Bradford Teaching Hospitals NHS
NHS Foundation Trust

Annual Report and Accounts 2009/10

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

Bradford Teaching Hospitals NHS Foundation Trust

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Chairman and Chief Executive's Welcome

It has been yet another successful year at the Foundation Trust, thanks to the enormous hard work of all our staff, volunteers and members.

We have built on the progress made in previous years, ensuring that our hospitals stay at the very forefront of excellence in patient care.

In the fast-moving world of healthcare, our aim is to keep pace with the latest improvements and innovations for the benefit of the community we serve.

By drawing upon the pool of talent that exists among our staff, volunteers and members, we are well-placed to meet such a challenge. As testified by the pages that follow, the past year has created a strong platform on which to continue to move forward – always changing; always improving.

In summary, it was a year in which more of our patients were treated more quickly, and more safely, in more modern facilities.

The year witnessed an unprecedented demand for acute services with adverse winter weather and the swine flu pandemic. Despite this, the Foundation Trust continued to achieve all its key targets. We were able to meet these challenges thanks to the efforts of staff and our successful planning and implementation of winter and business continuity plans.

Our staff flu vaccination campaign was hugely successful in 2009/10. The uptake for staff swine flu vaccinations was 58% and the second highest in the Yorkshire and Humber region. Our staff seasonal flu uptake was 30%, an increase of 14% on the previous year.

Throughout the year we have continued to meet the overall target to treat all our patients within 18 weeks of referral. We have achieved this in parallel to delivering a range of other key performance targets.

Central to these has been the work carried out by everyone connected with the Foundation Trust in driving down healthcare associated infections - which remains a key focus for all of us. As a direct result, incidences of MRSA bacteraemia (from 21 cases in 2008/09 to 8 cases in 2009/10) and *Clostridium difficile* (from 154 cases in 2008/09 to 99 cases in 2009/10) have continued to fall.

This year we were delighted that the Foundation Trust was included in the first wave of NHS Trusts awarded full registration – without any conditions - by the Care Quality Commission (CQC), the health and social care regulator for England which was launched on April 1, 2009.

In its first year of publishing its Annual Health Check ratings, the CQC awarded the Foundation Trust "excellent" for the use of resources and "good" for the quality of services. The ratings are important because they give a detailed picture of how we are making progress on issues that matter most to patients, such as infection control, waiting times and access to services. Previously the Foundation Trust had been rated "good" in both areas, so congratulations to everyone who worked so hard to ensure we received an "excellent" rating this time round.

Our approach to improving public health has also been singled out for praise in a national report. The work of the Foundation Trust in protecting and promoting the community's health was described as "best practice" and we were one of just four hospital trusts nationwide showcased in "Steppin Up", a new report published by the Faculty of Public Health, the leading professional body for public health specialists in the UK.

The hospital healthcare team from clinical governance has worked hard to enhance the safety of our patients through participation in the Safer Patients Initiative (SPI) and were finalists in the annual Health Service Journal Awards.

The SPI scheme has been a great success and we used it as a platform for taking forward other work we were doing to make our hospitals safer. Recently we launched our own patient safety initiative – The SAFE! Campaign - which will run throughout 2010/11 and improve the care of acutely unwell patients.

The campaign's goals are to ensure that we stay on the leading edge of patient safety and quality care. By the end of the year, we hope to have improved patient safety even further, created and spread best practice, provided high quality care and created safer hospitals for our patients.

The independent Dr Foster good hospital guide this year named the Foundation Trust as having the second lowest mortality rate in the country. The guide also ranked Bradford Hospitals in the top 20 for patient safety after we achieved a patient safety banding of four out of five.

Overall, the Foundation Trust has achieved an 18% reduction in our mortality rate and a 43% fall in the average number of days that patients stay on ventilators, minimising the potential for patients to develop pneumonia.

These initiatives compliment a raft of other improvements to patient care that characterised 2009/10 as a year of success.

The modernisation of our hospital estate, particularly at Bradford Royal Infirmary, saw outdated and cramped accommodation replaced with modern, purpose-designed facilities.

As part of our commitment to capital programme works, our ward refurbishments have continued apace with the renovation of wards 6, 8, 11 and 14, amongst others. Partitions have been added to give patients greater privacy & single sex toilet and bathing facilities created. Over the past four years, we have updated our facilities for patients by modernising the remaining nightingale wards. We will build on this work in 2010/11, by making sure that the MAU (medical admissions unit) also meets single sex accommodation requirements.

Another flagship project was the opening of our £2.4m Listening for Life Centre by HRH Duke of Gloucester. Its state-of-the-art facilities will act as a focal point for the continuing development of the skills of our staff, and help maintain their position at the head of healthcare innovation in relation to cochlear implants.

Key service developments have included the opening of a new ultrasound unit at the Women's and Newborn Unit (formerly Maternity) at Bradford Royal Infirmary; the appointment of additional Consultants in a number of specialties; and the 550th patient to have their world of deafness opened up to new sounds after being fitted with a cochlear implant by our expert team.

Research – the lifeblood of high quality healthcare – has also reached unprecedented levels across the Foundation Trust, thanks to the establishment of the Bradford Institute of Health Research's (BIHR) raised profile on the national and international clinical stage.

Our grant income has increased to just over £3 million with 122 research publications, while BIHR has become the third biggest recruiter of patients to research studies in the country out of all UK hospitals.

Monitor, the Independent Regulator of NHS Foundation Trusts, has given us the highest possible 'green' rating in all four quarters of 2009/10 which is a marked increase on last year's performance. This is another signal of the improvements we are making and we are determined to maintain this rating as part of the ongoing assessment of our governance arrangements.

The Foundation Trust is working hard to minimise its impact on the environment. We have worked with the Carbon Trust and established a Carbon Management Programme to improve energy efficiency. We have also launched an awareness campaign around our hospitals to inform staff and the public about saving energy. These efforts appear to have reaped rewards as in 2009/10 we have reduced waste costs by £20,000; carbon emission have gone down 6%; the overall recycling rate has increased from 39% in 2008/09 to 41% in 2009/10; while significant energy saving schemes have proved successful including a de-steaming project at St Luke's.

The year-end coincided with the launch of the young people's website after having successfully signed up more than 13,000 young members. For more information please log on to: www.youngpeople.bradfordhospitals.nhs.uk. In total, Foundation Trust membership remains around 50,000 which is one of the biggest in the country. We are delighted to involve so many members of our community in the way their hospital services are shaped. Each member plays an important part in our future success.

For those of you who want more regular news and involvement, please visit www.bradfordhospitals.nhs.uk – or join around 50,000 other people with an interest in healthcare and become a member of our Foundation Trust.

David Richardson
Chairman

Miles Scott
Chief Executive

Board of Directors' Report

Bradford Teaching Hospitals NHS Foundation Trust is responsible for providing hospital services for the people of Bradford and, in a growing number of specialties, for communities across Yorkshire.

We became a Foundation Trust on April 1 2004 – among the very first in the NHS to do so - and employ just over 5,200 staff, serving a population of around 500,000.

We operate over two sites; the Bradford Royal Infirmary provides the majority of inpatient services, and St Luke's Hospital, which is centered around the modern Horton Wing, providing outpatient and rehabilitation services.

Bradford Royal Infirmary has 979 beds and is also home to one of the busiest A&E departments in the country, with more than 100,000 attendances each year. Its maternity unit is also one of the NHS's busiest, delivering more than 6,000 babies.

St Luke's Hospital has 119 beds and houses our renal dialysis unit.

As a teaching hospital, the Foundation Trust is at the forefront of research and development in healthcare. This promotes a culture of learning and professional development that ensures that all doctors, nurses and other healthcare professionals practice the highest clinical standards.

The Foundation Trust has an excellent record of meeting the national targets such as treatment within 18 weeks from referral, being seen within 4 hours in A&E and treating cancer.

The last few years has seen us being named as among the very safest hospitals in the NHS.

The Board of Directors is responsible for the day-to-day management of the Foundation Trust and the operational delivery of its services, targets and performance. The Board of Directors comprises the following members:

Chair

Mr David Richardson

Non-Executive Directors

Professor Grace Alderson *
Mr Chris Jelley
Mr John Bussey
Mr John Waterhouse
Mr Richard Bell
Professor David Cottrell (University of Leeds representative)

Executive Directors

Mr Miles Scott – Chief Executive

Mr Bryan Millar – Director of Finance
Ms Sally Ferguson – Chief Nurse
Dr Clive Kay – Medical Director
Dr Dean Johnson - Director of Planning and Performance

**Mrs Nadira Mirza was replaced by Professor Grace Alderson on 1st December 2009.*

Foundation Trusts were created under the Health and Social Care (Community Health and Standards) Act 2003 and are regulated by Monitor, the Independent Regulator of NHS Foundation Trusts. Therefore, we are not performance managed by our local Strategic Health Authority (SHA).

The Foundation Trust started 2009/10 with a number of significant financial risks, which have been managed effectively through the delivery of our financial position.

We have a corporate risk register that sets out potential risks about meeting our targets and objectives. Our Governance Committee regularly reviews this register.

The Foundation Trust works to be environmentally friendly where possible. We have worked with the Carbon Trust, established a Carbon Management Programme to improve energy efficiency and have taken part in an awareness campaign around our hospitals to inform staff and the public about saving energy.

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. Each director has taken all reasonable steps to make themselves aware of any relevant audit information, and to establish that the auditors are aware of this information. This includes making inquiries of fellow directors and the Foundation Trust's auditors for this purpose.

Statement of Compliance with the NHS Foundation Trust Code of Governance

The Foundation Trust is committed to high standards of corporate governance and meets all the main principles of the NHS Foundation Trust Code of Governance.

Monitor issued a Code of Governance for NHS Foundation Trusts in 2006 which set out recommendations for the Governance for each Foundation Trust, by a comply or explain ruling, this is now mandatory to declare within the publication of the Annual Report as from 20007/08.

At its March 2010 meeting, our Board of Directors once more formally reviewed the Code of Governance by Monitor to consider the Board's position regarding compliance to the principles of the Code.

The Board paper outlined the headings for disclosure to the Code, with the full description to support the evidence for compliance, and gave full details of the present system in place and the action required to support full compliance.

The Board of Directors can confirm that the Foundation Trust complies with the Code of Governance with the exception of the following two elements – each of which has a supporting explanation.

(i) Board of Governors policy for engagement with the Board of Directors

No formal policy of engagement has been established. The Foundation Trust has excellent, well-established working practices for those circumstances when the Board of Governors have concerns about the performance of the Board of Directors, compliance and terms of authorisation or welfare of the Foundation Trust.

(ii) Appointment of Executive Directors

Executive Directors hold permanent contracts in line with accepted NHS practice. They are not subject to a reappointment process at regular intervals.

Our Staff

Staff are our greatest asset. We employ just over 5,200 staff and have a diverse workforce with over 28% of staff from black and minority ethnic communities. A total of 77% of staff are female, and 23% are male. At March 2010, the gender breakdown of senior staff (those on band 8 and above, and all medical staff) was 50% female and 50% male.

The Foundation Trust does not discriminate against people on the grounds of age, disability, ethnicity, gender, religion and belief, and sexual orientation. We have policies in place and aim to give a fair opportunity to all applicants that apply for jobs alongside staff applying for promotion.

We have consulted on a number of policies over the last year to ensure they reflect current legislation and maintain our position at the forefront of best practice. This includes our Disciplinary Policy, Recruitment and Selection Policy, Redundancy and Redeployment Policy, Retirement Policy, Stress at Work Policy and Disciplinary, Ill-health and Appeals Policy and Procedure for Doctors and Dentists.

We have successfully met the requirement of the Investors in People standard. Assessors praised the Foundation Trust for having well-established consultation processes with staff

representatives. This ensures they feel they are appropriately consulted on matters that affect them and their membership, and there is a high level of engagement in planning processes.

We hold staff benefits days and events to recognise the achievements of our staff in terms of Team of the Year, Hospital "Oscars" and long service awards.

Operating and Financial Review

Enhancing Patient Care

The last 12 months have seen unprecedented levels of investment and we have carried out mass refurbishment of wards across the hospitals to help develop our services and continue to improve patient care.

The NHS Operating Framework for 2009/10 stated that we were to eliminate mixed sex accommodation as far as possible. We have delivered substantial and meaningful reductions in the number of patients who are now sharing sanitary or sleeping accommodation with members of the opposite sex. Continual modernisation of the BRI site has eliminated the hospital's remaining 'Nightingale' wards and we have replaced outdated accommodation and equipment with the very best we can offer.

Ward 8's refurbishment took seven weeks to complete and cost £175,750. Improvements included a new kitchen, flooring, ceilings, blinds, electric sockets, lighting, a brand new nurse call facility and single-sex washing and toilet facilities. New accessible radiator guards, which can be cleaned easily, will help in our fight to prevent infection.

Ward 11's improvements cost £275,000 and took 9 weeks to complete. Along with the work listed above, all the floors were replaced and two full height partitions were installed to split the main ward into three bays. Each bay now has it own washing & toilet facilities.

Ward 14's refurbishment took 12 weeks to complete and cost £400,000. The work was carried out in two phases – theatre 10 shut down for the first five weeks in order that work could be carried out around it – then construction workers moved on to phase two which involved transforming patient areas. Ward 14 was completely re-wired, new ceilings installed, new windows fitted and one room was transformed into a new disabled access wet room facility with a new shower, toilet and sink. Other improvements included a new kitchen, flooring, blinds, electric sockets, lighting and a brand new nurse call facility.

The refurbished wards are lighter, brighter and more modern and this has a very positive effect on staff, patients and visitors. The refurbishment has also given us the opportunity to streamline storage, making it easier for the cleaners to clean which all helps in the fight against infection.

A number of other actions have been taken to enhance patient care and ensure that patients are treated with privacy and dignity whilst receiving care at our hospitals. An 'Improving the Patient Experience Group' is overseeing a number of workstreams across the organisation and developing action plans to improve the experience of patients and enhance patient care.

Excellent progress has been made over the last 12 months by each of our Directorates in improving our capacity, modernising our hospital and improving our capabilities. A selection of key developments is outlined here:

Acute Surgery

Over the past year we have achieved the 18 week target across all specialities whilst realising an increase in demand, including the treatment of over 500 additional acute episodes.

In addition, we have made major advancements in innovation by being the first Trust in the region to offer new surgical techniques such as Strattice breast reconstruction (use of porcine regenerative muscle to enable immediate breast reconstruction) and Radio Frequency ablation of Varicose Veins, which offers patients the choice of a 3 day, rather than a 2 week, recovery.

Four of the surgical wards have been completely refurbished and upgraded. The renovation of the male and female surgical wards is part of our continuing modernisation of the BRI site and the elimination of the hospital's remaining Nightingale wards.

