage of responses where the complainant is dissatisfied has increased compared to the previous year. We welcome the proposed implementation of a trust wide system to enable patient feedback and the objectives to improve communication with patients and relatives; we suggest the report would benefit from a more specific focus on the consistency and quality of information given to patients, and also in the respect and care in managing the relatives of patients.

Healthwatch North Somerset shares many patient feedback experiences directly with the Trust and will continue to share feedback received so that this helps to inform areas of service delivery. With regards to the feedback provided, we would have welcomed some reference to the feedback that Healthwatch North Somerset shares with UH Bristol on a regular basis, such as the monthly feedback reports provided.

Eileen Jacques
Chief Officer
Healthwatch North Somerset

d) Statement from South Gloucestershire Health Scrutiny Select Committee

It was not possible for the Trust to formally present its Quality Report to a meeting of the Committee because of meeting restrictions in the run up to the local West of England Mayor election and the 2017 General Election. However, the Committee Chair and Lead Members received the Quality Report by email in order to provide a response.

These comments are based on the Committee's engagement with UHB on two topics during 2016/17.

On three occasions in 2016/17 UH Bristol attended Committee to present it actions in response to the 'Independent Review of Children's Cardiac Services in Bristol'; and the 'Independent investigation into the management response to allegations about staff behaviours related to the death of a baby at Bristol Children's Hospital'. Members noted the work that had taken place to address the issues raised in the reports and questioned the Trust on areas that it still needed to progress.

To aid the Committee's understanding during its scrutiny of children's heart services, members were also invited to visit the hospital to view services first hand and have an opportunity to talk to staff. The visit was extremely helpful.

Following the last meeting the Committee resolved that a further update be provided in one year in order to assure members that outstanding actions have been addressed.

The Committee also resolved to write to the Secretary of State for Health to inform him about the existence of the reports, raise awareness of the issues raised therein, and request that consideration is given on a national basis of the need for further awareness raising and dissemination of lessons learned.

The other topic led by UH Bristol during 2016/17 was a presentation regarding the Bristol, North Somerset and South Gloucestershire (BNSSG) Sustainability and Transformation Plan (STP). The item was led by the UHB Chief Executive, in his role as Senior Responsible Officer for the BNSSG STP, with support from other local health and care organisational representatives. The update was well received but concerns were expressed about lack of engagement and the slow pace of the project. Members commented that there was very little detail included in the first presentation received and that it was only a document giving a sense of direction; no detail was given, consequently it would be very difficult to make any comments. South Gloucestershire Council is currently working with Bristol and North Somerset local authorities on the establishment of a formal Joint Health Scrutiny Committee to undertake the statutory health overview and scrutiny function going forward.

To conclude, the Committee received information about the Trust's recent CQC Inspection Report and members were pleased to learn that England's Chief Inspector of Hospitals had given the Trust an 'Outstanding' rating. This was a great achievement in itself, but particularly given that the Trust had moved in two years from a rating of Requires Improvement to Outstanding between two inspections. The Committee sent its congratulations to Trust's Board and employees on achieving this rating.

Councillor Toby Savage
Chair, Health Scrutiny Committee

Councillor Sue Hope
Lead Member, Health Scrutiny Committee

Councillor Ian Scott
Lead Member, Health Scrutiny Committee

e) Statement from Bristol City Council People Scrutiny Commission

Following the announcement of the 8th June UK Parliamentary General Election the planned meeting with South Gloucestershire Health Scrutiny Committee to formally receive the Quality Report was cancelled as it was scheduled to take place in the pre-election period. Prior to the cancellation of the meeting some Councillors attended a visit to the Trust which was really informative.

The People Scrutiny Commission members received the report via email.

Councillor Brenda Massey, Chair of the People Scrutiny Commission asked for the following to be noted:

1. 'Independent Review of Children's Cardiac Services in Bristol'; and the 'Independent investigation into the management response to allegations about staff behaviours related to the death of a baby at Bristol Children's Hospital'

Bristol City Council People Scrutiny Commission held three meetings in common with the South Gloucestershire Health Scrutiny Committee to receive update reports about the above issues. Senior officers from the University Hospitals Bristol NHS Foundation Trust attended the meetings to provide information on progress to date and progress planned and the Councillors questioned the Trust.

Councillors were invited to visit the hospital and talked to staff. The Commission found the visit very useful and informative.

Following the third meeting the People Scrutiny Commission agreed that progress had been made against the actions. Another meeting in common would be held in approximately one year's time to review the processes that should be in place. The 12 month update meeting would require solid evidence to highlight that the recommendations and actions were embedded, with particular focus on feedback from the newly constituted user groups.

Another visit would also be arranged ahead of the update meeting in 12 months.

2. Bristol, North Somerset and South Gloucestershire (BNSSG) Sustainability and Transformation Plan (STP)

A meeting in common was held with the Bristol City Council People Scrutiny Commission, the North Somerset Health Overview and Scrutiny panel and the South Gloucestershire Health Scrutiny Committee to receive an update on the Sustainability and Transformation Plan (STP).

Mr Robert Woolley, UH Bristol Chief Executive, led the presentation in his role of Senior Responsible Officer for the BNSSG STP. Support was provided from other local health and care organisational representatives.

The report presented outlined a high level strategy and further work was required to provide the detailed plans.

The People Scrutiny Commission welcomed the report but some Councillors highlighted concerns about the lack of engagement and a shortage of information which increased frustration around the emotive topic.

The Commission recognised that the meeting had been arranged to receive the first iteration of the STP and to pave the way for further scrutiny and consultation.
Bristol City Council, North Somerset Council and South Gloucestershire Council are currently working to establish a formal Joint Health Scrutiny Committee to undertake the statutory health overview and scrutiny function going forward.

3. CQC Inspection Report

Councillor Massey recognised the improvements made at UHB in the last two years and noted the recent CQC rating of 'Outstanding'.

Robert Woolley and all other employees at UH Bristol should be proud of this achievement.

Councillor Massey was invited to take part in a Care Quality Commission case study which considered the University Hospitals Bristol NHS Foundation Trust. As part of this, Councillor Massey commented that "the trust has a greater sense of self-awareness about the things they need to do to change, and that the environment is now a place where there is "so much more capacity to engage" with one another."

The Bristol City Council People Scrutiny Commission looks forward to continuing the collaboratively working relationship with UH Bristol in 2017.

f) Statement from Bristol Clinical Commissioning Group

This statement on the University Hospitals Bristol NHS Foundation Trust's Quality Report 2016/17 is made by Bristol Clinical Commissioning Group (CCG) on behalf of Bristol, North Somerset and South Gloucestershire (BNSSG) CCGs and has been reviewed by members of the BNSSG Quality and Governance Committee.

Bristol CCG welcomes UH Bristol's quality report, which provides a comprehensive reflection on the quality performance during 2016/17. The data presented has been reviewed and is in line with data provided and reviewed through the monthly quality contract performance meetings.

Bristol CCG is pleased to commend the overall Care Quality Commission's (CQC) rating of Outstanding achieved by the Trust, noting the actions taken by the Trust to improve from the previous rating of Requires Improvement. The CCG recognises that this is a considerable achievement by UH Bristol in being the first Trust in the country to improve from an overall rating of Requires Improvement to Outstanding and is only the sixth Acute Trust to receive this rating.

During 2016/17, UH Bristol has demonstrated continued high quality performance in a number of key patient safety indicators, including reducing the number of hospital acquired pressure ulcers, sustaining compliance with VTE assessments and meeting the C Difficile target by reporting less than the annual threshold number of cases.

Unfortunately the trust reported an increase in the number of inpatient falls per 1,000 bed days and also in those causing harm compared with the previous year. The CCG also noted the performance for stroke and fractured neck of femur metrics was below target, but would have welcomed some analysis regarding non achievement of these targets and improvement plans for the future.

Bristol CCG notes UH Bristol's performance in achieving a high proportion of the 2016/17 Commissioning for Quality and Innovation (CQUINS) goals, however as with the previous year's quality report there is no narrative to explain those CQUINs where full achievement was not met.

Bristol CCG noted that of the twelve quality objectives for 2016/17 only five were fully achieved and six partially met. The CCG acknowledges the work put in place for these objectives and is pleased to note that five of the objectives that were either not or only partially achieved have been put forward along with three new quality objectives for 2017/18. The CCG supports the chosen areas for quality improvement for 2017/18.

Bristol CCG notes the ongoing patient experience work within the Trust, acknowledging the significant amount of positive feedback that is received from service-users. The CCG also notes the significant improvement in the Friends and Family Test responses for both inpatient wards and

Emergency Departments. However this quality report has minimal evidence of actual patient feedback, such as patient stories, other than the patient comments within each quality objective.

Bristol CCG recognises that the paediatric cardiac services independent review is mentioned within the Duty of Candour section of the report, however we expected the Trust to make more detailed reference to the outcomes of the review in the report and the work undertaken already during 2016/17 to address the recommendations and work being taken forward into 2017/18.

Bristol CCG will continue to work closely with the Trust in 2017/18 in areas that need either further improvement or development. These included:

- Improvement in performance against the best practice tariff for patients who have sustained a fractured neck of Femur.
- Closer working with primary care and community partners to help support the reduction in incidences of healthcare associated infections, namely MRSA, C Difficile Infection and E coli bacteraemias.
- Closer working with primary and community partners to help support both implementation of the National Early Warning Scores and handover of care between providers to aid rapid detection of the deteriorating patient.

Bristol CCG acknowledges the good work achieved by the Trust in 2016/17. The quality report clearly demonstrates this and the CQC also acknowledged this by rating the trust as 'outstanding. We note the areas identified by the trust for further improvement and we look forward to working with UH Bristol in 2017/18.

APPENDIX B – Performance indicators subject to external audit

Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge

Source of indicator definition and detailed guidance

The indicator is defined within the technical definitions that accompany Everyone Counts: planning for patients 2014/15 - 2018/19 and can be found at www.england.nhs.uk/wp-content/uploads/2014/01/ec-tech-def-1415-1819.pdf. Detailed rules and guidance for measuring A&E attendances and emergency admissions can be found at https://www.england.nhs.uk/statistics/wpcontent/uploads/sites/2/2013/03/AE-Attendances-Emergency-Definitions-v2.0-Final.pdf.

Numerator

The total number of patients who have a total time in A&E of four hours or less from arrival to admission, transfer or discharge. Calculated as: (Total number of unplanned A&E attendances) – (Total number of patients who have a total time in A&E over 4 hours from arrival to admission, transfer or discharge).

Denominator

The total number of unplanned A&E attendances.

Accountability

Performance is to be sustained at or above the published operational standard. Details of current operational standards are available at: www.england.nhs.uk/wpcontent/uploads/2013/12/5yr-strat-plann-guid-wa.pdf (see Annex B: NHS Constitution Measures).

Indicator format

Reported as a percentage.

Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways

Source of indicator definition and detailed guidance

The indicator is defined within the technical definitions that accompany Everyone Counts: planning for patients 2014/15 - 2018/19 and can be found at www.england.nhs.uk/wp-content/uploads/2014/01/ec-tech-def-1415-1819.pdf. Detailed rules and guidance for measuring referral to treatment (RTT) standards can be found at http://www.england.nhs.uk/statistics/statistical-work-areas/rtt-waitingtimes/rtt-guidance/

Numerator. The number of patients on an incomplete pathway at the end of the reporting period who have been waiting no more than 18 weeks.

Denominator

The total number of patients on an incomplete pathway at the end of the reporting period

Accountability

Performance is to be sustained at or above the published operational standard. Details of current operational standards are available at: www.england.nhs.uk/wp-21content/uploads/2013/12/5yr-strat-plann-guid-wa.pdf (see Annex B: NHS Constitution Measures).

Indicator format

Reported as a percentage.