Additional achievements include the designation as an obesity surgery centre and a recognised provider of early rectal cancer surgery for the Yorkshire Cancer Network. Furthermore, the colorectal team have been recognised by the Department of Health for their skill and competence in laparoscopic surgery and the Foundation Trust has been designated one of ten National Colorectal Laparoscopic Training Centres.

The Acute Surgery Directorate boasts day case cholecystectomy rates of over 70% against a national average of 17%.

Anaesthesia

A huge amount of work has been completed this year in anaesthesia focussing upon the key three dimensions of Safety, Quality and Productivity. A complete skill mix review has been undertaken across all theatre staff groups to ensure theatres have a responsive, well structured and well trained workforce to deliver a high quality surgical service to patients.

We have installed a fully integrated laparoscopic operating theatre to drive quality, productivity and training in general surgery, alongside significant refurbishment of two theatre suits. This was done with a minimal impact upon surgical activity and no compromise on statutory waiting times. This capital improvement plan will ensure that by the end of 2010-11 all operating theatre suites in the Foundation Trust will have been renovated to the highest standards to ensure compliance with the hygiene code and to provide facilities fit for purpose.

During the year the Directorate opened an additional four high dependency beds to facilitate increasing numbers of tertiary cancer cases in General Surgery and Urology, alongside delivering an increased Bariatric Surgical contract. This development has also helped to significantly reduce cancellations due to no critical care bed.

Pre-assessment surgery clinics have successfully introduced MRSA screening for all elective surgical admissions to contribute to the focus upon reducing MRSA blood stream

infections. During the year we have also developed and implemented Consultant led pre-operative assessment for patients undergoing the most complex surgery and those who have underlying co-morbidities that make surgery more risky. This development will improve surgical outcomes and ensure a high quality of care for the most critically ill surgical patients in the Foundation Trust.

Critical Care have worked tirelessly to ensure they have now not had an MRSA blood stream infection for more than 500 days and have achieved the stringent target set for C-Diff infections. This has been achieved in the context of being one of the busiest units in the West Yorkshire Critical Care Network.

During the summer staff from Critical Care worked regionally to ensure the necessary work was completed to put in place a robust plan to increase capacity in the face of a potential swine flu pandemic. We were able to demonstrate we could increase Critical Care Level 3 facilities by 220% if required, giving the population of Bradford significant assurance in the face of worrying developments internationally.

Finally the Directorate has delivered increased theatre productivity, lowered rates of infection, improved appraisal rates for staff and delivered a balanced financial position, making it the most successful year to date for the Directorate of Anaesthesia.

Cancer Services

In order to significantly improve the patient experience we have planned the increased clinic capacity and performance management necessary to support specialised and nurse led clinics in haematology and oncology. There has been a 60% consultant expansion in cancer over the past three years to address the increasing complexity and sub-specialisation required, together with the development of integrated services with Airedale Hospital. Outpatient activity has increased significantly during this time and the planned refurbishment of Outpatients West has been carried out within 2009/10.

The new facility will maximise quality and safety of care for patients; provide facilities that are modern and fit for purpose; allow the provision of specialist and nurse led clinics in both haematology and medical oncology; involve clinical trials research staff in clinic and improve the skills and knowledge base of a dedicated nursing team.

To build on our success in achieving waiting time targets and allow us to meet new cancer targets we have made a range of improvements. A cancer clinical information system called PPM (Patient Pathway Manager) has been implemented. This analyses and tracks cancer waiting times and will, in the future, link and integrate with ADT, radiology and pathology.

A multi-disciplinary support team (MDT) collect data for the national cancer audits in lung, colorectal, specialist upper gastrointestinal and head and neck cancer. The reports are used by the MDTs as part of their service development programmes.

We have advanced integration of the medical oncology team across Bradford and Airedale, with joint research, clinical governance and chemotherapy groups.

Following guidance from the national Chemotherapy Advisory Group, we are developing an Acute Cancer Service to address the needs of all known cancer patients and patients with potential cancers presenting acutely to hospital. This involves a multidisciplinary approach including specialists from A&E, acute medicine and surgery, oncology and palliative care. A key aim is to avoid unnecessary admissions through the provision of access to fast track clinics in the relevant specialty.

In response to national guidance published by the National Chemotherapy Advisory Group (NCAG) we have established a joint chemotherapy group with Airedale NHS Trust to work on developing best practice through joint policies, protocols and an annual audit programme.

The new National Cancer Peer Review Programme was launched in October 2009 and in 2009/2010, self assessment was carried out by the breast, lung and specialist upper gastrointestinal multidisciplinary teams against their specific quality measures. The breast and lung MDT were subject to targeted external verification by the Cancer Peer Review Zonal team. The external verification found good practice across all multidisciplinary teams and that levels of care were given in line with recognised guidelines, with information being collected to inform clinical decision making, audit and clinical governance.

Research and participation in clinical trials is closely integrated with the delivery of cancer care to patients and we have put significant effort into developing the infrastructure and support to clinical teams during 2009/2010. As a result, the number of patients recruited into haematology trials has increased from 28 to 47 in the past year and oncology have received £215k to appoint research staff to extend their clinical trials in breast and urology.

We have secured funding for two senior nurses to be seconded into the Specialist Palliative Care team and Hospice for 6 months each (consecutively). This will spread excellence in end of life care in non-cancer areas.

Head and Neck

HRH the Duke of Gloucester officially opened the £2.4 million Listening for Life Centre at Bradford Royal Infirmary. The opening of the hi-tech facility came as the Yorkshire Cochlear Implant Service celebrated fitting its 550th cochlear implant. The new centre uses the latest equipment to improve the diagnosis, rehabilitation and education of its implant patients.

Surgical expertise has been expanded with the appointment of an additional part-time consultant orthodontist and a consultant maxillofacial surgeon.

Our peri operative review has resulted in some successful initiatives, including theatre transfer teams, additional plastic hand trauma lists and anaesthetic-led pre-assessments. We have seen increased activity levels on head and neck theatre lists and improved staff satisfaction on head and neck surgical wards.

Imaging

Patient care was enhanced by the replacement of outdated equipment with more modern alternatives. In our capital replacement programme we replaced 3 outdated ultrasound machines and an Image Intensifier for theatres, we also placed an order for a replacement MRI scanner.

Bone dexa scanning has relocated to a purpose-built suite in St. Luke's Hospital, which includes patient waiting and patient interview facilities which were not available at Bradford Royal Infirmary. Other changes to the fabric of the Imaging Directorate include refurbished patient facilities in Medical Physics and main x-ray, including reception areas, patient waiting areas and patient toilets.

Clinical Engineering services have been overhauled completely with a revised staffing structure and relocation from Medical Physics. This move brings two disciplines of engineers together in one location and also frees up space for the development of a dedicated vascular OP department. The Clinical Engineering services have reviewed how they work and have implemented new systems and processes which have resulted in the backlog of maintenance and repairs being addressed.

In addition to the telephone booking (partial booking) service for radiology examinations we also now offer direct booking of radiology examinations for patients attending St. Luke's Hospital. Both developments have had a big impact on the number of DNA's (did not attend) and the overall DNA rate for all booked radiology examinations is less than 3%.

On-site PET-CT availability was increased to two days per week from one, we also recruited a new consultant radiologist to lead the service. A 24/7 interventional radiology on-call rota commenced in October 2009.

Waiting lists have reduced further throughout the year with the majority of our patients waiting less than 4 weeks. The recruitment of two breast radiologists and additional radiographic staff has enabled the Pennine Breast Screening Unit to meet NHS BSP (NHS Breast Screening Programme) key performance indicators.

Medicine

The year witnessed an unprecedented demand for acute services with adverse winter weather and the swine flu pandemic. Despite this we continued to achieve all key targets. We were able to meet this challenge thanks to the efforts of staff and our successful planning and implentation of winter and business continuity plans.

The acute medical bed-base was strengthened during the year with the addition of 24 acute medical beds on ward 6. This enabled Medicine to manage more of the acute medical patients witin its own bed base within 2009/10 and improved the quality and safety of care for these patients.

The department has been strengthened with the appointment of our third Neurologist, an additional full time GUM consultant and consultant posts in Rheumatology, Diabetes/Endocrinology and Respiratory Medicine.

We have continued development of our CPAP service, which uses state-of-the-art CPAP (continuous positive air pressure) machines to effectively treat patients with obstructive sleep apnoea.

We have implemented an Accident & Emergency Service Improvement Project, as part of our Corporate Improvement Portfolio. This involves redesigning the systems and processes within the department to facilitate safe and efficient patient care. Feedback from patients on this project has been excellent, it has reduced waiting times and improved patient experiences.

Our Accident and Emergency department is the first in the Yorkshire region to trial a revolutionary new test aimed at getting suspected heart attack patients diagnosed and treated more quickly. If the trial is successful our aim will be to treat and discharge most patients who need angioplasty after a heart attack within 72 hours of admission, helping us deliver a more effective and efficient system of care for our patients.

There has been ongoing refurbishment of the Dermatology department of St. Luke's to improve the environment of the patients and help reduce infection rates. The numbers of patients with MRSA and *Clostridium difficile* again significantly reduced during 2009/10 due to the improvements in the ward environment and the tremendous efforts of staff in embracing infection control procedures.

We have developed an e-consultation service to improve the management of chronic kidney disease in the community. This allows GPs to quickly share an electronic patient record with a consultant at the hospital and receive specialist renal assessment and advice on the ongoing management of the patient.

Orthopaedics

The Directorate has achieved and sustained the 18 week target despite the large demands on services and ongoing challenges. This has been founded on positive links with primary care and supported by shorter waiting times for outpatient and inpatient appointments.

Optimising and maximising bed usage helped to meet and sustain contracted activity through the winter pressures and greatly improved the income position for the Directorate. The Directorate's theatre utilisation and efficiency has vastly improved through proactive maximising of allocated lists. The Directorate has maintained an efficient throughput of trauma cases and delivered consistently high quality of care despite a particularly sharp increase in trauma admissions during the previous winter. Ongoing audits demonstrate that infection control and clinical care on the wards continue to improve.

The refurbishment for the Outpatients' Department was successfully completed and Shipley MP Philip Davies formally re-opened the new-look department. The refurbishment has delivered a modernised environment which positively enhanced patient experience, delivered staff satisfaction and increased the clinical working space to enable more efficient working. A positive commitment to staff appraisals and development has been maintained and this has created a supportive working environment as demonstrated by the improving staff satisfaction surveys.

A key role in being a major contributor to the Trust and the region's academic establishment has been enhanced. Papers and presentations for regional, national and international meetings and publications as well as vital involvement in the undergraduate and postgraduate programmes are among our achievements. This is complemented by significant ongoing research projects. The Directorate has achieved full compliance with the EWTD for medical trainees and this will build on the ongoing improvements for supervision, training and development.

Women and Children's

Over the past year the Directorate has achieved its 18 week and gynaecology cancer service waiting time targets. In addition, we have improved midwifery and staffing levels to increase the midwife-to-birth ratio and appointed a consultant midwife, a consultant neonatologist and a teenage pregnancy midwife.

The appointment of a SUDIC (sudden or unexpected death in childhood) administrator has strengthened the integration of this function within the Trust. We have continued progress with our safeguarding agenda, including the development of child protection procedures/protocols and the appointment of a dedicated safeguarding and child protection nurse.

Following feedback from patients the Maternity Unit was renamed "The Women's and Newborn Unit" and the Delivery Suite was renamed "The Labour Ward". Over 6,000 women visit the unit every year for a variety of health reasons and the names were changed to be more relevant to the conditions and people treated there.

The past 12 months also saw the development of a new £500,000 ultrasound suite in the maternity unit. Opened by the Secretary of State for Health, Andrew Lansley MP, the hi-tech suite - which brings together a range of scanning services under one roof for the very first time - will benefit thousands of pregnant women in the area.

Based in the Women's and Newborn Unit, the new facility includes a dedicated counselling room where patients with problems can be counselled in privacy and comfort. A staff room has also been provided with additional facilities to support training and development, with computers and a library area on hand to help extend specialist skills so that patient care benefits as a result.

The maternity information system, eClipse, which was originally used on the labour ward for recording clinical care at birth, has now been rolled out and utilised in other areas of maternity. It records patient care electronically during and after labour, equipping the Foundation Trust with better data, information and reduced paperwork.

The system has been piloted in the community, providing community midwife teams with the opportunity to collect information electronically and to have instant access to previous pregnancy records on eClipse and the hospital intranet. Eventually, community midwives will be able to access and record information about mothers and babies in real-time, while they are out in the community.

Safeguarding Children

We have strengthened our support to staff to ensure child protection remains a top priority for everyone. The Foundation Trust is compliant with the key recommendations of the Care Quality Commission's Safeguarding Review of Children (2009) and we meet the statutory requirements regarding Criminal Records Bureau (CRB) checks.

Child protection policies and systems are up to date and robust, including a process for following up children who miss outpatient appointments and a system for flagging children for whom there are safeguarding concerns.

In 2008/09 we launched a training strategy which clearly identified the level and frequency of training all staff required. Over the past 12 months all eligible staff have undertaken and are up to date with safeguarding training at level one, and know what constitutes child abuse and what to do when they are concerned that a child may be abused. The new e-learning for healthcare system and the National Learning Management (ESR) system offers additional resource for us to support this.

Improved and more frequent information has been produced to ensure all staff keep up-to-date with the latest developments in relation to the safeguarding of children, particularly between mandatory training sessions.

We have a board level Executive Director Lead for Safeguarding Children. The Board reviews safeguarding across the organisation at lease once a year and has audit programmes to assure it that safeguarding systems and processes are working.

Developing Our Health Research Role

The Bradford Institute for Health Research (BIHR) has now firmly established itself as a national and internationally recognised centre of excellence for health research.

Since its inception in 2006, when it formed a unique partnership between the primary and secondary care NHS Trusts in Bradford and Airedale and the universities of Bradford and Leeds, it has received more than £10m in external research grants, with £9 million of NIHR programme grants in the last two years.

Research grant income has increased to just over £3 million in 2009/10 with 122 research publications. We have become the third largest recruiter of patients to research studies in the country out of all UK hospitals.

One example of major grants received was that of £2m, over five years, for the UK's biggest study into patient safety. The pioneering research will see patients give direct feedback to health professionals to improve safety, with the experiences of those who have suffered clinical errors being used to train junior doctors across the country.

The ground-breaking Born in Bradford (BiB) study that will follow the lives of thousands of babies over the next 20 years has also experienced another successful year. Researchers' efforts to recruit a cohort of 10,000 babies arrived with the birth of Ambar Sodi who became the 10,000th BiB baby to be born since the project started signing up mums in March 2007. Ambar's birth marked a decision to continue the recruitment drive until 14,000 babies become part of the programme; the lives of whom will be tracked from womb to adulthood.

Another high-profile launch which occurred at BIHR was the announcement of a £2.25 million extension to its offices during a visit by the Secretary of State for Health, Andrew Lansley MP. Work is due to get underway soon on the new building which will house 70 health researchers.

Bradford Teaching Hospitals has also become the hub of a new NHS Yorkshire and the Humber group awarded £3 million to boost innovation and productivity. The Yorkshire and Humber Health Innovation & Education Cluster (HIEC) is the largest of 17 new nationally-funded initiatives that will combine the expertise of the NHS, universities and people who work in the private sector. This initiative will make Bradford Teaching Hospitals NHS Foundation Trust and the NHS in the Yorkshire and Humber region international leaders in the development and introduction of best practices and technologies in healthcare. The scheme will focus on patient safety, which will be led by BIHR's Professor John Wright, long term conditions and maternal and infant health.

Education and Training

As a teaching hospital, the Foundation Trust provides clinical placements for Leeds Medical School and a range of healthcare students from the University of Bradford. The education department also supports the educational needs of over 5,000 staff.

We are in the process of developing Field House as a state-of-the-art education centre. We have already invested significantly in developing the physical space which has

delivered an upgraded library and IT facility; an additional three teaching rooms, a 200-seat tiered lecture theatre and a laparoscopic training skills room.

Delivering quality education and training to all staff is a key corporate objective and improved facilities will help further strengthen our reputation as a nationally recognised centre of educational excellence.

The Foundation Trust has recently been recognised by the Department of Health as a national training centre for laparoscopic colorectal surgery. Two national training courses have been delivered through a state-of-the-art integrated operating theatre, video conferencing, tele-medicine and a laparoscopic skills laboratory.

As part of the national Patient Safety Initiative, Bradford and Airedale NHS organisations have worked collaboratively on introducing a range of clinical changes to improve patient safety. Skills training in a simulated environment with competence assessments have been a key element of this safety conscious environment. Lifelong learning and the need to regularly refresh clinical skills means a greater emphasis on this in the future.

Corporate Improvement Portfolio

The Foundation Trust has a dedicated Performance Improvement team to support services throughout the Trust to deliver measurable improvements in quality, safety and productivity through service redesign. The team also has an important role to play in instilling a culture of continuous improvement across all of our services.

The Performance Improvement team works within the Corporate Improvement Portfolio; a structured governance framework to support service improvement across the organisation, ensuring alignment with strategic objectives and providing resource for invest-to-save improvement schemes. The Corporate Improvement Portfolio is overseen by a Board, which includes the Executive Team.

Key improvement programmes under the banner of the Corporate Improvement Portfolio include Transforming Surgical Pathways, Workforce Productivity, Acute Care and Outpatients. The portfolio also includes projects such as Think Glucose, Clinically Led Improvement in Ophthalmology (CLIO) and the clinically led renal integrated performance dashboard.

Some of the following initiatives have been supported by the Performance Improvement team as part of the Corporate Improvement Portfolio:

- A redesigned central Outpatient Appointment Service and outpatient nursing structure to significantly improve patient experience and quality of service;
- Improved efficiency of patient journeys through theatres, including the implementation of dedicated transfer teams to help patients move through the system more easily;
- Development of a see and treat model in our Accident and Emergency department, resulting in significantly reduced waiting times for patients and improved staff and patient satisfaction with the service;
- Implementation of electronic documentation on our Surgical Assessment Unit to release staff time to care for patients and reduce the potential for error in communicating information;
- Development of information dashboards to support clinical and management teams to identify improvement opportunities in their areas;

- Improvement coaching to clinical teams undertaking the Training and Action for Patient Safety programme.

The Corporate Improvement Portfolio framework is also utilised to co-ordinate the Trust's £50 million cost improvement programme, with the Performance Improvement team supporting directorates to plan and deliver their cost improvement targets for the next three years.

Clinical Governance

The Clinical Governance Department provides a range of services that support continuous quality improvement within the Trust. The department supports the Trust in developing, implementing and reviewing excellence in clinical practice, ensuring that it is underpinned by a strong evidence base.

Patient-centred care needs are at the heart of our organisation, patients are kept well informed and given the opportunity to participate in their care. We work together with our NHS partners to provide quality assured services and drive forward continuous improvement.

A new model for clinical governance within the organisation was rolled out during the year. Led by the Medical Director, Dr Clive Kay, and Chief Nurse Sally Ferguson, this work is supported by Dr Robin Jeffrey, Deputy Medical Director (Clinical Governance) and Professor Derek Tuffnell, Deputy Medical Director (Clinical Risk Management).

In addition an important new board sub-committee on quality and safety was established under the chairmanship of Professor David Cottrell. The Quality and Safety Review Group was set up to ensure an integrated and co-ordinated approach to the management and development of quality and safety at a corporate level in the Foundation Trust.

These arrangements have considerably strengthened the governance of quality and safety within the organisation. Incident reporting continues to increase leading to specific improvements such as changes to consent procedures. At the same time evidence from the national staff survey suggests that our staff are increasingly confident that incident reporting and investigation are conducted fairly and effectively. The most significant output of this new approach is the establishment of the SAFE! Campaign to improve care for acutely ill and deteriorating patients.

Improving Patient Experience

One important way in which the quality of care is measured is the speed with which a patient has his or her treatment. We continue to meet all parts of the 18-week referral to treatment target – and are committed to maintaining, and where possible, improving our performance in this area during 2010/11.

As part of improving the patient experience, we are committed to improving the privacy and dignity of our patients wherever possible. As part of this, we have made excellent progress in our plans to eliminate mixed sex accommodation during the year.

We are proud to confirm that mixed sex accommodation has been virtually eliminated in our organisation. Patients who are admitted to any of our hospitals will only share the

room where they sleep with members of the same sex, and same sex toilets and bathrooms will be close to their bed area.

Sharing with members of the opposite sex will only happen by exception based on clinical need (for example where patients need specialist equipment or care such as in our intensive care unit, coronary care unit, high dependency or acute medical and surgical assessment units).

The Foundation Trust held an event in February 2010 to launch a new policy called *Dignity and Respect: Being Valued,* which coincided with the National Dignity Action Day. This policy outlines our commitment to providing high quality care for every patient at all times.

Dignity and Respect: Being Valued, underpins all elements of patient care and sets out how by working in partnership with individual patients their families and carers, we will ensure patients are treated with dignity and respect and their experience of our services are enhanced.

This policy reflects the pledges set out in the NHS Constitution and outlines the responsibility of staff in setting out specific principles of care. As part of improving the patient experience these include areas such individualised care planning, communicating with patients and carers, nutritional care, privacy and modesty and end-of-life care.

The quality of end-of-life care for patients who are terminally ill in our hospitals has again been improved. Our palliative care team took part in Dying Matters Awareness Week which encouraged members of the public to discuss their dying wishes with family, friends or carers.

The palliative care team have done much to raise the profile of end-of-life care for patients and ensure high quality end-of-life care is everyone's business within the organisation.

The Foundation Trust is a member of the Dying Matters Coalition which has been set up by The National Council for Palliative Care in response to The Department of Health's End of Life Care Strategy.

The Coalition's aim is to change knowledge, attitudes and behaviours towards death, dying and bereavement, and through this make 'living and dying well' the norm.

National and Local Challenges that Shape Our Future Planning

Our overall plans continue to be formulated within the context of national and local challenges. The drive towards improvement in quality and performance, whilst managing reduced growth in income, has led to a focus on inward investment in improvement in estate, productivity and performance. Robust cost improvement initiatives have been designed to help the organisation meet the financial challenges facing all public sector organisations.

Initiatives such as the establishment of the Corporate Improvement Board are aimed at positioning the organisation to deliver the requisite quality demanded from regulatory bodies, whilst maintaining performance improvement and programmes of cost savings.

We achieved unconditional full registration with the Care Quality Commission in March 2010.

Locally, commissioners are gearing up for a programme of world-class commissioning aligning with aspirations set out in Healthy Ambitions. This will be underpinned by their development of tendering capabilities aimed at achieving best value for money and improved quality.

We have responded accordingly by improving tender response processes and ensuring the proper resource is targeted at analysing and responding to relevant tenders.

The Department of Health announced its intentions for Transforming Community Services this year with the overall intention of integrating a significant proportion of community based services with Acute care organisations. This will present some challenges and opportunities to create smoother, more efficient pathways of care and improve our patients' experiences in the future.

There are recognised areas of high deprivation within the geographical locations covered by the Foundation Trust and this is likely to generate increased pressure on health services as the full impact of the recession plays out and unemployment rises.

Key relationships with Public Health colleagues will be utilised along with information analysis available through the recently established Public Health Observatory in order to understand and prepare for potential pressures on our services.

Modernising Our Facilities

We are determined to provide the most advanced healthcare in the most advanced facilities possible and, in addition to the projects outlined above, the transformation of our estate has continued during the last 12 months.

HRH Duke of Gloucester opened Bradford Royal Infirmary's new Listening for Life Centre. The launch of the hi-tech facility came as the Yorkshire Cochlear Implant Service, which serves patients from across the North of England, celebrated carrying out more than 550 implant operations. Built at a cost of £2.4 million, this purpose-designed building is a focal point for enhancing the skills and expertise of our staff. It will also play a key role in helping them keep pace with the fast-moving world of medicine and keep the service at the forefront of health care innovation.

The new £1.6 million Workplace Health and Wellbeing Centre at Bradford Royal Infirmary's Field House was officially opened by the government's Director for Health and Work, Professor Dame Carol Black. It is one of 11 new innovation sites around England to deliver improvements to NHS occupational health services and improve access to local businesses. The centre will also provide healthcare services, like hearing assessments and sickness absence referrals, to more than 10,000 employees both in the NHS and across a wide range of West Yorkshire industries, including more than 40 smaller companies. While a new mobile clinic – complete with hearing booth – will also provide services direct to the workplace.

The Secretary of State for Health, Andrew Lansley MP, opened the new £500,000 ultrasound unit at Bradford Royal Infirmary which brings a range of services – previously split between our two hospitals – to one site.

The facility, which is housed in the basement of the recently renamed Women's and Newborn Unit (formerly Maternity), includes a dedicated counselling room where patients

with problems can be counselled in privacy and comfort. A staff room has also been provided with additional facilities to support training and development, with computers and a library area on hand to help extend specialist skills so that patient care benefits as a result.

As part of the Trust's commitment to capital programme works, our ward refurbishment programme has continued apace with the refurbishments of wards 8, 11, 12, and 14. Partitions have been added to give patients greater privacy and single sex toilet and bathing facilities have been created. Over the past four years we have spent £1.8 million updating our facilities for patients by modernising some of the remaining nightingale wards. We will build on this work in 2010/11, by making sure that the MAU (medical admissions unit) also meets single sex accommodation requirements.

Handling Complaints

All complaints received by the Foundation Trust are dealt with through our complaints policy. The policy has been devised with reference to the Department of Health's "Guidance document, Listening Responding Improving: A guide to better customer care", the Statutory Instruments 2009 No. 309 "Reform of Complaints Handling in Health and Social Care" and the requirements of the NHSLA Risk Management Standards for Acute Trusts.

Training and awareness raising has been provided to support staff to respond to patients, service users, carers and visitors in a way that best suits their needs and wishes. The key emphasis in the new regulations is for local resolution and finding out what people want from the start of raising a concern and agree a way forward at the beginning of the process.

During the year, we had over a million patient contacts, with 340 formal complaints received. Thirteen requests have been received from the Parliamentary Health Service Ombudsman (PHSO) for further information relating to the complaint. The Ombudsman, having taken over from the Healthcare Commission, may request information from complaints prior to the actual financial year this Annual Report is referring to. Of these requests, seven have been reviewed by the PHSO who decided not to review any further. Three are awaiting a decision. One issue was resolved as an ex-gratia payment was made and the PHSO closed the case. One was referred back for local resolution through a meeting with complainant and one was a PALS issue going back to 2006, which the PHSO decided not to review any further.

The Foundation Trust acknowledged 93% of complaints within two working days.

Complaint information is fed back to the directorates on a quarterly and annual basis and also through the quarterly Complaints Steering Group which is chaired by a Non-Executive Director. Annually, a report is presented to the Board of Directors on Complaints and the Patient Advice and Liaison Service (PALS). The quarterly Complaints Steering Group monitors compliance with the management of complaints in line with the policy.

The complaints policy is currently being reviewed to improve the mechanism for dealing with complaints. These improvements include:

- Emphasis on early resolution of complaints when possible
- Review of the terms of reference for the Complaints Steering Group
- An annual audit and tool to measure compliance with the policy

- A more robust mechanism for sharing lessons learned from complaints
- More defined roles and responsibilities for staff involved in handling complaints
- Revised complainant questionnaire to provide quantitative data of satisfaction rates by complainants.

Quality Report

Statement on Quality

The quality of care we provide is one of our greatest assets and also one of our most important priorities. Our services are constantly changing and improving to meet the needs of the community we serve, and we have continued to introduce new initiatives to improve the quality of care and patient experience.

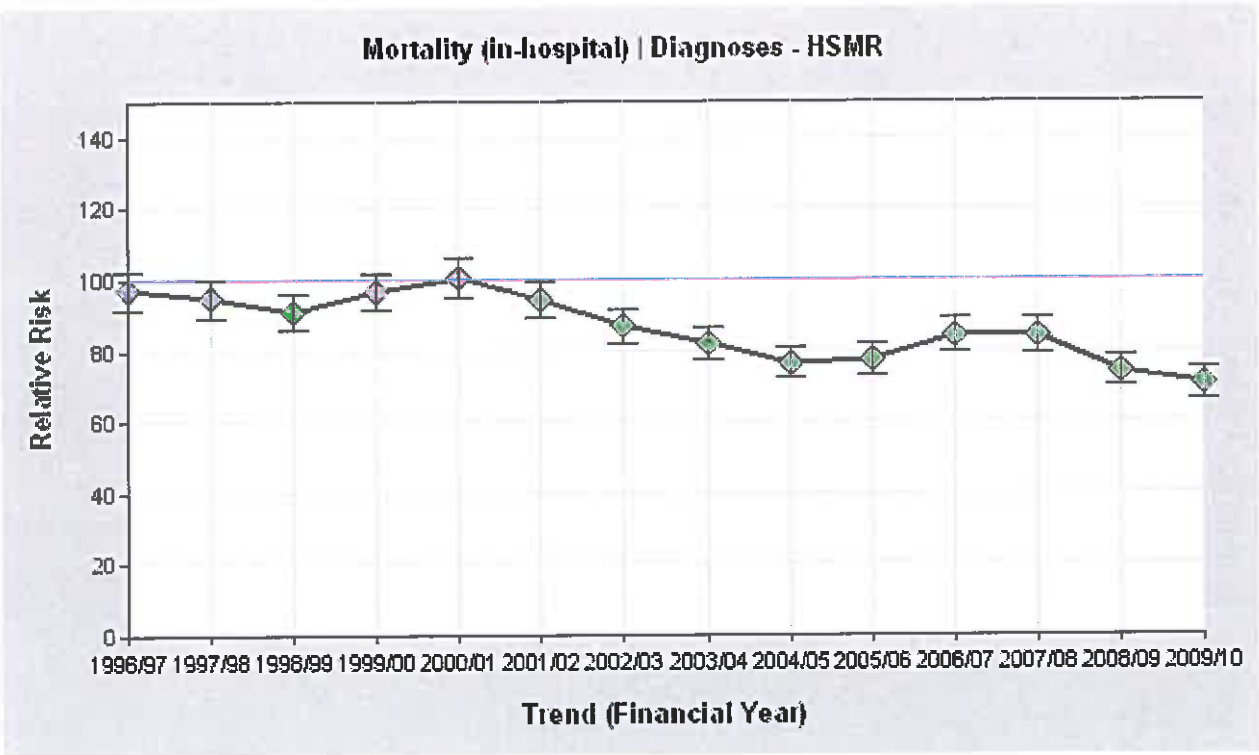
Over the last 12 months we have made excellent progress in virtually eliminating mixed sex accommodation in all our hospitals. Every patient has the right to receive high quality care that is safe, effective and respects their privacy and dignity.