APPENDIX C – Statement of Directors' Responsibilities

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year. NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
    - board minutes and papers for the period April 2016 to March 2017
    - papers relating to Quality reported to the board over the period April 2016 to March 2017
    - feedback from commissioners received 16/5/2017
    - feedback from governors received 9/5/2017
    - feedback from local Healthwatch organisations received 10/5/2017
    - feedback from Overview and Scrutiny Committees received 12/5/2017 and
    - the trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009[25]
    - the 2015 national patient survey published 8/6/2016[26]
    - the 2016 national staff survey published 7/3/2017
    - the Head of Internal Audit's annual opinion over the trust's control environment dated 24 May 2017

- the Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with Monitor's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

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

[25] This report is due to be received by the board in July 2017

[26] The 2016 survey results have not yet been published

By order of the board

John Savage, chairman
26 May 2017

Robert Woolley, chief executive
26 May 2017

APPENDIX D – External audit opinion

Independent Auditors' Limited Assurance Report to the Council of Governors of University Hospitals Bristol NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Council of Governors of University Hospitals Bristol NHS Foundation Trust to perform an independent assurance engagement in respect of University Hospitals Bristol NHS Foundation Trust's Quality Report for the year ended 31 March 2017 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2017 subject to limited assurance (the "specified indicators") marked with the symbol Ⓐ in the Quality Report, consist of the following national priority indicators as mandated by Monitor (operating as NHS Improvement ("NHSI")):

Specified Indicators	***Specified indicators criteria*** (exact page number where criteria can be found)
Percentage of incomplete pathways within 18 weeks for patients with incomplete pathways at the end of the reporting period.	See Appendix B to the Quality Report, page 77
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	See Appendix B to the Quality Report, page 77

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports for foundation trusts 2016/17" issued by NHSI.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2016/17";
- The Quality Report is not consistent in all material respects with the sources specified below; and
- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2016/17".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2016/17"; and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with the following documents:

- Board minutes for the financial year, April 2016 and up to the date of signing this limited assurance report (the period);

- Papers relating to quality report reported to the Board over the period April 2016 to the date of signing this limited assurance report (the period);
- Feedback from the Commissioners Bristol CCG dated 16/05/2017;
- Feedback from Governors dated 09/05/2017;
- Feedback from Healthwatch Bristol dated 08/05/2017 and Healthwatch North Somerset dated 10/05/2017;
- Feedback from Bristol City Council People Scrutiny Commission 15/05/2017 and from South Gloucestershire Council Health Scrutiny Committee 12/05/2017:
- The 2015 national cancer patient survey dated 08/06/2016;
- The 2016 national staff survey dated 07/03/2017;
- Care Quality Commission inspection, dated 02/03/2017; and
- The Head of Internal Audit's annual opinion over the Trust's control environment dated May 2017.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the "documents"). Our responsibilities do not extend to any other information.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.
We apply International Standard on Quality Control (UK & Ireland) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use and distribution of the report

This report, including the conclusion, has been prepared solely for the Council of Governors of University Hospitals Bristol NHS Foundation Trust as a body, to assist the Council of Governors in reporting University Hospitals Bristol NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2017, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and University Hospitals Bristol NHS Foundation Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000 (Revised)'). Our limited assurance procedures included:

- reviewing the content of the Quality Report against the requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2016/17";
- reviewing the Quality Report for consistency against the documents specified above;

- obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;

- based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;

- making enquiries of relevant management, personnel and, where relevant, third parties;

- considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;

- performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and

- reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and "Detailed requirements for quality reports for foundation trusts 2016/17" and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by NHSI. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by University Hospitals Bristol NHS Foundation Trust.

Basis for Disclaimer of Conclusion – Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period

The 18 week indicator is calculated each month based on a snapshot of incomplete pathways and reported through the Unify2 portal. The data reported is subsequently updated by the Trust for any identified errors through a monthly validation process. The process is however not applied to the whole data set, as it focuses only on a limited sample of cases.

In our testing we found an instance of a patient being included which did not meet the inclusion criteria and two cases where the clock had not been stopped at the end of applicable month end. Therefore, some patients had been incorrectly reported within the indicator.

As the Trust has not reviewed or updated the underlying data set, we were unable to access accurate and complete data to check the waiting period from referral to treatment reported across the year.

Conclusion (including disclaimer of conclusion on the Incomplete Pathways indicator)

Because the data required to support the indicator is not available, as described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to form a conclusion on the Incomplete Pathways indicator.

Based on the results of our procedures, nothing else has come to our attention that causes us to believe that for the year ended 31 March 2017,

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2016/17";
- The Quality Report is not consistent in all material respects with the documents specified above; and
- The Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge indicator has not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2016/17".

PricewaterhouseCoopers LLP
Bristol
26 May 2017

The maintenance and integrity of the University Hospitals Bristol NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Appendix D

University Hospitals Bristol
NHS Foundation Trust

Accounts for the year ended 31 March 2017

Paul Mapson
Director of Finance and Information
CPFA

Finance Department
Trust Headquarters
Marlborough Street
PO Box 3214
BRISTOL BS1 9JR

UNIVERSITY HOSPITALS BRISTOL NHS FOUNDATION TRUST
Accounts for the year ended 31 March 2017

FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2017 have been prepared by the University Hospitals Bristol NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the National Health Services Act 2006.

Signed ……

Robert Woolley
Chief Executive

Statement of Comprehensive Income for the year ended 31 March 2017

	Note	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
OPERATING INCOME			*(Restated*)*
Income from patient care activities	3	529,543	507,460
Other operating income *(restated 1)*	4	109,281	95,193
TOTAL OPERATING INCOME		**638,824**	**602,653**
OPERATING EXPENSES *(restated 2)*	5-6	**(620,177)**	**(588,869)**
OPERATING SURPLUS/(DEFICIT)		**18,647**	**13,784**
FINANCING			
Finance income	8.1	189	297
Finance expenses – financial liabilities	8.2	(3,178)	(3,409)
Finance expense unwinding discount on provisions	17.1	-	(2)
Public dividend capital dividends payable		(8,100)	(7,731)
NET FINANCE COSTS		**(11,089)**	**(10,845)**
Gain/(losses) of disposal of assets *(restated 1)*		(76)	9,234
SURPLUS/(DEFICIT) FOR THE YEAR*		**7,482**	**12,173**
OTHER COMPREHENSIVE INCOME/(EXPENDITURE)			
Revaluation losses on property plant and equipment		(20,591)	(1,985)
Revaluation gains on property plant and equipment		6,743	13,054
TOTAL OTHER COMPREHENSIVE INCOME/(EXPENDITURE)		**(13,848)**	**11,069**
TOTAL COMPREHENSIVE INCOME/(EXPENDITURE) FOR THE YEAR		**(6,366)**	**23,242**

Restated

1. *The 2015/16 Other operating income has been restated as required by NHS Improvement. From 2016/17 gain/(losses) on disposal of asset is disclosed on a separate line & impairment reversals are netted against impairments within Operating expenses.*
2. *The 2015/16 Operating expenses have been restated as required by NHS Improvement. From 2016/17 impairments are netted with impairment reversals from Other operating income.*

* The surplus of £7.482m (2015/16: surplus of £12.173m) includes items that are classified as 'technical' by the Trust. These technical items are gain/loss on disposal of assets, depreciation on donated assets, donated income, impairment charges and income from impairment reversals. They are excluded by the Trust when reporting the financial position outside of the annual accounts in line with NHS Improvement. In 2016/17 the Trust's surplus before technical items was £16.606m (2015/16: £3.460m). In 2016/17 the Trust received £13.670m (2015/16: nil) of Sustainability and Transformation funding. The net surplus before technical items and excluding Sustainability and Transformation Funding was £2.936m (2015/16: £3.460m). Further details are provided in note 2 to the accounts

Statement of Financial Position as at 31 March 2017

	Note	31 March 2017	31 March 2016
		£000	£000
NON CURRENT ASSETS			
Intangible assets	9	6,792	6,219
Property, plant and equipment	10	368,464	386,031
Trade and other receivables	12	1,050	1,050
TOTAL NON CURRENT ASSETS		**376,306**	**393,300**
CURRENT ASSETS			
Inventories	11	12,185	11,442
Trade and other receivables	12	36,046	24,227
Other financial assets	13.1	104	104
Cash and cash equivalents	18	65,441	74,011
TOTAL CURRENT ASSETS		**113,776**	**109,784**
CURRENT LIABILITIES			
Trade and other payables	14	(65,857)	(68,372)
Borrowings	16.1	(6,160)	(6,134)
Provisions	17	(191)	(219)
Other liabilities	15	(4,576)	(4,568)
TOTAL CURRENT LIABILITIES		**(76,784)**	**(79,293)**
TOTAL ASSETS LESS CURRENT LIABILITIES		**413,298**	**423,791**
NON CURRENT LIABILITIES			
Borrowings	16.2	(80,913)	(87,075)
Provisions	17	(96)	(127)
TOTAL NON CURRENT LIABILITIES		**(81,009)**	**(87,202)**
TOTAL ASSETS EMPLOYED		**332,289**	**336,589**
EQUITY			
Public dividend capital		196,222	194,156
Revaluation reserve		37,963	55,859
Other reserves		85	85
Income and expenditure reserve		98,019	86,489
TOTAL EQUITY		**332,289**	**336,589**

The accounts on pages 2 to 46 were approved by the Board on 26 May 2017 and signed on its behalf by:

Signed ..... Date: 26 May 2017

Robert Woolley, Chief Executive

Statement of Changes in Equity for the year ended 31 March 2017

Changes in Equity in the current year	Public Dividend Capital £000	Revaluation Reserve £000	Other Reserves £000	Income & Expenditure Reserve £000	Total £000
Equity at I April 2016	**194,156**	**55,859**	**85**	**86,489**	**336,589**
Surplus/(deficit) for the year	-	-	-	7,482	7,482
Revaluation losses on property plant and equipment and intangible assets	-	(20,591)	-	-	(20,591)
Revaluation gains on property plant and equipment and intangible assets	-	6,743	-		6,743
Transfers between reserves	-	(4,048)	-	4,048	-
Total comprehensive income/(expenditure) for the year	-	(17,896)	-	11,530	(6,366)
PDC received	2,180	-	-	-	2,180
PDC repaid	(114)	-	-	-	(114)
Equity at 31 March 2017	**196,222**	**37,963**	**85**	**98,019**	**332,289**

Changes in Equity in the previous year	Public Dividend Capital £000	Revaluation Reserve £000	Other Reserves £000	Income & Expenditure Reserve £000	Total £000
Equity at I April 2015	**194,126**	**50,601**	**85**	**68,505**	**313,317**
Surplus/(deficit) for the year	-	-	-	12,173	12,173
Revaluation losses on property plant and equipment and intangible assets	-	(1,985)	-	-	(1,985)
Revaluation gains on property plant and equipment and intangible assets	-	13,054	-	-	13,054
Asset disposals	-	(1,513)	-	1,513	-
Transfers between reserves	-	(4,298)	-	4,298	-
Total comprehensive income/(expenditure) for the year	-	5,258	-	17,984	23,242
PDC received	30	-	-	-	30
Equity at 31 March 2016	**194,156**	**55,859**	**85**	**86,489**	**336,589**

Statement of Cash Flows for the year ended 31 March 2017

	Note	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
CASH FLOWS FROM OPERATING ACTIVITIES			*(Restated*)*
Operating surplus/(deficit) from continuing operations		18,647	13,784
OPERATING SURPLUS/(DEFICIT)		**18,647**	**13,784**
NON CASH INCOME AND EXPENDITURE			
Depreciation and amortisation	9-10	22,552	22,301
Impairments	8.3	10,412	3,334
Reversals of impairments	8.3	-	(1,209)
(Increase)/decrease in trade and other receivables	12	(11,419)	1,549
(Increase)/decrease in inventories	11	(743)	645
Increase/(decrease) in trade and other payables	14	(1,188)	(2,785)
Increase/(decrease) in other liabilities	15	8	380
Increase/(decrease) in provisions	17	(59)	(9)
Other movements in operating cash flows		(1)	(332)
NET CASH GENERATED FROM OPERATIONS		**19,562**	**23,874**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		190	299
Purchase of property, plant and equipment	10	(30,853)	(23,401)
Purchase of intangible assets	9	(235)	(1,166)
Sales of property plant and equipment		-	14,028
NET CASH USED IN INVESTING ACTIVITIES		**(30,898)**	**(10,240)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Public dividend capital received		2,180	30
Public dividend capital repaid		(114)	-
Loans repaid to the Department of Health		(5,834)	(5,834)
Capital element of finance lease rental payments		(300)	(272)
Interest paid		(2,949)	(3,138)
Interest element of finance leases		(296)	(324)
PDC dividend paid		(8,568)	(7,394)
NET CASH GENERATED/(USED) IN FINANCING ACTIVITIES		**(15,881)**	**(16,932)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(8,570)**	**10,486**
CASH AND CASH EQUIVALENTS AT START OF YEAR	18	**74,011**	**63,525**
CASH AND CASH EQUIVALENTS AT END OF YEAR	18	**65,441**	**74,011**

**The 2015/16 figures have been restated to reflect the restatements in the Statement of Comprehensive Income*

Notes to the Accounts

1. Accounting policies

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the *DH GAM 2016/17* issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's Financial Reporting Manual (*FReM)* to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared on a going concern basis under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.2 Income

Income in respect of services is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with commissioners in respect of healthcare services.