We are proud to confirm that mixed sex accommodation has been virtually eliminated in our organisation. Patients who are admitted to our hospitals will only share the room where they sleep with members of the same sex, and same sex toilets and bathrooms will be close to their bed area.

Sharing with members of the opposite sex will only happen by exception based on clinical need (for example where patients need specialist equipment or care such as in our intensive care unit, coronary care unit, high dependency or acute medical and surgical assessment units).

One important way in which the quality of care is measured is the speed with which patients receive their treatment. We continued to meet all parts of the 18-week referral to treatment waiting time standards, in each speciality, making our performance extremely strong when compared nationally with other Trusts.

We have made significant progress in reducing mortality rates so that they are lower than expected. The leading national health research organisation, Dr Foster, recently reported that Bradford's hospitals have the second lowest mortality rate in the country.



The Foundation Trust received a score of 74.14 for its hospital standardised mortality ratios (HSMRs) in Dr. Foster's last report. HSMRs measure the likelihood of individual patients dying

given their underlying condition, age and deprivation group – compared against the actual number of deaths that occurred.

Our outstanding performance in reducing healthcare associated infections in 2008/09 continued into 2009/10. Having reduced MRSA bacteraemias by 55% the previous year, we achieved a further reduction of 62% from 21 to just eight MRSA bacteraemias last year.

Similarly rates of *Clostridium difficile* infection fell from 154 in 2008/09 to 99 in 2009/10. These reductions show that the improvements in cleanliness, clinical practice and organisational culture introduced by the Hospital Hygiene Turnaround Programme in 2008 have led to sustainable change.

We are fully committed to improving the quality of patient care by ensuring that patient safety, clinical effectiveness and improving the patient experience are prominent features of our ongoing agenda.

Work is underway to establish a quality strategy that encompasses Clinical Governance, Patient Safety and Risk Management. Patient engagement and feedback are integrated at Directorate and Trust Board level to provide a comprehensive reporting and monitoring system to measure the quality of care provided.

In the autumn the Board established a new sub committee, the Quality and Safety Review Group, Chaired by Prof David Cottrell (Non-Executive Director). This group's purpose is to strengthen integration and co-ordination of the management and development of quality and safety at a corporate level in the Foundation Trust. The group has initiated a new campaign, SAFE!, to improve the care of acutely unwell patients and spread best practice throughout the organisation. While this is a new Committee of the Board, the Group's work is already having real impact on the quality and safety issues being addressed.

Our achievements during 2009/10 and ongoing drive to improve the quality of patient care have also been endorsed by our latest compliance report to the Care Quality Commission. We declared full compliance with all of the standards measured as part of the Care Quality Commission 'annual health check' to monitor our performance.

Meeting these standards is another important indicator of our performance in providing high quality services. This report gives us the opportunity to update you on the progress that has been made in improving the quality of patient care and services that we provide. To the best of my belief, the information provided in our quality report is accurate.

Miles Scott
Chief Executive

Priorities for Improvement

The priorities for improving quality for 2009/10 focussed on the key areas identified within the NHS next stage review – Patient Safety, Effectiveness, and Patient Experience.

We have identified our top three priorities for quality improvement to be:

Priority 1: To continue to reduce our healthcare acquired infection rate in relation to MRSA and *Clostridium difficile*
Priority 2: To improve our accommodation by increasing same sex facilities in all areas
Priority 3: Reduction of the standardised mortality rate, specifically ensuring that the mortality rate for stroke, Acute Myocardial Infarction (AMI) and fractured neck of femur are monitored and reductions achieved.

We are establishing the performance framework for managing and improving the quality of the service. The framework includes the National Priority Indicators, Quality Indicators (CQUINS), Patient reported outcome and patient experience standards.

The priorities have been established based on continuing the improvement in care that have been achieved during 2008/09 and on issues identified by patients through the National Patient Satisfaction Survey.

A Trust-wide clinical indicator benchmarking system is being established so that at a speciality level the Trust indicators and service specific indicators can be monitored and reviewed against benchmarking data.

Priority 1: To continue to reduce our healthcare acquired infection rate in relation to MRSA and Clostridium difficile

Description of issue and rationale for prioritising

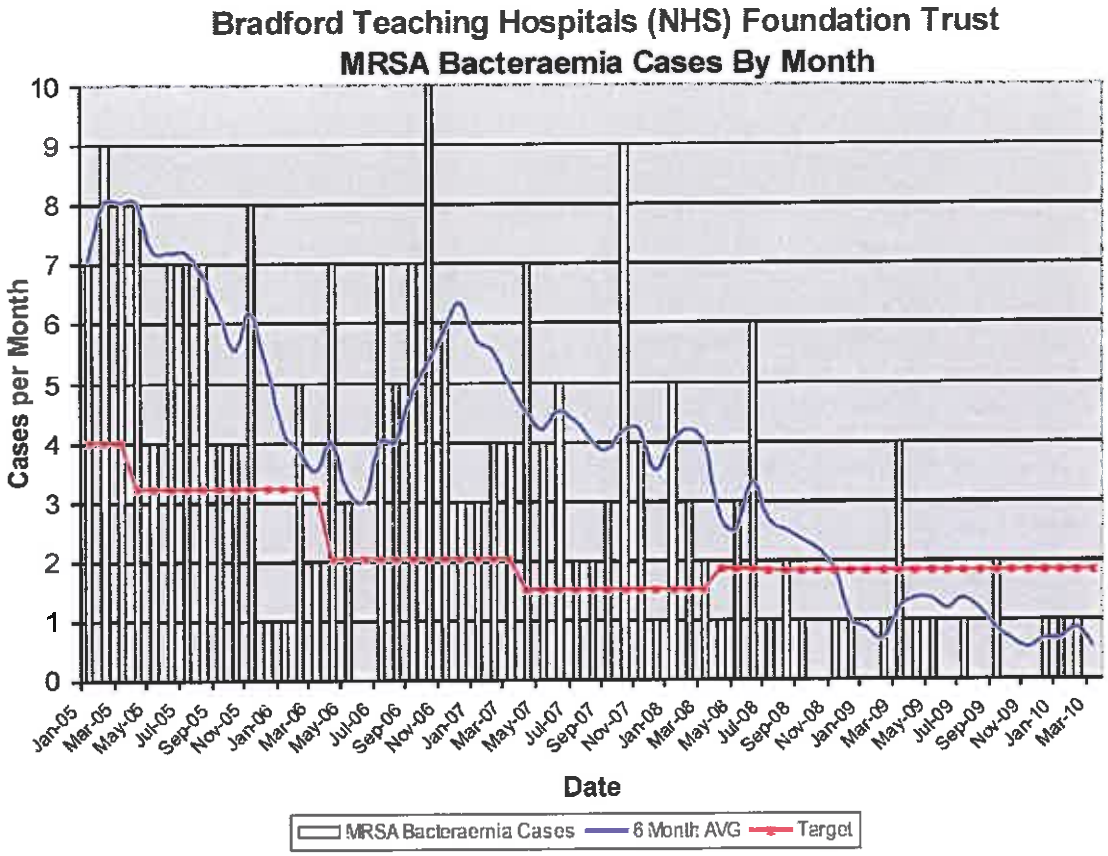
Complex health care leads to an increased vulnerability of patients to infection. Coupled with the emergence of antibiotic resistant infective agents this means that a strict code of practice for infection control needs to be in place, which is monitored and regularly reviewed. Control of infection is a vital element of the overall risk management strategy within the hospital and surrounding community. It is also a key quality issue for patients, carers and the public.

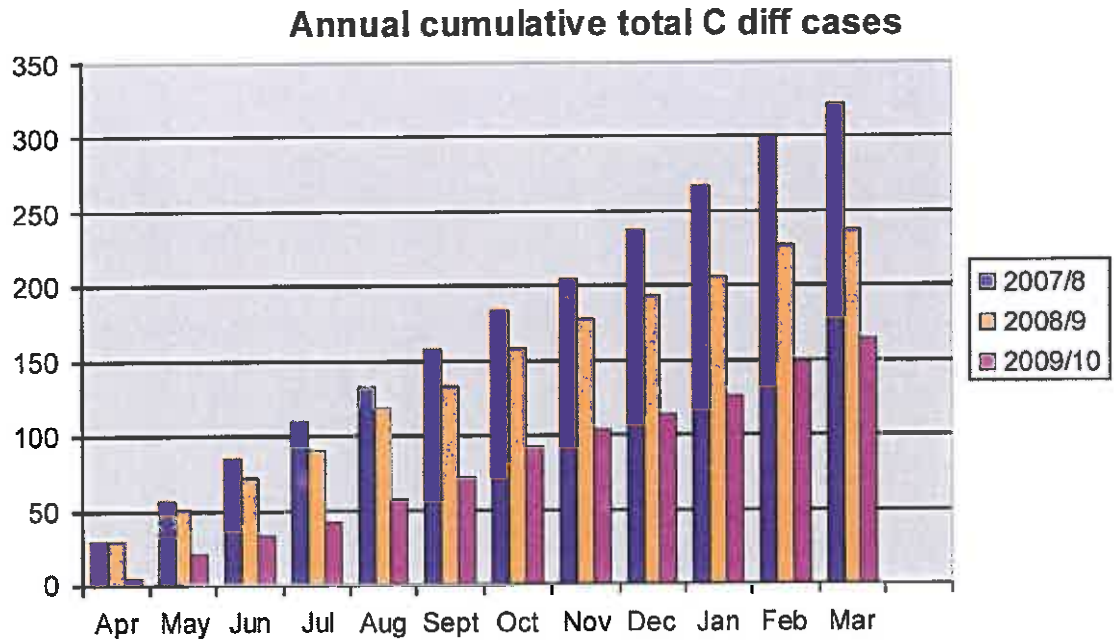
Aim/Goal

To achieve and maintain the MRSA bacteraemia and *Clostridium difficile* case reduction targets. To maintain an approach to ensuring knowledge and understanding of infection prevention and control principles in all staff who are in contact with patients.

Current status

Having reduced MRSA bacteraemias by 55% the previous year, we achieved a further reduction of 62% from 21 to just eight bacteraemias last year. Similarly rates of *Clostridium difficile* infection fell from 154 in 2008/09 to 99 in 2009/10.





Current initiatives in 2009/10

- Achieving the target for MRSA bacteraemia case reduction;
- Achieving the *Clostridium difficile* case reduction target;
- Improving basic infection control practices of hand hygiene, asepsis and cleanliness and monitoring compliance with standards relating to infection control and prevention;

- Improve knowledge and understanding of infection control principles.

New initiatives to be implemented in 2010/11

- Achieving the revised target for MRSA bacteraemia case reduction;
- Achieving the target for MRSA screening of elective and acute admissions;
- Maintaining the *Clostridium difficile* case reduction target;
- Achieving a reduction in the rate of catheter associated urinary tract infections;
- Maintaining an approach to ensuring knowledge and understanding of infection prevention and control principles in all staff in contact with patients.

Priority 2: To improve our accommodation by increasing same sex facilities in all areas

Description of issue and rationale for prioritising

Over the last 12 months we have made excellent progress in virtually eliminating mixed sex accommodation in all our hospitals. Every patient has the right to receive high quality care that is safe, effective and respects their privacy and dignity. We are committed to providing every patient with same sex accommodation, because it helps to safeguard their privacy and dignity when they are often at their most vulnerable.

Aim/Goal

To continue to ensure that provision of same sex accommodation is maintained across our organisation.

Current status

Patients who are admitted to any of our hospitals will only share the room where they sleep with members of the same sex, and same sex toilets and bathrooms will be close to their bed area. Sharing with members of the opposite sex will only happen by exception based on clinical need (for example where patients need specialist equipment or care such as in our intensive care unit, coronary care unit, high dependency or acute medical and surgical assessment units).

Initiatives completed in 2009/10

- Minor refurbishment on 10 of our wards to enable designation of toilet and wash facilities through the addition of extra showers and/ or bathrooms;
- Major refurbishment of ward eight which included upgrade of washing and toilet facilities;
- Refurbishment of ward 11 which included splitting the ward into three bays, each with its own toilet and washing facilities;
- Refurbishment of ward 6 to allow segregation of males and females with installation of additional showers to enable dedicated facilities for each bay;
- Refurbishment of ward 14 which included the addition of new disabled access wet room facilities to enable designation of male and female wash facilities;

- Launched a policy called 'Dignity and Respect: Being Valued' which includes clear guidance for staff in relation to provision of same sex accommodation as well as other aspects of dignity in care.

New initiatives to be implemented in 2010/11

- Refurbishment of the medical assessment unit is planned to add additional bays to improve flexibility in maintaining same sex segregation.

Priority 3: Reduction of the standardised mortality rate, specifically ensuring that the mortality rate for stroke, Acute Myochardial Infarction (AMI) and fractured neck of femur are monitored and reductions achieved.

Robust data is fundamental to the validity of the Quality Report and the mechanisms of data collection and reporting systems in relation to the Acute Myochardial Infarction and fractured neck of femur mortality rates are inconsistent at present. We are in the process of implementing comprehensive systems that will enable us to monitor and manage our performance against this priority in 2010/11.

We are actively contributing to national audits for stroke, AMI and fractured neck of femur and improvement work in these areas has been undertaken in 2009/10.

We are currently meeting the median target of four days for early intervention with angioplasty and all Acute Myochardial Infarction patients go to Leeds Teaching Hospitals NHS Trust for Primary Percutaneous Coronary Intervention (PCI).

We have increased geriatrician input for fractured neck of femur patients. We now cohort fractured neck of femur patients into one bay on the trauma ward to improve and standardise the levels of care received. Patients are also given priority on theatre lists when clinically appropriate.

We can confirm that mortality data for Acute Myochardial Infarction and fractured neck of femur will be collected and reported in 2010/11.

Our Hospital Standardised Mortality Rate (HSMR) has improved from a score of 81.10 in 2008/09 to 74.14 in 2009/10.

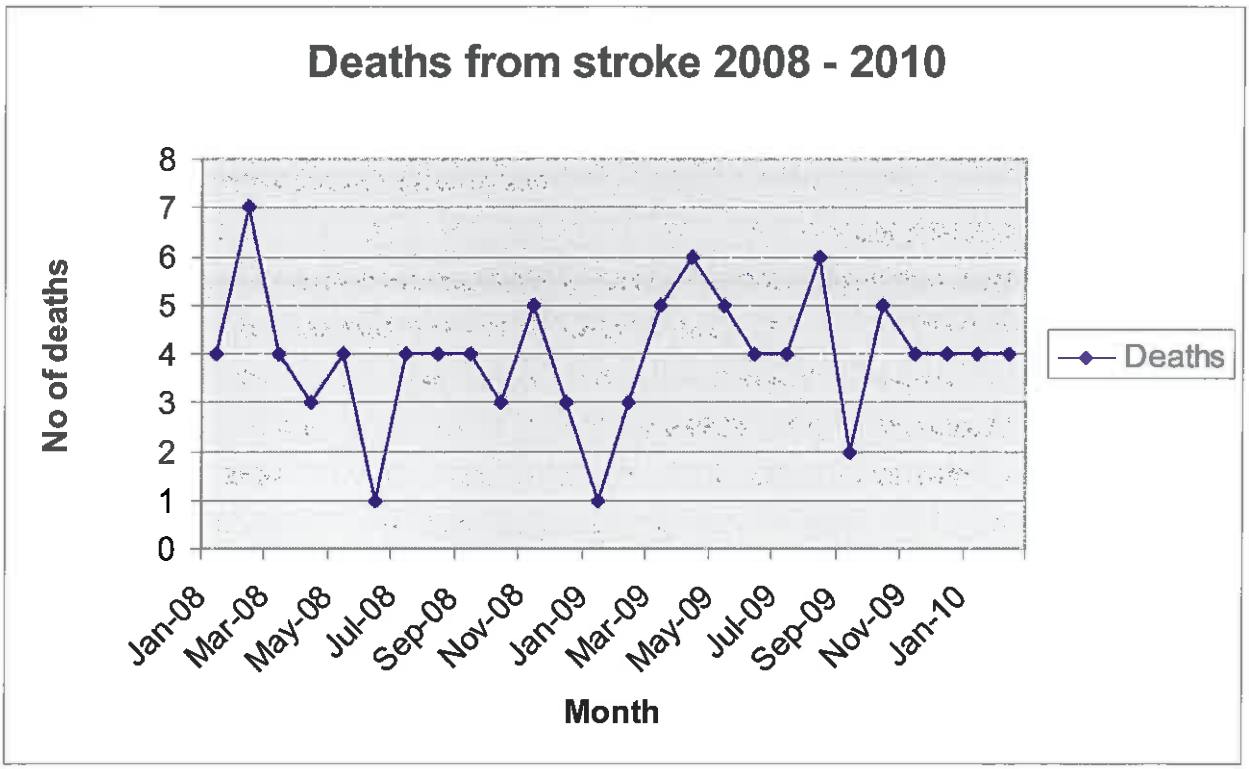
Stroke Mortality Rate

Aim/Goal

To keep stroke mortality rate below the national average.

Current status

In the 2008 National Stroke audit the national average in-hospital mortality rate was 23%. In Bradford our in-hospital mortality rate in 2008 was 14.3% and in 2009 was 13%.



Current initiatives in 2009/10

The 2009 annual stroke audit suggested that there are many reasons to celebrate 2009 as an excellent year for the stroke service:

- The appointment of a stroke co-ordinator has transformed our ability to identify and treat stroke patients early;
- In 2009, 393 stroke patients (177 males and 216 females with a mean age of 75.5 years) were transferred to the stroke service – Acute Stroke and Neurology Unit (ASNU) and/or ward F6). This figure represented 88.1% of the total number of stroke patients admitted (320 patients and 81.4% respectively in 2008);
- More patients were transferred directly to the Acute Stroke and Neurology Unit (ASNU) from Accident & Emergency (167 in total compared with 12 in 2008) than any other ward, including the Elderly Medicine Unit (EMU) and Medical Admissions Unit (MAU);
- 83% of patients were transferred to the Acute Stroke and Neurology Unit (ASNU) on the day the referral was received, with 63% transferred on the actual day of admission to hospital (43% and 19.1% respectively in 2008);
- More patients have been able to access stroke rehabilitation on ward F6 than in any previous year (242 in 2009, 225 in 2008);
- 66.4% of the stroke patients admitted were able to return home, more than any previous year (62.8% in 2008);
- Over the whole year, average total hospital length of stay for stroke patients in 2009 was 26.6 days (down from 32.9 in 2008). Since 393 patients were admitted to the service, this represents almost 2500 bed days saved;
- Increasing numbers of patients are getting CT within 24 hours, aspirin within 48 hours, physiotherapy within 72 hours and spending over 90% of their hospital stay on a stroke unit;
- Bradford thrombolysed five patients in 2009.

New initiatives to be implemented in 2010/11

It has been proposed that the Acute Stroke and Neurology Unit (ASNU) will transfer to ward 9 in 2010. This move will increase the likelihood that patients are directly admitted from A&E, improve the therapy facilities for acute patients, allow a day case facility for assessment of high-risk Transient Ischaemic Attack (TIA) patients and provide an area for thrombolysis rather than relying on Coronary Care Unit beds.

Statement of Assurance from the Board

Review of Services

During 2009/10 Bradford Teaching Hospitals NHS Foundation Trust sub-contracted 8 NHS services.

Bradford Teaching Hospitals NHS Foundation Trust has reviewed all the data available to them on the quality of care in 8 of these NHS services.

The income generated by the NHS services reviewed in 2009/10 represents 1.4 per cent of the total income generated from the provision of NHS services by Bradford Teaching Hospitals NHS Foundation Trust for 2009/10.

Participation in Clinical Audits and National Confidential Enquiries

During 2009/10, 34 national clinical audits and 5 confidential enquiries covered NHS services that Bradford Teaching Hospital NHS Foundation Trust provides.

During that period Bradford Teaching Hospital NHS Foundation Trust participated in 91% of national clinical audits and 100% of national confidential enquiries of the national clinical audits and national confidential enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Bradford Teaching Hospital NHS Foundation Trust was eligible to participate in during 2009/10 are as follows (see table 1).

The national clinical audits and national confidential enquiries that Bradford Teaching Hospital NHS Foundation Trust participated in during 2009/10 are as follows (see table 1).

The national clinical audits and national confidential enquiries that Bradford Teaching Hospital NHS Foundation Trust participated in, and for which data collection was completed during 2009/10, 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 (see table 1).

The reports of 2 national clinical audits were reviewed* by the provider in 2009/10 and Bradford Teaching Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- UK Renal Registry:
  - Audit monthly performance to monitor trends on a regular basis, pick up deviations and act upon these
  - Conduct local audits to answer questions raised by the national report, for example: conduct death audit to specifically answer why adjusted survival is lower than UK survival
  - Implementation of national renal dataset
  - Review practices to ensure efficiency e.g. drug wastage

- National Care of the Dying Audit:
    - Review education and training strategy regarding the care of the dying
    - Revision and re-launch of the 'care after death' section of the Liverpool Care Pathway (LCP)
    - Revision and re-launch of the Bradford Teaching Hospital NHS Foundation Trust LCP

The report of 1 local clinical audit was reviewed by the provider in 2009/10 and Bradford Teaching Hospital NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Blood Transfusion Training Audit:
    - Disseminate information regarding staff roles and responsibilities e.g. mandatory training
    - Perform Trust-wide bi-annual audits
    - Roll out AutoFAte
    - Provide encouragement for training competency in Senior Leadership walkrounds

* The Quality Accounts toolkit requests that these statements refer to the number of national / local audits that were reviewed by the Board.

Table 1: List of national audits and confidential enquiries applicable to the Foundation Trust.

National Audit Title	Eligible to Participate	Participating	Percentage of Cases Submitted
National Confidential Enquiries			
Parenteral Nutrition	Yes	Yes	95%
Elective and Emergency Surgery in the Elderly	Yes	Yes	75%
Surgery in Children	Yes	Yes	Currently collecting data
Peri-Operative Care	Yes	Yes	Currently collecting data
CMACE: perinatal mortality	Yes	Yes	100%
National Confidential Inquiries into suicide and homicide by people with mental illness (NCI),	No	n/a	n/a
National Clinical Audit and Patient Outcome Programme (NCAPOP)			
Bowel Cancer (NBOCAP)	Yes	Yes	Unknown
Head & Neck Cancer (DAHNO)	Yes	Yes	Unknown
National Lung Cancer Audit (LUCADA)	Yes	Yes	Unknown
Oesophago-gastric (stomach) Cancer	Yes	Yes	Unknown
Mastectomy and Breast Reconstruction	Yes	Yes	>95%
National Neonatal Audit (NNAP) (below 32 weeks)	Yes	Yes	100%
Paediatric Intensive Care Network (PICANet)	Yes	Yes	Unknown
Epilepsy 12	Yes	Yes	Unknown
Cardiac Interventions	Yes	Yes	Unknown
Myocardial Ischemia	Yes	Yes	Unknown
Heart Rhythm Management	Yes	Yes	Unknown
Heart Failure	Yes	Yes	Unknown
Diabetes	Yes	No	n/a
National Kidney Care Audit (Patient Transport, Vascular Access)	Yes	Yes	60%
National Joint Registry (NJR)	Yes	Yes	100%

Inflammatory Bowel Disease (IBD)	Yes	Yes	100%
Pain Database	Yes	Yes	Current
Dementia	Yes	Yes	Unknown
Stroke: Hospital Services	Yes	Yes	100%
Carotid Interventions	Yes	Yes	Unknown
Services for People who have Fallen	Yes	Yes	Unknown
Continence	Yes	Yes	Unknown
Hip Fracture Database	Yes	Yes	99%
Congenital Heart Disease: Paediatric cardiac surgery	No	n/a	n/a
Adult Cardiac Surgery: CABG and Valvular Surgery	No	n/a	n/a
Other National Clinical Audits for Inclusion in Quality Accounts 2009/2010 – list provided by the National Clinical Audit Advisory Group to the Department of Health			
VSSGBI VSD	Yes	Yes	Unknown
ICNARC CMPD: adult critical care units	Yes	Yes	100%
National Elective Surgery PROMS: four operations	Yes	Yes	Unknown
Renal Registry: renal replacement therapy	Yes	Yes	100%
Pulmonary Hypertension Audit	Yes	Unknown	Unknown
TARN: severe trauma	Yes	No	n/a
NHS Blood and Transplant: potential donor audit	Yes	Yes	Unknown
National Falls and Bone Health	Yes	Yes	100%
National Comparative Audit of Blood Transfusion: changing topics Blood collection Use of Red Cells in Neonates & Children	Yes	Yes	 100% 100%
British Thoracic Society: respiratory diseases	Yes	Yes	Unknown
College of Emergency Medicine: pain in children; asthma; fractured neck of femur	Yes	Yes	99%

Participation in Clinical Research

The number of patients receiving NHS services provided or sub-contracted by Bradford Teaching Hospitals NHS Foundation Trust that were recruited during 2009/10 to participate in national portfolio research approved by a research ethics committee was 7703.

This increasing level of participation in clinical research demonstrates our commitment to improving the quality of care we offer and to making our contribution to wider health improvement. Bradford Teaching Hospitals NHS Foundation Trust has become the third largest recruiter of patients to research studies in the country out of all UK hospitals.

The use of the Commissioning for Quality and Innovation (CQUIN) Framework

Commissioning for quality and innovation is an incentive scheme which rewards achievement of quality goals to support improvements in the quality of care for patients.

A proportion of commissioner income in 2009/10 was conditional upon achieving quality improvement and innovation goals agreed between Bradford Teaching Hospitals 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. Further details of the agreed goals for 2009/10 and for the following 12 month period are available on request.

The monetary total for the amount of income in 2009/10 conditional upon achieving quality improvement and innovation goals is £1,311,488. The Foundation Trust will recover the full monetary value of the associated payment in 2009/10.

Registration with the Care Quality Commission (CQC) and Periodic/Special Reviews

Bradford Teaching Hospitals NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is Registered without Compliance Conditions. Bradford Teaching Hospitals NHS Foundation Trust has no conditions on registration.

The Care Quality Commission has not taken enforcement action against Bradford Teaching Hospitals NHS Foundation Trust during 2009/10.

Bradford Teaching Hospitals NHS Foundation Trust has not been subject to periodic review by the Care Quality Commission.

Bradford Teaching Hospitals NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

Data Quality

Bradford Teaching Hospitals NHS Foundation Trust submitted records during 2009/10 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data. The percentage of records in the published data which included:

- the patient's valid NHS Number was: 99.4% for admitted patient care; 99.5% for outpatient care; and 54.3% for accident and emergency care (3.0% from April 2009 to August 2009 inclusive; 97.1% from September 2009 to March 2010 inclusive).

- the patient's valid General Practitioner Registration Code was: 100% for admitted patient care; 100% for outpatient care; and 100% for accident and emergency care.

Bradford Teaching Hospitals NHS Foundation Trust's score for 2009/10 for Information Quality and Records Management, assessed using the Information Governance Toolkit was 74%.

Clinical coding is the process whereby the care given to a patient (usually the diagnostic and procedure information) which is recorded in the patient notes is translated into coded data and entered into the hospital information system.

Bradford Teaching Hospitals NHS Foundation Trust was subject to the Payment by Results clinical coding audit during the reporting period by the Audit Commission and the error rates reported in the latest published audit for that period for diagnoses and treatment coding (clinical coding) were 7.4%.

As part of this process an independent, targeted external Clinical Coding audit on inpatient activity at the Foundation Trust was carried out in December 2009 on data from July to September 2009. The areas which were audited included a national theme and three areas that were identified using a national benchmarking tool. Areas reviewed within the sample were as follows:

Area audited	Specialty/ Sub-chapter/ HRG	Sample size (case notes)	Reason for selection
National Theme	Trauma and Orthopaedics	100	National Theme
Specialty	ENT	100	Selected from benchmarking main recommendations
Sub-chapter	JD – Skin Disorders	70	
HRG	EB03H – Heart Failure or Shock with CC	30	

This independent audit was carried out on a small sample of case notes and the results should not be extrapolated further than the actual sample audited.

Quality Account – Performance Indicators

Key indicators within each of the three quality domains (patient safety, clinical effectiveness and patient experience) have been selected by the Board through consultation with clinicians, priorities identified within the Quality and Safety Strategy and review of internal and external performance data.