Income recognised in the accounts relating to the Sustainability and Transformation Funding for quarter 4 core funding and the incentive and bonus payments is based on the values notified by NHS Improvement following the Trust exceeding its surplus control total. These values are indicative and the final amount receivable by the Trust will be notified by NHS Improvement in June 2017.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract. Income from partially completed spells is calculated on a pro-rata basis based on the expected length of stay.

1.3 Expenditure on employee benefits

Employee benefits - short term

Salaries, wages and employment-related costs are recognised in the year in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the year is recognised in the financial statements. See 1.20 for further details.

An assessment of annual leave owing to staff at 31st March 2017 has been calculated using a sample of staff across all staff groups of a size sufficient to ensure above 95% confidence in the value of the liability. As staff have personal annual leave years, the number of hours taken has been compared with the pro-rated allocation of hours to the 31st March. The average annual leave owed to staff groups in the sample has been used to calculate the total number of hours owed to all staff in post in March 2017. An average hourly cost has been applied to each staff group to calculate the cost of annual leave owed.

Notes to the Accounts

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. The y are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

1.4 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 Property, Plant and Equipment

Recognition
Property, Plant and Equipment is capitalised where:

- individually its cost is in excess of £5,000; or
- it forms a group of similar assets with an aggregate cost in excess of £5,000 (where the assets have an individual cost in excess of £250, are functionally interdependent, have broadly similar purchase dates, are expected to have similar lives and are under single management control); or
- it forms part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of individual or collective cost;
  and
- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be provided to the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably.

Where a significant asset includes a number of components with different economic lives, then these components are treated as separate assets within the building's classification and depreciated over their own useful economic lives.

Measurement (Valuation)
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at current value in existing use. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Land and buildings
All land and buildings are revalued using professional valuations, as a minimum, every five years. Internal reviews and desk top valuations are completed in the intervening years. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual.

In accordance with guidelines issued from the Department for Health new valuations are completed on a Modern Equivalent Assets (MEA) basis. For specialised operational property the depreciated replacement cost is used. For non-specialised property and non-operational specialised property fair value is used as market value for its existing use.

Assets in the course of construction are initially recorded at cost and then valued by professional valuers as part of the five year review, or, for significant properties, when they are brought into use.

Other assets
Other assets include plant, machinery and equipment and are held at depreciated historical cost which is considered to be an appropriate proxy for current value.

Subsequent expenditure
Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred will flow to the Trust and the cost of the item can be determined reliably. Where an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance is charged to the Statement of Comprehensive Income in the year in which it is incurred.

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment, which have been reclassified as 'Held for Sale', cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining useful life of the asset as assessed by the Trust's professional valuers the Valuation Office. Leaseholds are depreciated over the primary lease term. Other items of property, plant and equipment are depreciated on a straight line basis over their estimated remaining useful lives, as assessed by the Trust. The remaining maximum and minimum economic lives of property, plant and equipment assets held by the Trust are as follows

Asset Type	**Minimum Life**	**Maximum Life**
Buildings excluding dwellings	15 years	49 years
Dwellings	18 years	26 years
Plant and machinery (incl medical equipment)	1 year	19 years
Transport equipment	1 year	7 years
Information technology	1 year	7 years
Furniture and fittings	1 year	5 years

When assets are revalued, the accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Residual value and useful life of assets are reviewed on an annual basis with any changes accounted for prospectively as a change in estimate under IAS 8.

Revaluation gains and losses
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are netted against any impairment charges within Operating Expenses. Decreases in asset values are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

The Trust transfers the difference between depreciation based on the historical amounts and revalued amounts from the revaluation reserve to retained earnings.

Impairments

In accordance with the DH GAM, impairments that arise from a clear consumption of economic benefits or service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are netted against any impairment charges within Operating Expenses to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale is highly probable i.e.:
  - management are committed to a plan to sell the asset;
  - an active programme has begun to find a buyer and complete the sale;
  - the asset is being actively marketed at a reasonable price;
  - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
  - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated, government grant and other grant funded assets
Donated and grant funded property plant and equipment assets are capitalised at their current value on receipt. The donation/grant is credited to income at the same time unless the donor has imposed a condition that the future economic benefits are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.6 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised where they have a cost in excess of £5,000, where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

Software
Software which is integral to the operation of hardware e.g. an operating system is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Measurement
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management. Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets are held at amortised historical cost which is considered to be an appropriate proxy for fair value. Revaluations gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation
Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

The remaining maximum and minimum economic lives of intangible assets held by the Trust are as follows:

Asset type	Minimum life	Maximum life
Software (purchased)	1 year	7 years

Purchased computer software licences are amortised over the shorter of the term of the licence and their estimated economic lives.

Notes to the Accounts

1.7 Government grants

Government grants are grants from Government bodies other than income from commissioners or NHS trusts for the provision of services. Grants from the Department of Health are accounted for as Government grants. Where the Government grant is used to fund revenue expenditure, it is taken to the Statement of Comprehensive Income to match that expenditure.

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. This is considered to be a reasonable approximation to current cost due to the high turnover of inventories. A provision is made where necessary for obsolete, slow moving and defective inventories.

1.9 Financial instruments (financial assets and liabilities)

Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described in note 1.10 below.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement
Financial assets are categorised as 'Fair value through income and expenditure', loans and receivables or 'Available-for-sale financial assets'. Financial liabilities are classified as 'Fair value through income and expenditure' or as 'Other financial liabilities'.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments with are not quoted in an active market. They are included in current assets. The Trust's loans and receivables comprise: cash and cash equivalents, NHS debtors, accrued income and 'other debtors'. Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income. Loans from the Department of Health are not held for trading and are measured at historic cost with any unpaid interest accrued separately.

Other financial liabilities
All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that

discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability. They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities. Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to 'Finance Costs'. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Impairment of financial assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets are impaired. Impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset. For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of an allowance account/bad debt provision. The allowance/provision is then used to write down the carrying amount of the financial asset, at the appropriate time, which is determined by the Trust on a case by case basis.

1.10 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Lessee accounting:

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to 'finance costs' in the Statement of Comprehensive Income.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Lessor accounting:

Operating leases

Assets acquired and held for use under operating leases are recorded as fixed assets and are depreciated on a straight line basis to their estimated residual values over their estimated useful lives. Operating lease income is recognised within operating income.

Notes to the Accounts

1.11 Provisions

The Trust provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates as per the table below, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.24% in real terms.

Expected cash outflows	Years	HMT real rate (%)	
		2016/17	2015/16
Short term	1-5	-2.70	-1.55
Medium term	6-10	-1.95	-1.00
Long term	10 or more	-0.80	-0.80

Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed at note 17.2.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

1.12 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Trust's control) are not recognised as assets, but are disclosed in note 21.1 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 21.2, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.13 Public Dividend Capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the Trust's predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32. A charge, reflecting the forecast cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund deposits, excluding cash balances held in GBS accounts that relate to a short term working capital facility, (iii) any PDC dividend balance receivable or payable and (iv) the final incentive elements of the Sustainability and

Transformation Funding. Average relevant net assets are calculated as a simple average (mean) of opening and closing relevant net assets. In accordance with the requirements laid down by the Department of Health (as issuer of the PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.14 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.15 Corporation Tax

NHS foundation trusts are potentially liable to corporation tax in certain circumstances. A review of other operating income is performed annually to assess any potential liability in accordance with the guidance on the HM Revenues and Customs website. As a result of this review, the Trust has concluded that there is no corporation tax liability for the year ended 31 March 2017.

1.16 Financial Risk

IFRS 7, 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities (see note 24).

The Trust's activities expose it to a variety of financial risks: market risk (including interest rate risk, and foreign exchange risk), credit risk and liquidity risk. Risk management is carried out by the Trust's Treasury Management Department under policies approved by Trust Board.

a) Market risk

(i) Interest-rate risk

All of the Trust's financial liabilities carry nil or fixed rates of interest. In addition, the only elements of the Trust's assets that are subject to variable rate are short-term cash investments. The Trust is not, exposed to significant interest-rate risk. These rates are reviewed regularly to maximise the return on cash investment.

(ii) Foreign currency risk

The functional and presentational currencies of the Trust are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction. Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the year in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

The Trust has negligible foreign currency income and expenditure.

b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with financial institutions, as well as outstanding receivables and committed transactions. The Trust operates primarily within the NHS market and receives the majority of its income from other NHS organisations. This means that there is little risk that one party will fail to discharge its obligation with the other. However disputes can arise, around how amounts are calculated, particularly due to the complex nature of the Payment by Results regime. For financial institutions, only independently rated parties with a minimum rating (Moody) of P-1 and A1 for short-term and long-term respectively are accepted.

c) Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. Therefore the Trust has little exposure to liquidity risk. Loans are serviced from planned surpluses.

1.17 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed in note 25 to the accounts, in accordance with the requirements of HM Treasury's *Financial Reporting Manual*.

1.18 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note 27 is compiled directly from the losses and compensations register which reports on a cash basis with the exception of provisions for future losses.

1.19 Accounting standards that have been issued but not yet been adopted

The following accounting standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretation Committee (IFRIC) but not yet required to be adopted.

Notes to the Accounts

The following table lists changes to standards issued by the IASB up to the date of publication of this manual which have not yet been adopted herein:

Change published	Published by IASB	Financial year for which the change first applies
IFRS 9 Financial Instruments	July 2014	Not yet EU adopted. Expected to be effective from 2017/18.
IFRS 14 Regulatory Deferral Accounts	January 2014	Not applicable to DH group bodies.
IFRS 15 Revenue from contracts with customers	May 2014	Not yet EU adopted. Expected to be effective from 2017/18.
IFRS 16 Leases	January 2016	Not yet EU adopted. Expected to be effective from 2019/20.

The Trust has not adopted any new accounting standards, amendments or interpretations early. The new standards set out above will have no significant impact on the Trust other than IFRS 16 which will see a number of operating leases currently included within note 5.2 operating lease expenses being included in the statement of financial position. As this change is expected from 2019/20 detailed work has not yet been undertaken to quantify the impact.

1.20 Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies
The Trust has made no judgements in applying the accounting policies other than those involving accounting estimates.

Critical accounting estimates and assumptions
The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Depreciation
Depreciation is based on automatic calculations within the Trust's Fixed Asset Register and is calculated on a monthly basis throughout the year. When an asset is added to the Fixed Asset Register, it is given a useful economic life by the capital accountant, depending on the class of asset (i.e. vehicle, IT equipment etc). Buildings can be assigned a useful economic life of up to 50 years by the District Valuer as part of their valuations, depending on their state of repair and intended use. Useful economic life can be adjusted on the Fixed Asset Register if required, for example following an external valuation by the District Valuer. This judgement will take into account past experience. Typically more expensive items have a longer lifespan which reduces the degree of sensitivity of charges.

b) Revaluation
The Trust's assets are subject to the quinquennial revaluation by the Trust's approved valuers. In the interim years the Trust's assets are revalued using desktop revaluations undertaken by the Valuation Office. The Valuation Office is an expert therefore there is a high degree of reliance on the valuer's expertise.

Notes to the Accounts

c) Impairment

Impairments are based on the Valuation Office's revaluation, on application of indices or on revaluation of individual assets e.g. when brought into operational use, or identified for disposal. Assumptions and judgments are that valuations and the assumptions used are applicable to the Trust's circumstances. Additionally, management reviews would identify circumstances which may indicate where an impairment has occurred.

d) Month 12 income from activities

As the NHS Annual Accounts and invoicing deadlines fall before actual month 12 activity data is available, it is necessary to make an estimate for the accounts.