Patient Safety			**2009/10**	**2008/09**
1. Number of patients with MRSA bacteraemia	Attributable to Trust		7	16
	Total		8	21
2. Number of patients with C. difficile infection	Post 48 hours		99	154
3. Hospital acquired pressure ulcers	Incidence	Grade 2	30	N/A
		Grade 3	35	N/A
		Grade 4	15	N/A
	Prevalence		6.67%	N/A
4. Hospital Standardised Mortality Rate (HSMR)			74.14	81.10
5. Medication errors	Prescribing		83	103
	Dispensing		102	128
	Administration		306	321
6. Adverse events from Global Trigger Tool (GTT)			12	*N/A
Clinical Effectiveness				
7. Emergency readmissions to hospital within 28 days following:	Aortic Aneurysm surgery		5 (13%)	N/A
	Cholecystectomy surgery		45 (11%)	N/A
	Hysterectomy		13	N/A
	Hip replacement surgery		18	N/A
8. % of operations cancelled on or after day of admission			0.80%	1.17%
9. Proportion of patients given a brain scan within 24 hours of stroke			78%	*N/A
10. Proportion of stroke patients given a swallow screening within 24 hours of admission			96.3%	*N/A
Patient Experience				
11. % of positive feedback from Trust Membership on recent experience of accessing in and/or out patient services			64%	*N/A
12. % of patients who felt that they were treated with dignity and respect			76%	68%
13. National Inpatient Survey (additional question) - % of patients that would recommend hospital to relative/friend			92%	88%
14. National Inpatient Survey - number of responses in top 20% of hospitals			39%	44%
15. % of complaints resolved at first response			82%	73%
16. % of complainants satisfied with the way their complaint was dealt with			Not yet available	*N/A
* These are new performance indicators reported on from 2009/10 N/A = Not Available				

Notes on selected metrics

Reporting on the selected metrics has been limited by the information we have available. In the future we hope to improve and refine reporting systems so that the metrics more comprehensively and accurately reflect the quality of our services.

1,2. Reporting period from 1 April 2009 to 31 March 2010 – the recording of MRSA bacteraemias and *Clostridium difficile* is consistent with guidance published by the Department of Health and the Health Protection Agency.

3. Data reported by Tissue Viability team and Incident forms for period Jan 2009 to April 2010. The policy on reporting Grade 2 pressure ulcers changed mid year in 2009. Point prevalence data reported from the annual Trust survey undertaken on 3 June 2009 – this survey was not undertaken in 2008. In 2007 the prevalence was 10% although this reported on all patients with pressure ulcers including non hospital acquired pressure ulcers.

4. Data is sourced from the Secondary Uses Service over the period from April 2008 to March 2009 as reported in the Dr. Foster Quality Account for 2008/9. It compares the actual number of deaths in the Trust against the expected number – the national average is 100.00 so our performance is better than expected.

5. Data from Medication Incidents Report for period from 1 April to 31 January 2010 (February 2010 data to be reported by 30 April 2010)

6. This is calculated on a monthly basis auditing a random sample of 20 sets of patients notes using the Global Trigger Tool. The 1st 4 months data from September to December 2009 have been reported following the review of 81 sets of notes – this period has been training for the reviewers. The full review process started from January 2010.

7. This records the Trust's rate of unplanned admissions into hospital within 28 days of the named surgical procedures.

   Aortic Aneurysm surgery: Total of 37 procedures – validation of the 5 cases at specialty level indicated that none of the readmissions were linked to the surgical procedure.

   Cholecystectomy surgery: Total of 400 procedures – provisional figure awaiting validation at specialty level.

   Hysterectomy surgery: Data from Information Services – provisional figure awaiting validation by Ward 12.

   Hip Replacement surgery: Data incomplete for March 2010 as some cases awaiting coding.

8. 2009/10 target/threshold is less than or equal to 0.80%

9,10. Annual average based on Q2, Q3 and Q4 data – Q1 data not available.

11. Trust membership survey: Preliminary results from questionnaires returned from 2236 members in April 2010.

12,13,14. Data from the National In Patient Survey and local surveys including the Webb partnership work.

13. This is considered to be one of the most demanding indicators of patient satisfaction.

15. Reporting period from 1 April 2009 to 31 March 2010.

16. In 2010/11 we want to be able to measure the percentage of complainants who were satisfied with the way their complaint was handled so we will be issuing a satisfaction questionnaire to all complainants from 1 April 2010.

2009/10 National Targets*		
Existing Commitments	**Target / Threshold**	**2009/10 Performance**
Access to GUM clinics within 48 hours	100%	100%
Data quality on ethnic group	>=85%	90.23%
Time to Reperfusion - 60 minute standard	68% performance 80% completion of key fields	YTD 12 patients Target not applicable if fewer than 20
Delayed Transfers of Care	<=3.5%	0.82%
Total time in A&E: Less than 4 hours (Quarterly)	>=98%	98.38%
Inpatients waiting longer than the 26 week standard	<=0.03%	0.00%
Outpatients waiting longer than the 13 week standard	<=0.03%	0.00%
Patients waiting longer than three months (13 weeks) for revascularisation	<=0.01%	0.00%
Maximum 2 week waiting time for Rapid Access Chest Pain Clinic	>=98%	100%
Cancelled Operations and those not admitted within 28 days	<=0.8%	0.8%
	<+5%	1.73%
National Priorities	**Target / Threshold**	**2009/10 Performance**
Infant health and inequalities: smoking during pregnancy and breastfeeding initiation	Smoking-Reduction from 17.4%	16.76%
	Breastfeeding-Increase from 64.4%	66.13%
Experience of patients-Patient Survey	Positive statistical banding	
Participation in heart disease audits		
Engagement in clinical audits		Achieved
Stroke care	>=70%	80.40%
Maternity Hospital Episode Statistics : data quality indicator		
Incidence of MRSA Bacteraemia	<=22	8
Incidence of Clostridium difficile	<=213	99
18 weeks-Audiology RTT	>=95%	Audiology: 99.94%
18 week referral to treatment times: Compliance	Admitted:>=90% Non Admitted:>=95%	Admitted 93.35% Non Admitted 98.17%
18 week referral to treatment times: Data Completeness	Between 90% and 110%	
18 week compliance each month, treatment function, pathway type	Based on Q4 Threshold	(85/87) 97.70%
All cancers: two week wait (including new cancer strategy commitment)	First Seen - >=93%	94.03%
	First Seen Breast Symptoms - >=93%	94.44%
Cancer 31 Day standard	First Treatment - >=96%	98.27%
	Subsequent Treatment - Surgical >=94%	95.83%
	Subsequent Treatment - Drug >=98%	99.72%
Cancer 62 Day standard	First Treatment - >=85%	86.60%

	Consultant Upgrade (no target)	92.42%
	Screening - >=90%	92.22%
NHS Staff satisfaction	Positive statistical banding	
*Performance is subject to the Care Quality Commission ratification process.		

Performance Against Key National Priorities and National Core Standards

The Foundation Trust performed well in 2009/10 against the key national priorities from the Department of Health's Operating Framework and against the Department of Health's National Core Standards.

We submitted 'green' governance declarations for each quarter of 2009/10.

In quarters one and two we declared non-compliance with one target - "Maximum waiting time of two weeks from urgent cancer referrals by GP" and received a 0.5 penalty point.

In quarters three and four we declared compliance with all the targets in the Compliance Framework.

The Foundation Trust declared full compliance with all of the 44 core standards in the Care Quality Commission's annual health check.

Annex

Statement from NHS Bradford & Airedale

NHS Bradford and Airedale statement on Bradford Teaching Hospitals NHS Foundation Trust

Quality Accounts 2009/10

NHS Bradford and Airedale believes that the national introduction of Quality Accounts will support organisations that provide NHS care to strive towards continually delivering quality improvements and high quality services to all users of its services. We acknowledge the continued priority and investment that Bradford Teaching Hospitals NHS Foundation Trust has placed on the quality of services delivered for its patients in 2009/10.

Bradford Teaching Hospitals NHS Foundation Trust has made excellent progress over the past 12 months and place quality at the heart of the services that it provides and we are especially pleased to note the following achievements:-

- Dr Foster's Hospital Guide reported that Bradford hospitals have the second lowest mortality rate in the country; and
- Outstanding reductions in MRSA bacteraemia with a reduction to just 8 cases for 2009/10.

Bradford Teaching Hospitals NHS Foundation Trust is registered with the Care Quality Commission and their registration status is fully compliant. The Care Quality Commission monitor the quality of care provided by NHS organisations and for 2009/10 the following applies:-

- The Care Quality Commission have given a good rating for the quality of services in the 2008/09 health check;
- Favourable Hygiene Code Inspections by the Care Quality Commission in October 2009 and a follow up visit in February 2010;
- The Care Quality Commission has not taken enforcement action against Bradford Teaching Hospitals NHS Foundation Trust;
- Bradford Teaching Hospitals NHS Foundation Trust has not been subject to periodic review; and
- Bradford Teaching Hospitals NHS Foundation Trust has not been required to participate in any special reviews or investigations.

NHS Bradford and Airedale is pleased with the priorities placed by Bradford Teaching Hospitals NHS Foundation Trust to drive improvements in the quality of services and believe they are representative of the services that Bradford Teaching Hospitals NHS Foundation Trust delivers. NHS Bradford and Airedale should like to commend Bradford Teaching Hospitals NHS Foundation Trust for its excellent approach towards providing high quality services for its patients.

Simon Morritt
Chief Executive

Sustainability and Climate Change

Sustainable Development

The Foundation Trust's primary concern is the delivery of quality care and service to improve the health and well being of our patients, local communities and stakeholders. We face many challenges in providing the right level of health care and in recent years it has become increasingly clear that our unsustainable consumption is a very real threat to every aspect of our society.

The Board of Directors acknowledge that we must all play our part in the sustainable use of the planet's finite resources and therefore our activities and future developments must be conducted within the principles of sustainable development, so far as is practicable and in playing our part as a good corporate citizen.

With a growing global population and advancing levels of individual consumption, the exploitation of natural resources and emission of pollutants to land, water and air is increasing. The impacts are widely known and include pressing challenges such as climate change, the depletion of natural resources, social injustice for example with the use of child labour, and the irreversible loss of biodiversity.

The Foundation Trust recognises the economic, social and environmental pressures that are growing on society and is aware of the need to develop a strategic response. We have therefore developed and adopted a Sustainable Development Strategy which focuses on long-term improvements. They include better health and reduced inequalities; improved service provision; reduced environmental impact; being a good community role model and supporter of the local economy; and provision of excellent value for money.

Sustainable Development Strategy

In order to deliver sustainable healthcare to the community a strategic goal has been adopted:

'To provide the best quality safe healthcare to the people of Bradford and West Yorkshire. We will secure major advances for future generations by providing innovation, education and research. In partnership with others we will work to improve the health of local people.'

The Foundation Trust's sustainability agenda will be steered by the Government's five guiding principles as outlined in the UK Strategy for Sustainable Development, which comprise:

- Working within the environmental limits
- Ensuring a strong, healthy and fair community
- Contributing to a sustainable local economy
- Promoting good governance
- Using sound science responsibly

In addition the Foundation Trust has developed a Sustainable Development Implementation Plan, which links in with this strategy. The Implementation Plan identifies

detailed objectives and targets and initiatives that the Foundation Trust will need to work towards and monitor to ensure that this strategy is realised.

Governance

The Chief Executive is ultimately responsible for achieving the sustainability objectives of the Foundation Trust, ensuring that the necessary resources are made available to achieve this. To ensure that sustainable development is fully integrated, a Sustainable Development Steering Group (SDSG) has been established. The SDSG provides the medium for discussing and decision making regarding the Foundation Trust's community membership's social, economic and environmental sustainability.

The range of members within the team ensures that all three pillars of sustainable development (environmental, economic and social) are represented. This group is chaired by the Foundation Trust's Chairman, David Richardson.

It is the intention of the group to report periodically to the Executive and Board of Directors, with annual sustainability reports being issued to highlight the sustainability performance of the Foundation Trust.

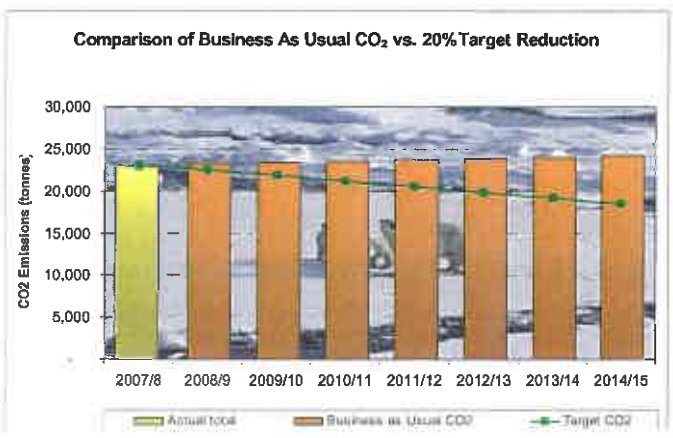
To support the SDSG a number of working groups have been set up to ensure that a sustained improvement in sustainability is achieved. These groups are as follows:

- Waste and Transport
- Energy and Carbon Management, Designing the Built Environment, Water and Finance
- Procurement
- Role of Partnerships and Networks
- Organisational and Workforce Development

Climate Change

The Foundation Trust achieved the 'Carbon Trust Standard' in 1998, the requirements of which are to be able to demonstrate a continued annual reduction in carbon emissions and on going investment in carbon saving schemes. In August 2009 a Department of Health funded £1.7million project to de-steam the St Lukes site was completed. Steam boilers were replaced with more efficient modular gas boilers and a 310 kWe combined heat and power unit (CHP). The CHP generates electricity onsite and has lowered CO_2 emissions considerably.

Having achieved the Carbon Standard our work to reduce carbon emissions has seen us well placed to deal with recent climate change legislation such as the 2008 Climate Change Act and the Carbon Reduction Commitment (CRC). The Climate Change Act has legally binding targets, the CRC financial penalties for poor performance. Therefore good carbon management, which the Standard promotes, makes excellent business sense and is a vital element of our governance of the Foundation Trust and upholds the principles of Good Corporate Citizenship.



In order to comply with recent carbon legislation and continue on our path of emissions reduction the Foundation Trust is participating in Phase 4 of

the Carbon Trust NHS Carbon Management Program. Our strategy for carbon management is ambitious and includes achieving a 20% CO_2 emissions reduction target by 2015 on 2007/08 levels. This equates to savings of 4,654 tonnes CO_2 on the 2007/08 total of 23,067 tonnes by 2015.

The Foundation Trust's carbon management strategy has been approved by the Carbon Trust and the Foundation Trust Board. At operational level the strategy is being implemented by the Foundation Trust through the Carbon Management Implementation Plan. Many of the projects outlined in the CMIP will be delivered by alternative and innovative funding streams, such as the Salix funding scheme where NHS Organisations have to compete to win funding, against very stringent carbon reduction criteria. Carbon Reduction schemes where funding has been won by the Foundation Trust include de-steaming projects at both Bradford Royal Infirmary and St Luke's Hospital and low energy lighting installations, amongst others.

The carbon management program is overseen by the Sustainable Development Steering Group and led by the Chairman, David Richardson. Carbon Management fits within the broader remit of the Sustainable Development Strategy and a Carbon Management Project Team has been established to progress each facet of the Carbon Reduction Strategy. Each group has met and is responsible for driving carbon reduction projects in their particular area.

Sustainability Performance Summary

			Waste (tonnes) 2008/09	Waste (tonnes) 2009/10		Cost (£) 2008/09	Cost (£) 2009/10
Waste Management and Minimisation	Total Waste	**Total Waste**	**1,787**	**1,750**	Expenditure on Waste Disposal	**£568.671**	**£548,885**
		Total Waste Recycled	692	714		£0	£0
		% Recycled	39%	41%			
	Methods of Disposal	Clinical Waste	813	758		£479,043	£452,924
		Confidential Waste	194	193		£22,142	£26,678
		Cardboard Waste	25	75		£1,159	£3,444
		General Waste	749	724		£64,607	£63,354
		General Waste Recycled	474	446		£0	£0
		W.E.E.E.	6.3	4.4		£3,790	£2,485

		Consumption 2008/09	Consumption 2009/10		Cost (£) 2008/09	Cost (£) 2009/10
Finite Resources	Water (m^3)	128,487	133,438	Expenditure on Finite Resources	£230,607	£301,861
	Imported Electricity (kWh)	11,430,619	12,348,200		£905,201	£854,417
	CHP Generated Electricity (kWh)	226,183	3,409,428		£2,354	£20,546
	Fossil Fuels - Gas (kWh)	45,386,326	38,389,242		£1,054,095	£861,485
	TOTAL				**£2,192,257**	**£2,038,308**

		CO_2 (tonnes) 2008/09	CO_2 (tonnes) 2009/10
CO_2 Emissions	Water	52	54
	Imported Electricity	5,978	6,458
	Fossil Fuels - Gas	8,396	7,102
	Waste	307	296
	TOTAL	**14,733**	**13,910**

		2008/09	2009/10
Carbon Intensity	$KgCO_2$ per £1000 income	51	47
	$KgCO_2$ per Inpatient admission	142	124
	$KgCO_2$ per m^2	110	102

Sustainability Performance Commentary

Waste

Bradford Teaching Hospitals NHS Foundation Trust continues to perform well in reducing the total amount of waste produced. Total waste consumption dropped by 2% against a background increase in inpatient admissions of 9%, and an increase in site area of 2% due to the addition of new modular wards at Bradford Royal Infirmary. The reduction in total waste volume has enabled the Foundation Trust to reduce waste costs by £20,000 in 2009/10

The Foundation Trust recycles cardboard, confidential paper waste and 62% of its general domestic waste. The overall recycling rate, taking into account all waste, has increased from 39% in 2008/09 to 41% in 2009/10.

Waste is managed under the Sustainable Development Strategy and is the subject of a 10% target reduction by 2015. This will be achieved by a number of projects, for example increasing waste awareness with a formal e-learning course for all staff and communication of a Waste Handbook to all staff, site visitors and contractors.

Clinical waste is the most expensive form of waste generated by the Foundation Trust and a strategy to reduce the amount of clinical waste sent for incineration is currently being implemented. The introduction of orange bins for less hazardous clinical waste will divert waste from incineration to heat treatment and landfill. Sending waste to landfill is a more CO_2 intensive method of waste disposal than incineration, but the heat treatment process uses heat recovery from municipal incineration, thereby lowering the carbon footprint of the whole waste disposal process.

Water

Although water consumption decreased from 2007/08 to 2009/09 due to the implementation of water saving initiatives such as toilet displacement devices and pressure reducing valves on taps, consumption in 2009/10 has increased by 4%. This reflects increasing clinical activity, particularly at Bradford Royal Infirmary. Under the Sustainable Development Strategy, the Foundation Trust will aim to achieve a 10% reduction in water consumption by 2015. A project to re-use water from pre-dialysis filtration in the Haemodialysis unit is currently being considered. This will have the potential to save a significant proportion of water consumption at the St Luke's site.

Electricity

Electricity consumption has increased on last year, largely attributable to the increase in activity and site footprint at Bradford Royal Infirmary. Under the NHS Carbon Management Program there are many proposed energy saving schemes to help the Foundation Trust meet its ambitious 20% CO_2 saving targets by 2015, such as the implementation of energy saving lighting schemes, PC power management software and an LED car park lighting scheme.

Gas

The Foundation Trust has performed very well in reducing gas consumption by 15% on 2008/09 levels. Over the last financial year, significant energy saving schemes have proved successful including a de-steaming project at the St Luke's site. Old steam boilers with the associated inefficient distribution system were removed and replaced with local energy efficient boilers and a large Combined Heat and Power (CHP) unit. Savings were

also made at Bradford Royal Infirmary where traditional calorifiers, which are used to transfer heat from the Boiler's Primary Circuit to Heating and Hot Water circuits, have been replaced with efficient Plate Heat Exchangers.

CO_2 Emissions

CO_2 emissions are 6% lower in 2009/10 compared to the previous year. The excellent improvements in gas consumption, although offset by an increase in electricity consumption, have contributed towards the reduction.

Absolute CO_2 emissions give a good indication of performance but don't show the whole picture. Carbon intensity conveys the idea of how much carbon the Foundation Trust emits in relation to its core activity of care such as the number of inpatient admissions. Therefore in terms of inpatient admissions and CO_2 emissions, the Foundation Trust is delivering healthcare 13% less intensively than last year.

Carbon intensity can also be related to income and to site area. This year the Foundation Trust is emitting less CO_2 for each £1,000 income. In other words for each £1,000 received the Foundation Trust is lowering its impact on Climate Change. The Foundation Trust is also emitting less CO_2 per m^2 of site area, and so with additional energy-efficient facilities such as the modular wards being brought into service, the carbon intensity of our operations is decreasing.

In order to meet the NHS Carbon Management CO_2 target of a 20% reduction by 2015, the Foundation Trust has secured Salix funding for de-steaming projects at Bradford Royal Infirmary, roof insulation, PC power management, LED lighting and better monitoring and targeting with Gas and Electric Automatic Meter Reading (AMR) projects. The Foundation Trust will also be pursuing additional projects including a Green Travel Plan and establishing a network of carbon champions to meet this ambitious carbon target.

Equality and Diversity

Approach to Equality and Diversity

Our Equality and Diversity Strategy 2008 sets out our approach to Equality and Diversity. In the Strategy we have set out what we intend to do to improve access to our services and employment opportunities for all sections of the community. We have made a number of pledges that we are able to be measured against.

Central to our approach is the requirement for each part of the Foundation Trust to carry out Equality Impact Assessments (EqIA). EqIA is a mechanism for examining how the services we provide and the employment practices we use impact on our patients and staff. It is a tool to identify whether or not policies, services and procedures are having an impact on a particular group of people due to age, disability, gender, ethnicity, religion or belief and sexual orientation. It aims to ensure that we are not providing services or using employment practices that discriminate against any equality groups and allows us to critically examine our practices and identify any institutional barriers, acts or omissions that detrimentally affect individuals and communities.

The Equality Impact Assessment process requires us to look at each equality group in turn and consider whether there is evidence or reason to believe that a policy, service or function affects that group differently. It asks us to look at evidence and identify whether

there is anything we can do to change a policy or function to reduce the impact on equality groups.

Equality Teams, made up of clinicians, lead nurses, managers, staff and patient representatives are meeting across the Foundation Trust to look in detail at the policies, services and functions that have the greatest impact on the community we serve. These Teams are considering the equality issues and asking our stakeholders - patients, Foundation Trust members, partners and the public to comment and make suggestions for improvement.

Our aim is to respond to issues raised and to make sure that our policies, services and functions are more accessible and responsive to the needs of all the communities we serve.

Each Directorate has targets to reach in relation to carrying out equality impact assessments. Each Directorate Annual Plan incorporates the requirement to carry out two Equality Impact Assessments of policies or functions. Senior managers are performance managed on the delivery of these targets.

We are making significant progress in removing barriers to services and employment opportunities by implementing our strategic Equality and Diversity objectives through the Equality Impact Assessment process.

We have set up an Equality and Diversity Scrutiny Committee which is chaired by the Chief Nurse. The group includes stakeholder membership from Bradford Health Partnership and community representatives where appropriate. The group includes representatives from all six equality strands in the Bradford District.

We also have an Equality Implementation Group (EIG) which is chaired by the Head of Equality and Diversity. The group includes Equality Leads (nominated Senior Managers from each Directorate) and nominated Staff Network representatives of the Equality Networks. It is tasked with ensuring that the requirements of the Equality Strategy are put in place and provides a forum for discussing issues relating to equality and diversity.

Executive Lead for Equality and Diversity: Sally Ferguson – Chief Nurse
Lead on Equality and Diversity: Lorraine Cameron – Head of Equality and Diversity

Compliance With Publication Duties

We have complied with the Publication Duties to produce Race, Disability and Gender Equality Schemes, and the requirement to produce an update each year. The Disability Equality Scheme was scheduled for updating in December 2009. However, we made a commitment in our Equality and Diversity Strategy that we would produce a Single Equality Scheme to cover all six equality strands and reflect the requirements contained in the Equality Bill. As the Equality Bill was still making its way through Parliament we delayed publication of the Scheme. The Equality Bill has now received Royal Assent and formally become the Equality Act 2010. We did, however, consult widely on the draft Single Equality Scheme. We intend to publish our Scheme once the provisions of the Act come into force to ensure that we are reflecting the legislative requirements. This will be in place by the end of May 2010.

We produce an annual equality workforce information report which is published on our website. The report for 2009 has just been finalised and will be published by end of April 2010.

Publication Requirement	Action	When
Publish Equality Impact Assessments (incorporating Race Equality)	EqIAs are put on to the Trust's website when completed. See: http://www.bradfordhospitals.nhs.uk/about-us/e/impact-assessment/full-equality-impact-assessments/full-equality-impact-assessment	Ongoing
Publish Single Equality Scheme	Make any final amendments following publication of Equality Act and publish Single Equality Scheme on Trust website. See: http://www.bradfordhospitals.nhs.uk/about-us/e	May 2010
Publish annual Workforce information report	http://www.bradfordhospitals.nhs.uk/about-us/e/workforce-information/workforce-information	April 2010

Workforce Statistics

Age	2008/09 Staff Headcount	%	2009/10 Staff Headcount	%	2008/09 Staff Membership	%	2009/10 Staff Membership	%
16-30	1200	23.82	1226	23.30	1097	23	1115	23
31-55	3268	64.88	3432	65.22	3095	66	3169	65
56+	569	11.30	604	11.48	531	11	579	12
TOTAL	**5037**	**100**	**5262**	**100**	**4723**	**100**	**4863**	**100**
Ethnicity								
White	3604	71.55	3770	71.65	3509	74	3520	71
Mixed	48	0.95	52	0.99	40	1	42	1
Asian or Asian British	630	12.51	702	13.34	617	13	628	13
Black or Black British	107	2.12	113	2.15	125	3	122	3
Other	648	12.86	625	11.88	70	1	79	2
Not specified					362	8	472	10
TOTAL	**5037**	**100**	**5262**	**100**	**4723**	**100**	**4863**	**100**
Gender								
Male	1161	23.05	1236	23.49	1020	22	1154	24
Female	3876	76.95	4026	76.51	3703	78	3709	76
	5037	**100**	**5262**	**100**	**4723**	**100**	**4863**	**100**
Disability								
Recorded Disability	55	1.09	57	1.08				

Staff Survey

Staff Engagement

The annual national survey of NHS staff in England was carried out by the Care Quality Commission (CQC) in October 2009 with the results published in March 2010.

The NHS Constitution includes four pledges to staff that set out what the NHS expects from its staff and what staff can expect from the NHS as an employer:

Pledge 1: To provide all staff with clear roles and responsibilities and rewarding jobs for teams and individuals that make a difference to patients, their families and carers, and to communities.

Pledge 2: To provide all staff with personal development plans, access to appropriate training for their jobs and the support of line management to succeed.

Pledge 3: To provide support and opportunities for staff to maintain their health, wellbeing and safety.

Pledge 4: To engage staff in decisions that affect them and the services they provide individually, through representative organisations and through local partnership working arrangements. All staff will be empowered to put forward better ways to deliver better and safer services for patients and their families.

Information collected from the Staff Survey is used by the Foundation Trust to improve working conditions and practices, and to monitor against the pledges to staff.

The Foundation Trust performed well on the Staff Engagement Indicators within the staff survey, being among the best 20% of Acute Trusts on two of the three indicators and better than average on the third indicator.

The experience of staff links directly to patient experience and the Foundation Trust will continue to use the staff survey as an essential tool to improve the quality of care. The Foundation Trust will continue to work with staff to ensure there are effective communication methods in place and that existing forums such as the Joint Consultative Committee (JCC), Local Negotiating Committee (LNC) and Medical Staffs Committee are all engaged and operating effectively.

In order to enhance staff engagement we have launched a Staff Suggestion Scheme across the Foundation Trust. This gives staff the opportunity to provide feedback and make suggestions which could help save money, improve the delivery of a service or improve the experience of patients. Staff Governors, working with the Chairman, review all suggestions and prizes are awarded to staff whose suggestions are successfully implemented.

Key Priority Areas

In response to the staff survey results key areas for action surround Staff Pledge 2, continuing to improve our appraisal rates and the quality of our appraisals, and Staff Pledge 4 in raising the profile and improving our position on violence and harassment

from both patients/relatives and staff. Responses to Key Finding 28 (KF28 - perceptions of effective action from employer towards violence and harassment) were particularly disappointing as in 2008 this area had one of the largest local changes where staff experience had improved. There will, therefore, be a major focus of work in this area.

Monitoring Arrangements

An Action Plan will be produced which will be agreed by the Workforce Strategy Implementation Board. Targets will be set which will form part of the Foundation Trust's Corporate Priorities and monitoring will take place through the quarterly review arrangements that are in place.

Summary of Performance

Response rate	**2008/09**		**2009/10**	
	Trust	National average For Acute Trusts	Trust	National average for Acute Trusts
	50%	52%	47%	51%

Top 4 Ranking Scores	**2008/09**	**2009/10**	**Ranking compared with national average for Acute Trusts 2009/10**
KF4. % of staff agreeing they have an interesting job.	83 %	85%	80% Highest (best) 20%
KF12. % of Staff receiving job relevant training, learning and development in the last 12 months.	86%	84%	78% Highest (best) 20%
KF18. % of staff suffering work related injury in the last 12 months.	13%	13%	17% Lowest (best) 20%
KF23. Fairness and effectiveness of incident reporting procedures.	3.48	3.55	3.42 Highest (best) 20%
Bottom 4 Ranking Scores			
KF26. % of staff experiencing harassment, bullying or abuse from patients/relatives in the last 12 months.	25%	28%	21% Highest (worst) 20%
KF13. % of staff appraised in the last 12 months.	47%	59%	70% Lowest (worst) 20%
KF15. % of staff appraised with Personal Development Plans in the last 12 months.	37%	50%	59% Below average
KF25. % of staff experiencing physical violence from staff in the last 12 months.	2%	2%	2% Above (worse than) average

Largest local changes since the 2008 Survey where staff experience has improved.