Up to and including 2015/16 the Trust has used the forecast outturn at month 11 as the basis for estimating March contract income at the year end. Forecast outturn activity and value is calculated throughout the year using established profiles as the basis for estimating the full year activity. Profiles are set up at the beginning of the year to reflect the anticipated spread of activity throughout the year and are used to spread the annual plan as well as to forecast the activity. The main profiles used are:

- Twelfths – used for block contracts.
- Actual days – (calendar days in month) used for non-elective and emergency work.
- Working days – (excludes weekends and bank holidays plus an additional day at Christmas) used for elective work and outpatients.
- Specific profiles – more detailed profiles are set up for example where it is known that particular activity is not planned to start until part way through the year, e.g. date of service transfer, commencement of new development.

For 2016/17 the Trust's approach to this estimate has been further refined to incorporate the following additional considerations:

- Bone Marrow Transplants – given this is a high value, low volume income stream, specific information relating to March transplants already undertaken, or anticipated, has been used to inform the forecast outturn.
- Commissioning for Quality and Innovation (CQUIN) – the CQUIN performance previously used for the year end estimate was based on data to the end of January which was the most up to date information available. In 2016/17 the Trust has updated the data in early March to inform the year end estimate.
- General activity –experience has shown that a better estimate for general March activity is achieved by basing the forecast outturn on the activity within the later part of the year, reflecting that the impact of any planned growth in activity, or new developments, tends to be weighted towards the end of the financial year once resource changes have been fully implemented. However it is also recognised that December is not a typical month given the holiday period. Therefore for 2016/17, March activity has been estimated based on activity in October, November, January and February. This replaces the previous approach of using total year to date activity.

e) Partially completed spells

This is an estimate of income due in relation to patients admitted before the year end, but not discharged. It is calculated at spell level and is based on a realistic estimate of the number of unfinished days at the end of the financial year, calculated using data available from previous month ends. This is necessary due to the timing of the final accounts, which means that the actual figure will not be available. The day of admission counts as an unfinished day.

The valuation of unfinished activity will use specialty bed day rates. The rates are weighted to ensure they are consistent with the proportion of actual income that is received, using information gleaned from previous months incomplete spells. In calculating the proportion of actual income, the first two days of each spell will attract a disproportionate amount of the income in recognition that some costs

are heavily weighted towards the beginning of the spell. For surgical specialties 45% of the income is allocated to the first 2 days with the remaining 55% apportioned equally over the total length of stay. For medical specialties the figures are 25% and 75% respectively.
In making this estimate the volume of unfinished activity is calculated using an average of the first 11 months of the year. The rates used are calculated at specialty level, the greatest level of detail that can be determined for unfinished activity, and reflect the distribution of costs through the spell in recognition of the early days of the spell generally being the most expensive.
The income is accrued and agreed with local Clinical Commissioning Groups and with NHS England.

f) Maternity pathway (incomplete antenatal spells)

This is an estimate of income received in advance in relation to patients who commenced their antenatal pathway in one financial year but who will not finish it until after the end of the financial year. It is calculated on the following basis:

- Assume the length of an ante natal pathway is 182 days (c 6 months).
- Estimate the proportion of pathways that will be incomplete at the end of the financial year. The position at 28th February 2017 has been used as a proxy, as the month 12 activity was not available.
- Using the ante natal booking date, calculate how many days of the ante natal period are likely to occur after 28th February 2017.
- Value these days as a proportion of the pathway tariff.

1.21. Discontinued operations

Discontinued operations are defined as activities that genuinely cease without transferring to another entity, or which transfer to an entity outside the boundary of Whole of Government Accounts, such as the private or voluntary sectors. The trust reviews its activities to determine whether any activities meet the definition of a discontinued operation and is recognised in the accounting year in which the decision is made to discontinue the operation.

1.22 Changes in accounting policy

Foundation Trusts may change an accounting policy only where it is required by a new standard or interpretation (including any revisions to the DH GAM) or voluntarily only if it results in the Trust's financial statements providing reliable and more relevant information about transactions, events, conditions, or the financial position, financial performance or cash flows.

The changes arising from the introduction of a new standard or interpretation will be implemented in accordance with the specific transitional provisions, if any, of that standard or interpretation. Where no such specific transitional provisions exist, or where the Trust changes an accounting policy voluntarily, the changes will be applied retrospectively i.e. through a prior period adjustment. In accordance with IAS 8 any prior period adjustments will be effected by restating each element of equity (reserves) at the start of the prior year as if the accounting policy had always applied. In line with NHS Improvement gains and losses on the disposal of assets is now disclosed on a separate line in the Statement of Comprehensive Income and not within Other Operating Income and impairment reversals are netted against impairment charges within Operating Expenses and not in Operating income.

Notes to the Accounts

2 Segmental analysis

The Trust operates only one healthcare segment.

The healthcare segment delivers a range of healthcare services, predominantly to Clinical Commissioning Groups and NHS England. The Trust is operationally managed through five clinical divisions and three corporate functions, all of which operate in the healthcare segment. Internally the finance, activity and performance of these areas are reported to the Trust Board. They are consolidated, as permitted by IFRS 8 paragraph 12, into Trust wide figures for these accounts.

Expenditure and non-service agreement income is reported against the operational areas for management information purposes. The out-turn position reported for 2016/17 is shown below with comparator figures for 2015/16.

	Year Ended 31 March 2017 £000	Year Ended 31 March 2016 £000
Expenditure net of non-corporate income		
Diagnostic and Therapies	(51,228)	(51,435)
Medicine	(81,517)	(74,778)
Specialised Services	(105,805)	(96,203)
Surgery, Head and Neck	(110,297)	(106,065)
Women's and Children's	(125,311)	(119,020)
Facilities and Estates	(36,107)	(36,872)
Trust Services	(26,456)	(25,222)
Corporate Services	2,691	935
Total net expenditure	(534,030)	(508,660)
Corporate Income		
Corporate income – excluding S&T Funding	569,052	543,762
Sustainability and Transformation Funding	13,670	-
Total Corporate income	582,722	543,762
Divisional operating surplus	48,692	35,102
Financing costs:		
Depreciation & amortisation on owned assets	(20,997)	(20,797)
Net interest payable	(2,989)	(3,114)
PDC dividend	(8,100)	(7,731)
Total Financing costs	(32,086)	(31,642)
Net surplus before technical items	16,606	3,460
Net surplus before technical and excluding S&T funding	2,936	3,460
Technical items:		
(Loss)/gain on sale of asset	(76)	9,234
Donations (PPE/intangible assets)	2,919	3,107
Net impairments	(10,412)	(2,124)
Depreciation & amortisation on donated assets	(1,555)	(1,504)
Surplus/(deficit) for year	7,482	12,173

The Trust's Divisional operating surplus was £48.692m for 2016/17. Financing costs of £32.086m (2016: £31.642m) reduced this to a surplus of £16.606m (2016: £3.460m) before technical items. This included £13.670m of Sustainability and Transformation funding; the net surplus excluding Sustainability and Transformation funding was £2.936m (2015/16: £3.460m).

Notes to the Accounts

3. Income from patient care activities

3.1 Income by nature

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000 (Restated*)
Elective income	85,522	83,588
Non elective income	102,344	98,338
Outpatient income	78,858	73,757
Accident and emergency income	16,006	15,121
Other NHS clinical income **	227,468	219,066
Private patients	1,799	1,826
Other clinical income	17,546	15,764
Total	**529,543**	**507,460**
**Significant items include:		
Critical care bed days	41,267	40,463
'Payment by results' exclusions	80,752	82,093
Bone marrow transplants	7,361	7,582
Excess bed days	7,070	6,525
Radiotherapy inpatient treatments	8,733	7,586
Diagnostic imaging	5,898	5,371
Direct access	6,384	6,147
Regular day attenders	1,240	1,747
Rehabilitation	5,811	6,304
Audiology, Cochlear implants & bone anchored hearing aids	4,853	4,061
Contract penalties and rewards	10,001	8,241
Cystic fibrosis pathways	4,399	4,230
Maternity pathways	6,937	6,624
'Soft' facilities management and LIFTCO	9,352	8,579
Bowel Cancer & Bowel Scope Screening *(note 1)*	2,884	775
Chemotherapy Delivery *(note 1)*	3,635	3,737
Community Dental *(note 1)*	1,329	1,315
Non Elective inpatients (*note 1)*	1,579	1,311
Retrievals (*note 1)*	2,691	2,512

** Restated.*

1. *Non Elective income includes £10.739m which was disclosed within Other NHS clinical income in 2015/16. Maternity delivery pathways identified under the local point of delivery of pathway services in 2015/16 however in 2016/17 this activity is under the national point of delivery of non-elective inpatients.*
2. *Payment by Results include At Cost Contracts (£22.535m) and Service recharges (£5.509m) which were disclosed separately in 2015/16.*

Note 1 - additional analysis for 2016/17 with 2015/16 comparator

3.2 Income by source

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
NHS Foundation Trusts	241	34
NHS Trusts	2,415	1,960
Clinical Commissioning Groups and NHS England	507,542	487,877
Local Authorities	4,564	4,433
Department of Health - Other	62	-
Non-NHS private patients	1,799	1,826
Non-NHS overseas patients	649	412
NHS Injury Scheme	698	679
Territorial Bodies	11,533	10,159
Bodies outside of Whole of Government Accounts	21	51
DVLA	19	29
Total	**529,543**	**507,460**

3.3 Income from patient care activities arising from Commissioner Requested Services

The majority of the Trust's income should be derived from prior agreements, including contracts and agreed intentions to contract with service commissioners. This is described as Commissioner Requested Service income. Of the total income from patient care activities, £514.9m (2015/16: £490.4m) is from Commissioner Requested Services and £14.6m (2015/16: £17.1m) is from all other services.

3.4 Income from overseas visitors

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Income recognised this year	649	412
Cash payments received (invoices raised in this and previous years)	219	152
Increase to provision for impairment of receivables (invoices raised in this and previous years)	356	176
Amounts written off (invoices raised in this and previous years)	51	222

4. Other operating income

4.1 Other operating income

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000 *(Restated*)*
Research and development	24,682	24,796
Education and training	34,747	36,553
Charitable and other contributions to operating expenditure	802	639
Donated assets - property, plant & equipment (income & physical asset)	2,919	3,107
Non-patient care services to other bodies	14,010	11,120
Sustainability and Transformation funding	13,670	-
Rental income from operating leases	1,650	1,609
Salary recharges	4,861	4,938
Other**	11,940	12,431
Total	**109,281**	**95,193**

Notes to the Accounts

**Significant items include:	£000	£000
Clinical excellence awards	3,154	3,050
Patient transport	617	363
Trading services income	2,436	2,452
Clinical testing	312	468
Catering	398	408
Staff accommodation rentals	42	182
Car park income	944	955
Staff contribution to employee benefit schemes	1,417	1,397
Property rentals	373	250

**The 2015/16 figures have been restated to reflect the restatements in the Statement of Comprehensive Income.*

The Trust's trading services income totals £2.436m and comprises of Medical Equipment Management Organisation £0.876m (2015/16: £0.865m), Pharmacy income £1.213m (2015/16:£1.169m) and IT income £0.347m (2015/16: £0.418m).

4.2 Operating lease income

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Rental income – minimum lease receipts	1,650	1,609

4.3 Future minimum lease receipts due to the Trust

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
- no later than one year	1,524	1,596
- between one and five years	1,674	2,017
- after five years	2,031	2,617
Total	**5,229**	**6,230**

Notes to the Accounts

5. Operating expenses

5.1 Operating expenses by type

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000 *(Restated*)*
Services from other bodies:		
- NHS organisations	9,251	8,967
- non NHS organisations	1,280	1,257
Purchase of healthcare from non NHS bodies	4,334	1,657
Employee expenses excluding Board members	366,602	354,916
Employee expenses – Board members	1,416	1,328
Trust chair and non-executive directors	181	181
Drug costs	77,658	74,893
Supplies and services:		
- clinical	64,242	61,795
- general	7,293	7,195
Establishment costs	7,542	7,463
Transport:		
- business travel	836	739
- other	468	422
Premises costs	12,305	14,702
Change in provision for impairment of receivables	395	(1,145)
Depreciation on property plant and equipment	20,980	20,904
Amortisation on intangible assets	1,572	1,397
Net Impairments	10,412	2,125
Internal audit	231	233
Auditor's remuneration:		
- statutory audit	60	60
- other non-audit services	22	15
Rentals under operating leases	6,314	6,289
Research and development:		
- hosting payments	7,630	8,121
- other	6,216	5,089
Clinical negligence	6,377	5,506
Other**	6,560	4,760
Total	**620,177**	**588,869**
**Significant items include:		
Consultancy	615	838
Exit payments (note 6.6)	99	148
Training, courses and conferences	1,944	1,821
External contractors' services	175	148
Childcare vouchers	1,267	1,214
Patient travel	967	521
Legal fees	443	515
Parking and security	460	454
Insurance	263	217

There is a limitation of liability of £1 million in respect of external audit services unless unable to be limited by law.

**The 2015/16 figures have been restated to reflect the restatements in the Statement of Comprehensive Income. Furthermore, services to other bodies, clinical supplies and services and other services have been restated to reflect coding changes in 2016/17.*

5.2 Operating lease expenses

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Land	52	47
Buildings	5,056	5,080
Plant and machinery	1,206	1,162
Total	**6,314**	**6,289**

Future minimum lease payments due under operating leases are as follows:

Future minimum lease payments	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Before one year	1,760	5,285
Between one and five years	3,387	4,725
After five years	3,148	3,683
Total	**8,295**	**13,693**

The Trust leases various equipment and buildings. The most significant was the South Bristol Community Hospital which the Trust leased for a 5 year period from April 2012. The Overarching Agreement and the Under Lease Plus Agreement for acute services with the Commissioners and the Community Health Partnership expired on 29th March 2017. Ongoing arrangements and future lease costs and payments are currently being re-negotiated.

6. Employee expenses and numbers

6.1 Employee expenses

	Year ended 31 March 2017 £000			Year ended 31 March 2016 £000		
	Total	**Permanent**	**Other**	**Total**	**Permanent**	**Other**
Salaries and wages	298,684	277,484	21,200	290,087	265,701	24,386
Social security costs	26,859	25,999	860	20,760	19,674	1,086
Pension costs	34,631	33,770	861	33,277	32,170	1,107
Termination benefits	99	99	-	148	148	-
Agency/contract staff	11,229	-	11,229	15,188	-	15,188
Gross employee expenses	**371,502**	**337,352**	**34,150**	**359,460**	**317,693**	**41,767**
Income in respect of salary recharges netted off	(2,406)	(2,406)	-	(2,267)	(2,267)	-
Employee expenses capitalised	(979)	(592)	(387)	(801)	(739)	(62)
Net employee expenses	**368,117**	**334,354**	**33,763**	**356,392**	**314,687**	**41,705**

'Permanent' refers to staff with a permanent contract of employment, 'other' refers to all other staff engaged on the objectives of the Trust for example agency/temporary staff and staff with a contract of employment with another organisation who are seconded in and the Trust pays for their costs.

Notes to the Accounts

6.2 Average number of employees

	Year Ended 31 March 2017			Year Ended 31 March 2016		
	Total	Permanent	Other	Total	Permanent	Other
Medical and dental staff	1,159	1,066	93	1,102	1,008	94
Administration and estate staff	1,596	1,588	8	1,615	1,604	11
Healthcare assistant & other support staff	801	801	-	728	728	-
Nursing, midwifery & health visiting staff	2,982	2,976	6	2,908	2,900	8
Scientific, therapeutic and technical staff	1,153	1,135	18	1,110	1,089	21
Healthcare science staff	142	142	-	158	158	-
Agency and contract staff	144	-	144	161	-	161
Bank staff	399	-	399	370	-	370
Total staff	**8,376**	**7,708**	**668**	**8,152**	**7,487**	**665**
Of which staff engaged on capital projects	27	15	12	32	29	3
Of which recharged for hosted services*	36	36	-	36	36	-

**2015/16 figures have been restated from 26 to 36*

Numbers are expressed as average whole time equivalents for the year.

'Permanent' refers to staff with a permanent contract of employment, 'other' refers to all other staff engaged on the objectives of the Trust for example agency/temporary staff and staff with a contract of employment with another organisation who are seconded in and the Trust pays for their costs.

6.3 Retirement benefits

The NHS Pension Scheme is a defined benefit plan and being an unfunded scheme its liabilities are underwritten by the exchequer. Further information can be found in accounting policies 1.3 on page 6.

The employer contribution rates for 2017/18 will remain at the 2016/17 rate of 14.3%.

6.4 Employee Benefits

There were no non-pay benefits that were not attributable to individual employees.

6.5 Early retirements due to ill health

During the year ended 31 March 2017 there were 6 (2016: 12) early retirements from the Trust on the grounds of ill health. The estimated additional pension liabilities of these ill-health retirements will be £0.406m (2016: £0.560m). The cost of these ill health retirements will be borne by the NHS Business Services Authority – Pensions Division.

Notes to the Accounts

6.6 Staff exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	- (1)	- (1)	- (2)
£10,000 - £25,000	- (-)	- (3)	- (3)
£25,001 - £50,000	1 (1)	- (1)	1 (2)
Over £50,000	1 (-)	- (-)	1 (-)
Total number of exit packages by type	**2 (2)**	**- (5)**	**2 (7)**
Total resources cost (£'000)	**99 (47)**	**- (101)**	**99 (148)**

Comparative figures for 2015/16 are shown in brackets.

The table above shows the number and cost of staff exit packages (termination benefits). Termination benefits are payable to an employee when the Trust terminates their employment before their normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a formal plan or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

There were no non-compulsory departures in the year. The 2015/16 figures are:

	2015/16 Number	2015/16 £000
Voluntary redundancies including early retirement contractual costs	1	23
Mutually agreed resignation contractual costs (MARS)	4	78
Non-contractual payments requiring HMT approval	-	-
Total	5	101

There were no non-contractual payments made with a value greater than 12 months of the individual's salary in either year.

6.7 Fair pay multiple

The Trust is required to disclose the relationship between the remuneration of the highest-paid director in the organisation and the median remuneration of the organisation's workforce.

The annualised banded remuneration of the highest-paid director in the financial year 2016/17 was £195k-£199k (2015/16 was £195k-£199k). This was 6.8 times (2015/16, 6.9) the median remuneration of the workforce, which was £29,179 (2015/16, £28,750). In 2016/17, no (2015/16, nil) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15.2k to £195.5k.

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

	2016/17	2015/16
Band of highest paid directors total remuneration (£'000)	195-199	195-199
Median total remuneration (£)	29,179	28,750
Ratio	6.8	6.9

Notes to the Accounts

6.8 Directors remuneration for 2016/17 (£000)	Salary (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
Chair:			
John Savage	50-54	n/a	50-54
Executive Directors:			
Robert Woolley, Chief Executive	190-194	97.5-99.9	290-294
Owen Ainsley, Chief Operating Officer from 13 June 2016 until 12 February 2017	70-74	35.0-37.4	110-114
Paula Clarke, Director of Strategy and Transformation from 1 April 2016	130-134	27.5-29.9	155-159
Sue Donaldson, Director of Workforce and Organisational Development until 12 March 2017	115-119	-	115-119
Deborah Lee, Chief Operating Officer and Deputy Chief Executive until 12 June 2016	30-34	10.0-12.4	40-44
Paul Mapson, Director of Finance and Information	155-159	12.5-14.9	170-174
Carolyn Mills, Chief Nurse	130-134	85.0-87.4	215-219
Alex Nestor , Acting Director of Workforce and Organisational Development from 11 July 2016	65-69	42.5-44.9	110-114
Sean O'Kelly, Medical Director	195-199	7.5-9.9	205-209
Mark Smith, Chief Operating Officer from 13 February 2017	20-24	2.5-4.9	20-24
Non-Executive Directors			
David Armstrong	10-14	n/a	10-14
Julian Dennis	10-14	n/a	10-14
Lisa Gardner	15-19	n/a	15-19
John Moore	15-19	n/a	15-19
Guy Orpen	10-14	n/a	10-14
Alison Ryan	15-19	n/a	15-19
Emma Woollett	20-24	n/a	20-24
Jill Youds	10-14	n/a	10-14

There were no taxable benefits, annual performance related bonuses, exit packages paid to any director in 2016/17 or 2015/16.

The ' pension-related benefits' figures represent the increase during the year in the total value of the pension and lump sum receivable on retirement, assuming that the pension is drawn for a period of 20 years. Consequently this is not the annual amount payable to the member on retirement. It is calculated in accordance with guidance published by H M Treasury and takes into account the total period of NHS employment to date and current salaries. The actual amount payable to an individual annually on retirement will be dependent on future salary, the length of NHS employment on retirement and when the pension is paid

Notes to the Accounts

6.9 Directors remuneration for 2015/16 (£000)	Salary (bands of £5,000)	Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
Chair:		*(Restated *)*	*(Restated *)*
John Savage	50-54	n/a	50-54
Executive Directors:			
Robert Woolley, Chief Executive	190-194	42.5-44.9	230-234
Sue Donaldson, Director of Workforce and Organisational Development	120-124	15.0-17.4	135-139
Deborah Lee, Director of Strategy & Deputy Chief Executive until 30 April 2015 and Chief Operating Officer and Deputy Chief Executive from 1 May 2015	140-144	62.5-64.9	200-204
Paul Mapson, Director of Finance and Information	150-154	0.0-2.4	150-154
Carolyn Mills, Chief Nurse	120-124	22.5-24.9	140-144
Sean O'Kelly, Medical Director	195-199	30.0-32.4	225-229
Anita Randon, Interim Director of Strategy from 3 August 2015 to 27 January 2016	100-104	n/a	100-104
James Rimmer , Chief Operating Officer until 30 April 2015 and Director of Strategy from 1 May 2015 to 2 August 2015	40-44	10.0-12.4	50-54
Non-Executive Directors			
David Armstrong	10-14	n/a	10-14
Julian Dennis	10-14	n/a	10-14
Lisa Gardner	15-19	n/a	15-19
John Moore	15-19	n/a	15-19
Guy Orpen	10-14	n/a	10-14
Alison Ryan	15-19	n/a	15-19
Emma Woollett	20-24	n/a	20-24
Jill Youds	10-14	n/a	10-14

There were no payments made for loss of office in either 2016/17 or 2015/16.
There were no payments to past senior managers in either 2016/17 or 2015/16
** Restated – Restated to deduct employee contributions from pension related benefits*

Notes to the Accounts

6.10 Pension benefits for the year ended 31 March 2017

Name	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2017	Lump sum at age 60 related to accrued pension at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2016	Real Increase in Cash Equivalent Transfer Value	Employer funded contribution to growth in CETV
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000	£000
Robert Woolley	5.0-7.4	17.5-19.9	60-64	185-189	1,377	1,159	191	95
Owen Ainsley	0-2.4	2.5-4.9	10-14	30-34	204	164	24	12
Paula Clarke	0-2.4	-	0-4	-	26	-	26	13
Sue Donaldson	0-2.4	0-2.4	15-19	50-54	362	330	24	12
Deborah Lee	0-2.4	0-2.4	30-34	100-104	664	553	20	10
Paul Mapson,	0-2.4	2.5-4.9	70-74	215-219	n/a	n/a	n/a	n/a
Carolyn Mills	2.5-4.9	12.5-14.9	45-49	140-144	859	762	80	39
Alex Nestor	2.5-4.9	2.5-4.9	30-34	75-79	481	423	35	17
Sean O'Kelly	0-2.4	2.5-4.9	65-69	190-199	1,424	1,289	105	52
Mark Smith	0-2.4	0-2.4	30-34	100-104	677	583	10	5

This table includes details for the directors who held office at any time in 2016/17.

Real increases and employer's contributions are shown for the time in post where this has been less than the whole year.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

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

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement). The factors used to calculate the 2017 CETVs have increased; therefore the value of CETV's for some members has increased by more than expected since 31 March 2016.

Notes to the Accounts

6.11 Pension benefits for the year ending 31 March 2016

Name	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2016	Lump sum at age 60 related to accrued pension at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2016	Cash Equivalent Transfer Value at 31 March 2015	Real Increase in Cash Equivalent Transfer Value	Employer funded contribution to growth in CETV
	(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)	£000	£000	£000	£000
Robert Woolley	2.5-4.9	10-12.4	55-59	165-169	1,159	1,069	84	42
Sue Donaldson	0-2.4	2.5-4.9	15-19	50-54	330	298	30	15
Deborah Lee	2.5-4.9	10.0-12.4	25-29	85-89	553	477	73	36
Paul Mapson	0-2.4	2.5-4.9	65-69	205-209	n/a	1,595	n/a	n/a
Carolyn Mills	0-2.4	5.0-7.4	45-49	140-144	842	798	40	20
Sean O'Kelly	2.5-4.9	7.5-9.9	60-64	190-194	1,289	1,221	62	31
James Rimmer	0-2.4	2.5-4.9	40-44	125-129	739	666	23	12

This table includes details for the directors who held office at any time in 2015/16.

Real increases and employer's contributions are shown for the time in post where this has been less than the whole year.

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.

7. Gain/Loss on disposal of property, plant and equipment

The net loss on the disposal of property, plant and equipment of £0.076m (2016: net gain of £9.234m) related exclusively to non-protected assets. No assets used in the provision of Commissioner Requested Services have been disposed of during the year.

8. Financing

8.1 Finance income

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Interest on loans and receivables	189	297
Total	**189**	**297**

8.2 Finance expenses

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Loan interest from the Department of Health for capital loans	2,884	3,089
Finance leases	294	320
Total	**3,178**	**3,409**

In both years, there was no interest payable arising from claims made under the late payment of commercial debts (interest) act 1998 and no other compensation was paid to cover debt recovery cost under this legislation.

8.3 Impairments

Net impairment of property plant and equipment, intangibles and assets held for sale	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Impairment of enhancements to existing assets	8,553	3,288
Other impairments	11	-
Changes in valuation	1,848	46
Reversal of impairments	-	(1,209)
TOTAL	**10,412**	**2,125**

Property impairments occur when the carrying amounts are reviewed by the District Valuer through formal valuation. Plant and equipment impairments are identified following an assessment of whether there is any indication that an asset may be impaired e.g. obsolescence or physical damage.

Property reviews are undertaken to ensure assets are reflected at fair value in the accounts, when they are brought into use or when they are identified as assets held for sale. At the first valuation after the asset is brought into use any write down of cost is treated as an impairment and charged into the Statement of Comprehensive Income. The impairment losses charged to the Statement of Comprehensive Income relate to the following:

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Impairment of enhancements to existing assets		
New ward block	-	132
Queen's Building	2,503	2,328
King Edward Building	6,050	574
Radiopharmacy	-	33
Bristol Dental Hospital	-	119
Bristol Royal Hospital for Children	-	61
Bristol Haematology and Oncology Centre	-	5
St Michaels Hospital	-	31
Bristol Heart Institute	-	5
	8,553	3,288
Change in valuation		
District Valuer's revaluation of land & buildings	1,848	46
Impairment due to damage loss		
Insurance write-off of vehicle	11	-
Total	**10,412**	**3,334**

Where a revaluation increases an asset's value and reverses a revaluation loss previously recognised in operating expenses it is credited to operating expenses as a reversal of impairment and netted against any impairment charge.

9. Intangible assets

	Software licences £000	Assets under construction £000	Total £000
Cost at 1 April 2016	10,097	116	10,213
Additions - purchased	177	50	227
Additions – donated	16	-	16
Reclassifications with PPE	1,902	-	1,902
Reclassifications within intangibles	123	(123)	-
Cost at 31 March 2017	12,315	43	12,358
Accumulated amortisation at 1 April 2016	3,994	-	3,994
Charged during the year - purchased	1,549	-	1,549
Charged during the year – donated	23	-	23
Accumulated amortisation at 31 March 2017	5,566	-	5,566
Net book value at 31 March 2017			
Purchased	6,593	43	6,636
Donated	156	-	156
Total net book value at 31 March 2017	**6,749**	**43**	**6,792**

	Software	Assets under

	licences £000	construction £000	Total £000
Cost at 1 April 2015	8,604	1,179	9,783
Additions	112	(27)	85
Reclassifications with PPE	368	-	368
Reclassifications within intangibles	1,036	(1,036)	-
Disposals	(23)	-	(23)
Cost at 31 March 2016	10,097	116	10,213
Accumulated amortisation at 1 April 2015	2,620	-	2,620
Charged during the year	1,397	-	1,397
Disposals	(23)	-	(23)
Accumulated amortisation at 31 March 2016	3,994	-	3,994
Net book value at 31 March 2016			
Purchased	5,940	116	6,056
Donated	163	-	163
Total net book value at 31 March 2016	**6,103**	**116**	**6,219**

10. Property, plant and equipment

The District Valuer undertook two desktop exercises in the year at 30 June 2016 and 31 March 2017. The June valuation was for land and building of all specialised assets whereas the March valuation was for the whole estate. Both exercises valued the Trust's land and buildings on a depreciated replacement cost, Modern Equivalent Asset valuation (MEA) which included the use of functional obsolescence (which considers the changing nature of the buildings and services provided and the disjointed nature of the city centre site) and a revised percentage applied to external works to reflect a highly developed site with limited landscaping. The valuations resulted in a net decrease in the value of the Trust assets at 30 June 2016 of £28.220m compared to the book values at 31 March 2016 and a net increase at 31 March 2017 of £12.524m compared to the book values at 30 June 2016. The annual net decrease was £15.696m.

The valuations have been undertaken in accordance with International Financial Reporting Standards (IFRS) as interpreted and applied by the NHS Foundation Trust Annual Reporting Manual. The valuations also accord with the requirements of the RICS Valuation - Professional Standards 2014, UK edition (known as 'the Red Book'), including the International Valuation Standards, in so far as these are consistent with IFRS and the above mentioned guidance; RICS UKVS 1.15 refers.

The following are the agreed departures from the RICS Professional Standards and special assumptions:

- The Instant Building approach has been adopted, as required by HM Treasury FReM for the UK public sector. Therefore, no building periods or consequential finance costs have been reflected in the costs applied when the depreciated replacement cost approach is used.
- It should be noted that the use of the terms "Existing Use Value" and "Market Value" in regard to the valuation of the NHS estate may be regarded as not inconsistent with that set out in the RICS Professional Standards, subject to the additional special assumptions that:
  (a) no adjustment has been made on the grounds of a hypothetical "flooding of the market" if a number of properties were to be marketed simultaneously and in the respect of the Market Value of 'held for sale' assets only;
  (b) the NHS is assumed not to be in the market for the property interest; and
  (c) regard has been had to appropriate lotting to achieve the best price

There are no restrictions in the use of donated assets.

Notes to the Accounts

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2016	22,861	299,621	3,436	12,049	88,922	681	17,502	1,078	**446,150**
Additions – purchased	-	1,685	-	23,410	3,183	191	942	-	**29,411**
Additions – donated	-	-	-	-	184	56	-	-	**240**
Impairments	-	(8,553)	-	-	-	(11)	-	-	**(8,564)**
Reclassifications with intangibles	-	-	-	(1,902)	-	-	-	-	**(1,902)**
Reclassifications within PPE	-	20,979	-	(24,174)	1,550	-	1,645	-	**-**
Revaluations	917	(27,039)	88	-	-	-	-	-	**(26,034)**
Disposals	-	-	-	-	(5,590)	(94)	(82)	(87)	**(5,853)**
Cost or valuation at 31 March 2017	23,778	286,693	3,524	9,383	88,249	823	20,007	991	**433,448**
Accumulated depreciation at 1 April 2016	-	-	-	-	51,241	480	7,538	860	**60,119**
Charged during the year – purchased	-	9,656	154	-	6,897	74	2,593	74	**19,448**
Charged during the year – donated	-	528	-	-	975	-	29	-	**1,532**
Revaluations	-	(10,184)	(154)	-	-	-	-	-	**(10,338)**
Disposals	-	-	-	-	(5,515)	(94)	(82)	(86)	**(5,777)**
At 31 March 2017	-	-	-	-	53,598	460	10,078	848	**64,984**
Net book value at 31 March 2017									
Purchased	23,778	264,446	3,524	9,383	29,034	307	9,760	143	**340,375**
Donated	-	15,737	-	-	5,599	56	169	-	**21,561**
Finance leases	-	6,510	-	-	18	-	-	-	**6,528**
Total at 31 March 2017	**23,778**	**286,693**	**3,524**	**9,383**	**34,651**	**363**	**9,929**	**143**	**368,464**
Net book value at 31 March 2016									
Purchased	22,861	276,208	3,436	12,049	31,315	201	9,766	218	**356,054**
Donated	-	16,903	-	-	6,334	-	198	-	**23,435**
Finance leases	-	6,510	-	-	32	-	-	-	**6,542**
Total at 31 March 2016	**22,861**	**299,621**	**3,436**	**12,049**	**37,681**	**201**	**9,964**	**218**	**386,031**

Depreciation expenses of £20.980m (2015/16: £20.904m) have been charged to operating expenses (note 5.1) within the Statement of Comprehensive Income.

Notes to the Accounts

	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
.	24,371	290,195	3,306	9,522	85,662	687	17,774	1,004	**432,521**
Additions – purchased	-	1,754	1	17,070	3,397	23	804	5	**23,054**
Additions – donated	-	-	-	-	977	-	-	-	**977**
Impairments	-	(3,288)	-	-	-	-	-	-	**(3,288)**
Reclassifications with intangibles	-	-	-	(368)	-	-	-	-	**(368)**
Reclassifications within PPE	-	11,358	3	(14,175)	1,307	-	1,438	69	**-**
Revaluations	60	1,697	126	-	-	-	-	-	**1,883**
Transferred to disposal group as AHFS	(1,570)	(2,095)	-	-	-	-	-	-	**(3,665)**
Disposals	-	-	-	-	(2,421)	(29)	(2,514)	-	**(4,964)**
Cost or valuation at 31 March 2016	22,861	299,621	3,436	12,049	88,922	681	17,502	1,078	**446,150**
Accumulated depreciation at 1 April 2015	-	-	-	-	45,775	438	7,632	785	**54,630**
Charged during the year – purchased	-	9,809	139	-	6,927	71	2,390	75	**19,411**
Charged during the year – donated	-	541	-	-	922	-	30	-	**1,493**
Revaluations	-	(10,210)	(139)	-	-	-	-	-	**(10,349)**
Transferred to disposal group as AHFS	-	(140)	-	-	-	-	-	-	**(140)**
Disposals	-	-	-	-	(2,383)	(29)	(2,514)		**(4,926)**
At 31 March 2016	-	-	-	-	51,241	480	7,538	860	**60,119**
Net book value at 31 March 2016									
Purchased	22,861	276,208	3,436	12,049	31,315	201	9,766	218	**356,054**
Donated	-	16,903	-	-	6,334	-	198	-	**23,435**
Finance leases	-	6,510	-	-	32	-	-	-	**6,542**
Total at 31 March 2016	**22,861**	**299,621**	**3,436**	**12,049**	**37,681**	**201**	**9,964**	**218**	**386,031**
Net book value at 31 March 2015									
Purchased	24,371	267,400	3,306	9,522	33,553	249	9,914	219	**348,534**
Donated	-	16,285	-	-	6,288	-	228	-	**22,801**
Finance leases	-	6,510	-	-	46	-	-	-	**6,556**
Total at 31 March 2015	**24,371**	**290,195**	**3,306**	**9,522**	**39,887**	**249**	**10,142**	**219**	**377,891**

10.1 Net book value of assets held under finance leases

The net book value of assets held under finance leases and hire purchase contracts was:

	Year ended 31 March 2017 £000	Year ended 31March 2016 £000
Cost or valuation at 1 April	6,581	6,581
Additions	-	23
Revaluation	-	(23)
Reclassifications	-	-
Cost or valuation at 31 March	**6,581**	**6,581**
Accumulated depreciation at 1 April	39	25
Provided during the year	522	479
Revaluation	(508)	(465)
Accumulated depreciation at 31 March	**53**	**39**
Net book value at 31 March	**6,528**	**6,542**

10.2 Net book value of land building and dwellings

The net book value of land, buildings and dwellings comprises:

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Freehold	307,485	319,408
Long leasehold	6,510	6,510
TOTAL	**313,995**	**325,918**

11. Inventories

Year ended 31 March 2017	**Drugs £000**	**Consumables £000**	**Energy £000**	**Totals £000**
Carrying value at 1 April 2016	3,637	7,723	82	11,442
Additions	47,804	49,011	59	96,874
Consumed – recognised in expenses	(47,933)	(48,183)	(15)	(96,131)
Carrying value at 31 March 2017	3,508	8,551	126	12,185

Year ended 31 March 2016	**Drugs £000**	**Consumables £000**	**Energy £000**	**Totals £000**
Carrying value at 1 April 2015	4,083	7,882	122	12,087
Additions	46,276	44,695	27	90,998
Consumed – recognised in expenses	(46,722)	(44,854)	(67)	(91,643)
Carrying value at 31 March 2016	3,637	7,723	82	11,442

12. Trade and other receivables

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Current:		
NHS receivables	18,548	16,418
Other receivables	8,953	6,013
Provision for impaired receivables	(4,718)	(4,375)
PDC Dividend receivable	401	-
Prepayments	3,702	1,965
Accrued income	9,160	4,206
Total current:	**36,046**	**24,227**
Non current:		
Other receivable	1,050	1,050

The non-current receivable relates to the sale of the Old Building and not due before March 2018.

12. Trade and other receivables (continued)

Provision for irrecoverable debts (impairment of receivables):	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Balance at start of year	**4,375**	**5,815**
Utilised in year	(52)	(295)
Movement in provision balance	395	(1,145)
Balance at end of year	**4,718**	**4,375**

Ageing of impaired receivables	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
By up to three months	10,780	10,822
By three to six months	1,803	1,602
By more than six months	4,130	3,063
Total	**16,713**	**15,487**

13. Other assets

13.1 Other financial assets

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Loans and receivables	104	104
Total	**104**	**104**

This relates to a section 106 deposit paid to Bristol City Council.

13.2 Assets held for sale

There were no assets held for sale during 2016/17. The movement for 2015/16 is below.

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Total £000
Net book value at 1 April 2015	371	719	-	1,090
Assets classified as available for sale in the year	1,570	1,955	-	3,525
Assets sold in year	(1,941)	(2,674)	-	(4,615)
Net book value at 31 March 2016	**-**	**-**	**-**	**-**

14. Trade and other payables

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Current amounts:		
NHS payables – revenue	9,033	7,251
Amounts due to related parties – revenue	4,943	4,701
Other payables – revenue	15,491	10,859
Capital payables	2,592	3,786
Tax and social security	7,629	6,719
Accruals	26,169	34,989
PDC dividend payable	-	67
TOTAL	**65,857**	**68,372**

Non-current amounts:
There are no non-current trade and other payables in either year.

Outstanding pension contributions of £4.941m (2016: £4.699m) to the NHS Pension scheme and £0.002m (2016: £0.002m) for National Employment Savings trust (NEST) local pensions are included in amounts due to related parties. PAYE of £3.552m (2015: £3.463m) and £4.077m National Insurance (2015: £3.256m) are included in tax and social security.

15. Other liabilities

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Current liabilities:		
Deferred income – goods and services	4,576	4,568
Total	**4,576**	**4,568**

16. Borrowings

16.1 Current borrowings:

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Capital loans from Department of Health	5,834	5,834
Finance lease obligations	326	300
Total	**6,160**	**6,134**

16.2 Non-current borrowings:

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Capital loans from Department of Health	76,260	82,095
Finance lease obligations	4,653	4,980
Total	**80,913**	**87,075**

16.3 Finance lease obligations

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Payable:		
Before one year	593	594
Between one and five years	2,303	2,322
After five years	3,690	4,265
Sub-total	**6,586**	**7,181**
Less finance charges allocated to future years	(1,607)	(1,901)
Net obligation	**4,979**	**5,280**

The finance lease arrangement relates to buildings comprising the Education Centre which will expire in September 2028 and catering equipment which is being leased until 2018.

16.4 Net finance lease obligations

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Payable:		
Before one year	326	300
Between one and five years	1,479	1,401
After five years	3,174	3,579
Net obligation	**4,979**	**5,280**

16.5 Finance lease commitments

There are no finance lease commitments at 31 March 2017 (31 March 2016 £nil.)

17. Provisions for liabilities and charges

17.1 Provision for legal claims:

	Legal Claims £000
At 1 April 2016	346
Arising during the year	106
Utilised during the year	(78)
Reversed unused	(87)
Unwinding of discount	-
At 31 March 2017	**287**
At 1 April 2015	353
Arising during the year	126
Utilised during the year	(92)
Reversed unused	(43)
Unwinding of discount	2
At 31 March 2016	**346**

The expected timing of any resulting outflows of economic benefits is set out below:

	Legal Claims

Timing of economic outflow	£000
Before one year	191
Between one and five years	96
After five years	-
Total	**287**

The provision for legal claims at 31 March 2017 includes the following:

a) Provision for staff injuries
A staff injuries provision of £0.127m, (2016: £0.157m) in respect of staff injury allowances payable to the NHS Business Services Authority (Pensions Division).

b) Provision for liabilities to third parties
A provisions for liabilities to third parties of £0.160m (2016: £0.189m) representing the excess payable by the Trust, under the NHS Litigation Authority (NHSLA) Liabilities to Third Parties Scheme.

There are no other provisions.

17.2 Clinical negligence

The NHS Litigation Authority has included a £198.009m provision in its accounts (2016: £152.444m) in respect of clinical negligence liabilities of the Trust.

18. Cash and cash equivalents

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Cash with the government banking service	65,273	73,546
Commercial bank and cash in hand	168	465
Total cash and cash equivalents	**65,441**	**74,011**

19. Capital commitments

There are no commitments under capital expenditure contracts at 31 March 2017 which exceed £1m (2016: £5.054m).

20. Post-Statement of Financial Position (SoFP) events

There are no post-Statement of Financial Position events.

21. Contingencies

21.1 Contingent assets

The Trust has no contingent assets at 31 March 2017 (2016: £nil).

21.2 Contingent liabilities

Contingent liabilities at 31 March 2017 comprise:

Equal pay claims

The NHS Litigation Authority is co-ordinating a national approach to the litigation of equal pay claims and is providing advice to the Trust. The likely outcome of these claims and hence the Trust's financial liability, if any, cannot be determined until these claims are resolved. There have been no claims made to the Trust.

Other contingencies

The Trust has contingent liabilities in relation to any new claims that may arise from past events under the NHS Litigation Authority's "Liability to Third Parties" and "Property Expenses" schemes. The contingent liability will be limited to the Trust's excess for each new claim.

22. Related party transactions

The University Hospitals Bristol NHS Foundation Trust is a Public Benefit Corporation authorised under the National Health Service Act 2006.

During the year, none of the Board members or members of the key management staff of the Trust, or parties related to them has undertaken any material transactions with the Trust. Board members have declared interests in a number of bodies. Material transactions between the Trust and these bodies are shown below.

All bodies within the scope of Whole of Government Accounting are related parties to the Trust. This includes the Department of Health and its associated departments. Such bodies where income or expenditure, or outstanding balances as at 31 March, exceeded £500,000 are listed below.

Related parties arising from Trust Board members:

	31 March 2017 (£m)		31 March 2016 (£m)		2016/17 (£m)		2015/16 (£m)	
	Receivables	Payables	Receivables	Payables	Income	Expenditure	Income	Expenditure
University of Bristol	0.26	1.48	0.21	1.31	1.98	8.95	1.99	8.38
West of England Academic Health Sciences Network					0.02		0.08	0.15
University of Bath							0.10	
Bristol Cultural Development Partnership Limited								0.01
Care Quality Commission						0.22		0.13
Above and Beyond Charity	See notes below							
Health Education England	See WGA table below							
Ministry of Defence	See WGA table below							

Related parties within the scope of Whole of Government Accounting:

	31 March 2017 (£m)		31 March 2016 (£m)		2016/17 (£m)		2015/16 (£m)	
	Receivables	Payables	Receivables	Payables	Income	Expenditure	Income	Expenditure
Avon and Wiltshire Mental Health Partnership NHS Trust					0.63	1.14	0.51	0.97
Bristol City Council					3.85		3.66	2.28
Community Health Partnerships		1.86				4.52		3.87
Department of Health	0.56	0.21		0.87	21.21	0.15	21.89	
Department of Work and Pensions							0.68	
Gloucestershire Hospitals NHS FT						3.04		2.86
Great Western Hospitals NHS FT						0.62		0.69
Health Education England					34.49		36.38	
HM Revenue and Customs	0.77	7.63		6.72		26.84		20.77
NHS Bath and North East Somerset CCG					9.16		8.78	
NHS Blood and Transplant		0.97				5.67		5.32
NHS Bristol CCG	2.57	1.56	1.28	2.01	156.60		151.5	
NHS Dorset							0.55	

	31 March 2017 (£m)		31 March 2016 (£m)		2016/17 (£m)		2015/16 (£m)	
	Receivables	Payables	Receivables	Payables	Income	Expenditure	Income	Expenditure
NHS England - Core	5.01				13.88		0.74	
NHS England - South Central Local Office					2.30		2.21	
NHS England - South West Commissioning Hub	4.48		8.48		221.76		214.69	
NHS England - South West Local Office	3.45			0.82	19.47		13.36	
NHS England - Wessex Commissioning Hub			1.23		4.59		7.88	
NHS Gloucestershire CCG					4.44		4.53	
NHS Kernow CCG					1.09		1.24	
NHS Litigation Authority						6.40		5.53
NHS North Somerset CCG	0.75				42.84		39.91	
NHS North, East, West Devon CCG					1.75		1.67	
NHS Pension Scheme		4.94				34.56		33.27
NHS Somerset CCG	0.55				8.93		7.99	
NHS South Devon and Torbay CCG					0.63		0.56	
NHS South Gloucestershire	0.73				31.57		28.95	
NHS Swindon CCG					0.92		0.94	
NHS Wiltshire CCG					4.34		4.07	
North Bristol NHS Trust	4.00	4.82	3.77	4.34	6.09	12.55	5.92	9.73
Northern Health and Social Care Trust (N. Ireland)					0.56		0.70	
Public Health England (PHE)						3.13	1.31	3.28
Royal Devon and Exeter Foundation Trust						1.15		1.10
Royal United Hospital Bath NHS Foundation Trust					0.85	1.60	0.54	1.65
South Gloucestershire Council					0.86		0.79	
Welsh Assembly Government					9.47		8.60	
Welsh Health Bodies – Aneurin Bevan Local Health Board					0.61			
Welsh Health Bodies - Cardiff and Vale University Local Health Board								2.20
Weston Area Health NHS Trust	0.93		0.67		2.91	0.90	2.86	0.98

In addition the Trust pays HM Revenue and Customs tax and national insurance on behalf of employees which totaled £63.12m in 2016/17 (£58.99m in 2015/16). The Trust also pays the NHS Pension Scheme for employees' contributions which totaled £23.47m in 2016/17 (£22.63m in 2015/16).

The Trust also has transactions with charitable bodies including Above and Beyond which is the official charity for all hospitals within the Trust and the Grand Appeal which is the Bristol Children's Hospital Charity . These are as follows:

	31 March 2017 (£m)		31 March 2016 (£m)		2016/17 (£m)		2015/16 (£m)	
	Receivables	Payables	Receivables	Payables	Income	Expenditure	Income	Expenditure
Above and Beyond	1.00		0.06		3.90	0.29	2.24	0.29
Grand Appeal	0.01				0.14	0.01	0.42	

23. Private Finance Initiative (PFI) transactions

At 31 March 2017 the Trust has no PFI schemes (2016: none).

24. Financial Instruments

24.1 Financial assets by currency

The Trust has negligible foreign currency transactions or balances.

24.2 Financial assets by category

Per Statement of Financial Position	31 March 2017 £000	31 March 2016 £000
Loans and receivables:		
Trade and other receivables	31,171	23,134
Other financial assets	104	104
Cash and cash equivalents	65,441	74,011
Total	**96,716**	**97,249**

Loans and receivables are held at amortised cost.

Financial liabilities per Statement of Financial Position	31 March 2017 £000	31 March 2016 £000
Other financial liabilities:		
Trade and other payables	58,228	61,586
Borrowings	82,094	87,929
Finance lease obligations	4,979	5,280
Total	**145,301**	**154,795**

Financial liabilities are held at amortised cost.

24.3 Fair values

At 31 March 2017 and 31 March 2016 there was no significant difference between the fair value and the carrying value of the Trust's financial assets and liabilities which are all classified as current assets.

24.4 Maturity of financial assets

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Less than one year	95,666	96,199
In more than one year but not more than two years	1,050	1,050
Total	**96,716**	**97,249**

At 31 March 2017 all financial assets were due within one year with the exception of outstanding funds in relation to the sale of the Old Building which has been classified as a non-current receivable in note 12.

24.5 Maturity of financial liabilities

	Year ended 31 March 2017 £000	Year ended 31 March 2016 £000
Less than one year	64,388	67,721
In more than one year but not more than two years	6,170	6,160
In more than two years but not more than five years	18,646	18,577
In more than five years	56,097	62,337
Total	**145,301**	**154,795**

25. Third party assets

At 31 March 2017 the Trust held £nil (2016: £nil) cash and cash equivalents relating to third parties.

26. Intra-government balances

At 31 March 2017	Receivables: current £000	Payables: current £000	Borrowing: current £000	Borrowing: non- current £000
Foundation Trusts and NHS Trusts	7,370	6,618	-	-
Department of Health	556	1,001	5,834	76,260
NHS England & Clinical Commissioning Groups	18,914	2,519	-	-
NHS WGA bodies	548	3,002	-	-
TOTAL NHS	**27,388**	**13,140**	**5,834**	**76,260**
Other WGA bodies	2,729	13,820	-	-
TOTAL at 31 March 2017	**30,117**	**26,960**	**5,834**	**76,260**

At 31 March 2016	Receivables: current £000	Payables: current £000	Borrowing: current £000	Borrowing: non- current £000
Foundation Trusts and NHS Trusts	6,060	5,738	-	-
Department of Health	197	937	5,834	82,095
NHS England & Clinical Commissioning Groups	13,184	3,230	-	-
NHS WGA bodies	560	900	-	-
TOTAL NHS	**20,001**	**10,805**	**5,834**	**82,095**
Other WGA bodies	524	11,984	-	-
TOTAL at 31 March 2016	**20,525**	**22,789**	**5,834**	**82,095**

There are no non-current receivables or payables for intra government bodies in either year.

27. Losses and special payments

Losses and special payments were made during the year as follows:

	2016/17		2015/16	
	Number	£000	Number	£000
Cash losses	28	9	35	47
Fruitless payments	-	-	1	-
Bad debts and claims abandoned	93	55	223	248
Stores losses inc. damage to buildings	1	129	2	41
Ex gratia payments	54	9	88	12
Special severance payments	-	-	-	-
Total	**176**	**202**	**349**	**348**

The amounts reported are prepared on an accruals basis and exclude provisions for future losses.

Notes to the Accounts

Statement of the Chief Executive's responsibilities as the Accounting Officer of University Hospitals Bristol NHS Foundation Trust

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

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

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

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

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

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

Signed .....

Robert Woolley, Chief Executive **Date: 26 May 2017**

Appendix E

Independent auditors' report to the Council of Governors of University Hospitals Bristol NHS Foundation Trust

Report on the financial statements

4.8 Our opinion

In our opinion, University Hospitals Bristol NHS Foundation Trust's ("the Trust") financial statements (the "financial statements"):

- give a true and fair view of the state of the Trust's affairs as at 31 March 2017 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the Department of Health Group Accounting Manual 2016/17.

4.9 What we have audited

The financial statements comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Cash Flows for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Accounts 2016/17 (the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is the Department of Health Group Accounting Manual 2016/17.

4.10 Our audit approach

Context

Our audit for the year ended 31 March 2017 was planned and executed having regard to the fact that the Trust's operations and financial stability were largely unchanged in nature from the previous year. In light of this, our approach to the audit in terms of scoping and areas of focus was largely unchanged.

Overview

- Overall materiality: £12.8m which represents 2% of total revenue.
- Our approach to the audit in terms of scoping and areas of focus was largely unchanged. The audit was conducted at the Trust's Headquarters in Bristol, which is where the Trust's finance function is based.
- Management override of control and fraud in revenue and expenditure recognition; and
- Valuation of property, plant and equipment.

The scope of our audit and our areas of focus

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice") and, International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the table below. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Area of focus	*How our audit addressed the area of focus*
Management override of control and fraud in income and expenditure recognition *See note 1 to the financial statements for the directors' disclosures of the related accounting policies, judgements and estimates relating to the recognition of income and expenditure.* We have focussed on this area as there is pressure on NHS bodies to meet or to exceed the financial targets set for them by regulators. In particular there is additional pressure this year because the achievement of the key financial target triggers additional payments from the Sustainability and Transformation Fund. As a result of the national pressures there is an incentive for management to manipulate the timing of recognition of both revenue and expenditure to defer costs to 2016/17 and to recognise revenue incurred in respect	*Income* For CCGs and NHS England income we confirmed the value of debtors from these bodies to NHS Improvement (Monitor)'s mismatch reports, which provides the amounts recorded by NHS bodies as debtors and the corresponding creditors with NHS counterparties, to agree that the amounts matched. Differences were identified and amounts were traced to supporting documentation. We developed an independent estimate of the month 12 income and compared this to the directors' estimate. We compared the directors' estimates in prior years with the actual figures for month 12 in those prior years to determine whether the directors' estimates were consistent with actual results. The levels of payment adjustment for the final 'true up' historically

Area of focus	How our audit addressed the area of focus
of 2016/17 in these financial statements. *Income* The Trust's principal source of income was from Clinical Commissioning Groups ("CCGs") and NHS England, which together accounted for almost 80% of income during the year. Contracts are renegotiated annually and consist of standard monthly instalments, based on contract values. The payments are 'trued up' on a quarterly basis to reflect the actual activity of the Trust. . The value of the year end 'true up' is subject to judgement by the directors as actual validated activity levels which form the basis of income are not available for March ("month 12") at the time of preparation of the accounts and the completion of the audit. A further 'true up' occurs later in the year when actual month 12 activity figures are known and validated. The Trust's next largest sources of income include research and development income and education and training income (see note 4.1 to the accounts). These balances include multi-year contracts, where income is recognised in line with delivery of the contract or once performance criteria are satisfied. Because of the size of these sources of income and the incentives to manipulate income recognition, these sources of income are an area of focus. *Expenditure* Our work on expenditure focussed on the areas most susceptible to manipulation in order to increase the Trust's reported surplus. These were primarily unrecorded liabilities and journals transactions, which could be used to impact upon the surplus reported by the Trust.	have been immaterial and accounted for in the following year's financial statements, which provides additional comfort over the accuracy of management's estimation process. On the basis of this work we are satisfied that the estimate is not materially misstated. We tested a sample of income transactions and traced these to invoices or correspondence from commissioners and other bodies and used our knowledge and experience of the industry to determine whether the income was recognised in the correct period. We also read the terms and conditions for a sample of research and development and education and training contracts and agreed the value of income recognised in the year under these contracts. Our work did not identify any transactions or contracts that were indicative of manipulation in the timing of the recognition of income. We also obtained and read contract variations with commissioners and considered their terms to ensure that income was recognised in the correct period. *Expenditure* We selected a sample of payments made by the Trust and invoices received from the period following the end of the financial year and traced these to supporting documentation and agreed that the expenditure had been recognised in accordance with the Trust's accounting policies and in the correct accounting period. We tested a sample of accruals at the year end and traced them to supporting documentation and agreed that they has been appropriately accounted for in accordance with the Trust's accounting policies. Our work did not identify any transactions that were indicative of manipulation in the timing of the recognition of expenditure. *Journals* We selected a sample of journal transactions that had been recognised in either income or expenditure. We tested journals throughout the year, tracing them to supporting documentation to check that their impact on the income statement was appropriate. Our work did not identify any issues. Our work did not identify any transactions that were indicative of fraud in the recognition of income or expenditure, in particular to overstate income or understate expenditure.
Valuation of property, plant and equipment *Management's accounting policies, key judgements and use of experts relating to the valuation of the Trust's estate are disclosed in note 1 to the financial statements.* *The Trust is regularly required to revalue its estate in line with Monitor's Annual Reporting Manual.* Property, plant and equipment ("PPE") represents the largest asset balance in the Trust's statement of financial position, with a value of £368.464m. The Trust reassesses the value of its land and buildings each	We confirmed that the valuer engaged by the Trust to perform the valuations had relevant professional qualifications and was a member of the Royal Institute of Chartered Surveyors (RICS). We obtained and read the relevant sections of the valuation performed by the Trust's valuer. Using our own valuations expertise, we determined that the methodology and assumptions applied by the valuer were consistent with the market practice in the valuation of hospital buildings. The value of the Trust's specialised operational properties in the financial

Area of focus	How our audit addressed the area of focus
year, which involves applying a range of assumptions and the use of external expertise. The value of land and buildings at 31 March 2017 is £313.995m (see note 10 to the financial statements). We focussed on this area because the value of the properties and the related movements in their fair values recognised in the financial statements are material. Additionally, the value of properties included in the financial statements is dependent on the reliability of the valuations obtained by the Trust, which are themselves dependent on: - the accuracy of the underlying data provided to the valuer by the directors and used in the valuation; - assumptions made by the directors, including the likely location of a "modern equivalent asset"; and - the selection and application of the valuation methodology applied by the valuer, including assumptions relating to build costs and the estimated useful life of the buildings.	statements is based upon the modern equivalent asset being based in Bristol city centre and the land is, therefore, valued accordingly. The Trust could, however, have chosen to base the valuation on a location outside of the city centre, which would have impacted the land value. We engaged our internal valuation expertise to consider these assumptions made by the Trust. We consider the approach taken to be an acceptable basis for valuation. We confirmed the accuracy of the information provided by the Trust to the external valuer by: • checking and finding that the portfolio of properties included in the valuation was consistent with the Trust's fixed asset register, which we had audited; and • agreeing a sample of the gross internal areas used by the valuer to floor plans for the properties valued. We agreed that the values provided to the Trust by the valuer had been correctly included in the financial statements and that valuation movements were accounted for correctly and in accordance with the Trust's accounting policies.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Trust, the accounting processes and controls, and the environment in which the Trust operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£12.8m (2016: £12.2m).
How we determined it	2% of revenue (2016: 2% of revenue)
Rationale for benchmark applied	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £250,000 (2016: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

5. Other reporting

Opinions on other matters prescribed by the Code of Audit Practice

In our opinion:

- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the parts of the Remuneration and Staff Reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2016/17.

5.1 Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017. We have nothing to report as a result of this requirement.

5.2 Other matters on which we report by exception

We are required to report to you if:

- information in the Annual Report is:
  - materially inconsistent with the information in the audited financial statements; or
  - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Trust acquired in the course of performing our audit; or
  - otherwise misleading.
- the statement given by the directors on page 30, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Trust's performance, business model and strategy is materially inconsistent with our knowledge of the Trust acquired in the course of performing our audit.
- the section of the Annual Report on page 72, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2016/17 or is mis leading or inconsistent with our knowledge acquired in the course of performing our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.
- we have referred a matter to Monitor under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.
- we have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.

We have no matters to report in relation to these responsibilities.

6. Respective responsibilities of the Directors and the Auditor

As explained more fully in the Accountability Report the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the Department of Health Group Accounting Manual 2016/17.

Our responsibility is to audit and express an opinion on the financial statements in accordance with the National Health Service Act 2006, the Code of Audit Practice, and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. We are required under Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice. Based our on risk assessment, we undertook such work as we considered necessary.

This report, including the opinions, has been prepared for and only for the Council of Governors of University Hospitals Bristol NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

6.1 What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

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

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code of Audit Practice.

Lynn Pamment (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
26 May 2017

(a) The maintenance and integrity of the University Hospitals Bristol NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.