KF21. % of staff potentially witnessing harmful errors, near misses or incidents in the last month.	41%	34%	37% Below (better than) average
KF1. % of staff feeling satisfied with the quality of work and patient care they are able to deliver.	71%	78%	74% Highest (best) 20%
KF15. % of staff appraised with Personal Development Plans in the last 12 months.	37%	50%	59% Below (worse than) average
KF8. Trust commitment to work-life balance.	3.31	3.43	3.40 Below (better than) average

Largest local changes since the 2008 Survey where staff experience has deteriorated

KF28. Perceptions of effective action from employer towards violence and harassment.	3.60	3.56	3.55 (Average)

Regulatory Ratings

In 2009/10 Foundation Trusts were rated against three categories; finance, governance and mandatory services. As part of the Annual Plan, we include a section with our Annual Assessment against each of the categories.

- Finance: Trusts are awarded a rating of 1-5 on a quarterly basis, with 1 being the lowest rating and 5 being the highest.
- Governance: Trusts are awarded a rating of red, amber or green on a quarterly basis.
- Mandatory Services: Trusts are awarded a rating of red, amber or green on a quarterly basis.

Summary and analysis of rating performance throughout the year

In 2009/10 we received the following ratings:

- Finance: 4 for all quarters.
- Governance: Green for all quarters.
- Mandatory Services: Green for all quarters.

In comparison to 2008/09 the Trust's performance in 2009/10 against the three categories is:

- Finance: No change from the 4 rating for all quarters of 2008/09.
- Governance: An improvement from an amber rating for quarters 1 and 2 and a green rating for quarters 3 and 4 in 2008/09 to a green rating for all quarters in 2009/10.

- Mandatory Services: Consistent ratings of green for each quarter in 2008/09 and 2009/10.

Analysis of actual quarterly rating performance compared with expectation in the annual plan:

- Finance: The ratings of 4 are consistent with the planned annual risk assessment for 2009/10.
- Governance: The green ratings for each quarter are consistent with the planned annual risk assessment of green for 2009/10.
- Mandatory services: The green ratings for each quarter are consistent with the planned annual risk assessment of green for 2009/10.

Actual performance in 2009/10 has been consistent with expected performance detailed in our annual risk assessment and we have not received any formal interventions.

Care Quality Commission (CQC) Registration

In October 2009 the Care Quality Commission (CQC) published the results of its Annual Healthcheck for 2008/09. The Foundation Trust achieved a rating of good for the quality of its services (the same as the previous year) and excellent for its use of resources (an improvement on the previous year).

We have been registered successfully with the Care Quality Commission as part of the regulator's statutory requirement to ensure that all health and social care providers adhere to essential standards of quality and safety. No 'compliance conditions' were imposed against the Foundation Trust, indicating that the CQC has not identified any clear concerns regarding the ability of the Foundation Trust to meet these essential quality standards.

As part of the registration process the Foundation Trust has registered two main locations for service delivery (Bradford Royal Infirmary and St Luke's Hospital) and is permitted to carry out services in line with the following regulated activities:

- Treatment of disease, disorder or injury
- Assessment of medical treatment for persons detained under the Mental Health Act 1983
- Surgical Procedures
- Diagnostic and Screening Procedures
- Maternity and Midwifery Services
- Termination of Pregnancies
- Nursing Care
- Family Planning Services

Our Finances

Income and Expenditure Position

The Foundation Trust continues to report a year on year surplus. This year, the year-end surplus is £2.4m which is slightly behind the original plan of £3m. The table below summarises how the position has changed between 2008/09 and 2009/10:

	Position at 31.3.09 £m	Position at 31.3.10			% Change on Previous Year
		Plan £m	Actual £m	Variance £m	
Total Income	288.6	293.8	305.2	11.4	6%
Operating Expenditure	-267.9	-277.8	-289.3	-11.5	8%
EBITDA	**20.7**	**16.0**	**15.9**	**-0.1**	
Depr/Int Rec & Pay/PDC	-16.5	-13.0	-13.5	-0.5	
Surplus/(Deficit)	**4.3**	**3.0**	**2.4**	**-0.6**	

The Foundation Trust has continued to invest significant effort in controlling cost and recovering the appropriate amount of income commensurate with the work carried out throughout the year. The demonstration of this effort is represented in the achievement of a £12.6m performance improvement target on a recurrent basis, providing a very strong foundation for the forthcoming year.

The Foundation Trust has continued to maintain a strong cash position throughout the year and ended the year with a higher cash balance than previously planned.

The annual plan submitted to Monitor awarded the Foundation Trust a financial risk rating of 3 (with ratings ranging from 1 - significant financial risk to 5 - no financial risk). Throughout the financial year, the financial results reported on a quarterly basis have delivered a financial risk rating of 4.

The Foundation Trust remains in surplus, as has been the case since 2006/07 as demonstrated below:-

2006/07	£0.7m surplus
2007/08	£1.9m surplus
2008/09	£4.3m surplus
2009/10	£2.4m surplus

Maintaining this healthy financial position, when considered in conjunction with the Foundation Trust's success in delivering access and waiting time targets, is recognition for all the hard work invested by all staff within the organisation.

The underlying position remains one of planned surplus to maintain the strong foundation generated over recent years. The financial planning parameters used to

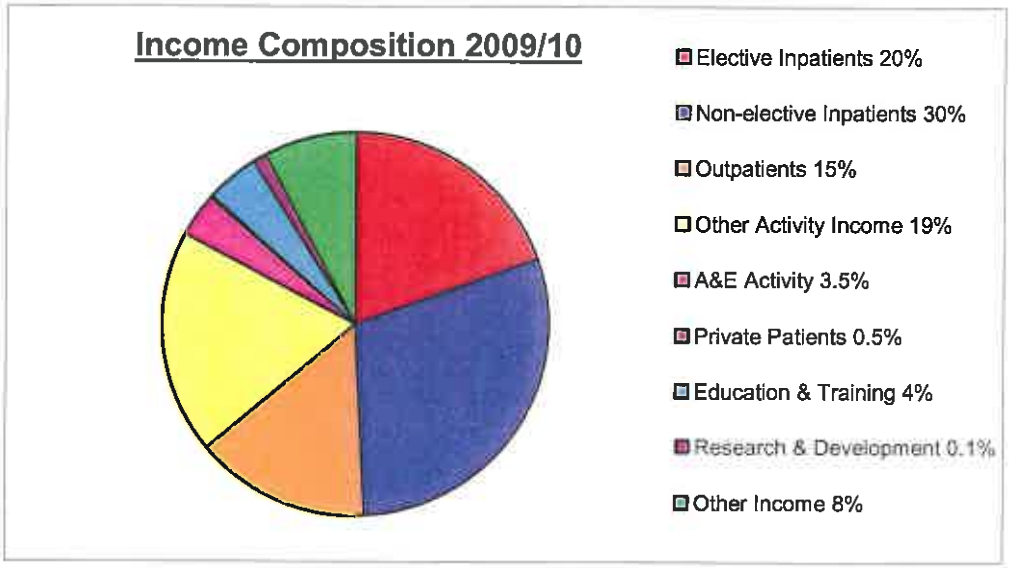
populate the financial plan for 2010/11 reflecting both nationally prescribed assumptions and local variations, produce a significant challenge to the Foundation Trust for the forthcoming year. The emphasis will remain on maintaining robust financial management controls to deliver its financial targets and ensuring, as with previous years, that cost improvements are delivered on a recurrent basis to ensure there is not deterioration in the underlying position.

Income

The total income reported for the 2009/10 financial year was £305.2m which is split as follows:

- Income from Activities £269.5m
- Other Operating Income £35.7m

The composition of the income is summarised in the table below:



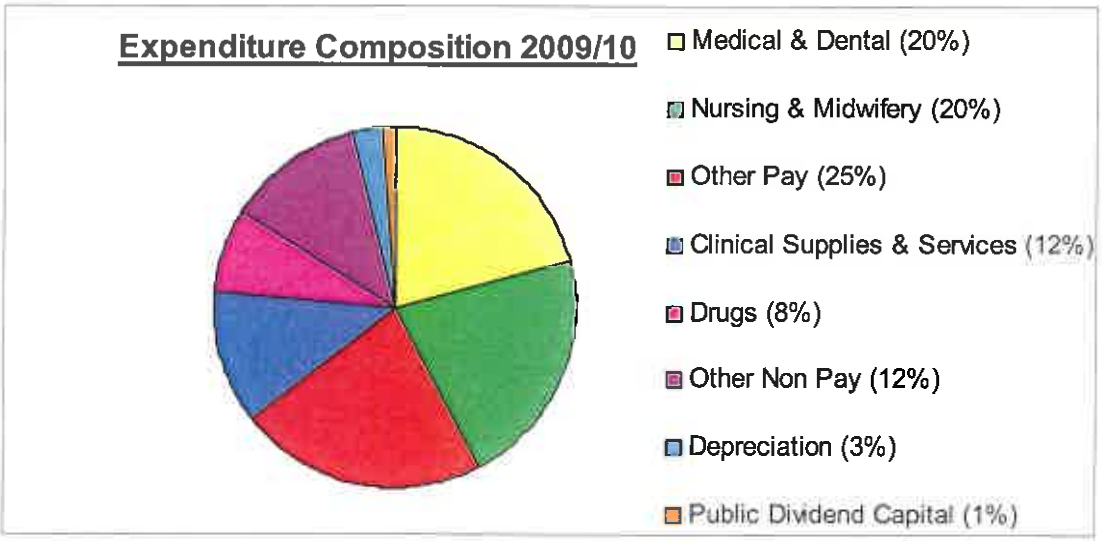
Income from activities is primarily income from Primary Care Trusts (PCTs) in relation to the provision of patient treatment services under contractual and commissioning arrangements. Other income is primarily non-patient related income and includes income for education and training, catering, car parking and other services.

Overall this represented an Income over recovery of £11.4m. The main items making up this over recovery are:

- Increased workload associated with:
  - Higher than planned level of acute work.
  - Higher than planned levels of outpatient activity.
- Increased high cost items such as drugs and blood products chargeable to the PCTs on a usage basis.
- Other operating income as a result of additional income relating to education & training, research & development.

Expenditure

The composition of the total expenditure of £302.8m is summarised in the chart below



Overall this represents an over spend of £12.0m. The main items making up this over spend are

- the delivery of extra work generating the income
- the prescribing of specialist drugs, blood and the use of specialist equipment all of which were sourced through directly attributable income.
- Service developments together with investment in the estate and environment all of which attracted separate income streams.

Total expenditure on continuing professional development was £2.4m.

Performance Improvement Programme (PIP)

The Foundation Trust commenced the year with a plan to deliver a surplus of £3m which represented 1.0% of turnover. Delivery of this target required the Foundation Trust to secure a performance improvement target of £12.6m, through a mixture of cash releasing savings and additional income. The majority of the efficiency plans have been delivered through a 3% cost improvement programme levied across the Directorates/Departments with further schemes identified corporately.

By delivering a surplus of £2.4m the Foundation Trust has delivered its performance improvement target both in full and recurrently going forward into 2010/11.

The financial outlook for the forthcoming and future years poses a significant financial challenge which will need to be delivered through an extensive savings and efficiency programme. Maintaining the underlying surplus position and ambitious corporate strategy places greater emphasis on the requirement to identify sustainable

productivity and efficiency gains both immediately and into the future. The financial performance of the Foundation Trust will be maintained through the delivery of:

- Directorate specific cash releasing programmes equating to 5% of Directorates budgets.
- Directorate specific and centrally driven productivity and efficiency initiatives supported by the Corporate Improvement Portfolio Board.

Financial Risk Ratings

The Foundation Trust's Annual Plan for 2009/10 included an assessment of the forecasted annual financial risk rating (as prescribed by Monitor the Independent Regulator). The assessment is based on a number of financial metrics which produces an overall risk rating of between 1 and 5 (with 5 representing the most financially secure organisations).

The financial plan calculated a planned financial risk rating of 4 for quarters 1 to 3 and 3 for quarter 4 in 2009/10. Throughout the year, the financial results reported on a quarterly basis have achieved a rating of 4.

Key Financial Risks

The Foundation Trust started 2009/10 with a number of significant financial risks, which have been managed effectively through the delivery of the financial position highlighted above.

The main financial risks for 2010/11 are similar to those experienced in 2010/11, namely the delivery of:

- Budgetary control targets inclusive of productivity and efficiency targets against a backdrop of inflationary cost pressures, regulatory change and service developments.
- Planned activity and income levels and ensuring robust, timely counting and charging processes are in place to facilitate monthly reporting in line with contractually prescribed timescales.
- A FRR of 3 or better in relation to both the revenue income and expenditure position as well as facilitating the ambitious capital programme
- 18 week referral to treat targets and associated financial penalties
- The financial challenge faced renders a number or all of the CQUIN schemes to which a funding stream is attached undeliverable.

In addition to maintaining the strong financial management arrangements, the main contingencies identified to mitigate against the above risks should they materialise are to:

- Identify further Directorate and centrally driven productivity and efficiency initiatives
- Explore options around development slippage to match the savings achieved.
- Identify Non recurrent measures that will release savings in year.

- Maintain the accurate monitoring arrangements in place for infection rates and consolidate the enhancements made in both hospital hygiene and the rigorous internal mechanisms for targeting improvement.
- Maintaining strong / robust working relationships with the PCTs and close monitoring of progress on the 18 weeks RTT target, utilising where necessary the capacity review provisions within the contract to mitigate against the application of financial penalties
- Generate additional income/contribution.
- Regular monitoring and dialogue throughout the organisation to ensure robust processes are in place to facilitate accurate charging in the appropriate format to secure the appropriate level of income.

Improving Value for Money

The Foundation Trust continues to pursue improvements in value for money for the services it provides, together with the drive for improvements in the qualitative aspects of care with 2009/10 no exception. This has been demonstrated through the continued investment in the infrastructure and estate to ensure modern fit for purpose facilities are provided; meeting nationally prescribed standards.

The Foundation Trust is committed to maintaining its financial position to release financial resources for reinvestment back into services. In recognition of this sustainable ongoing financial success the Foundation Trust is exploring in detail the viability of a second modular build, again housing modern ward facilities together with a new main entrance.

The Directorates' annual plans and the capital programme also identify a number of ambitious schemes and service developments that will:

- enhance service delivery;
- realign capacity to ensure services are provided from the optimum location;
- and deliver very real qualitative improvements to the services provided.

The Foundation Trust's Corporate Improvement Portfolio Board have identified and are pursuing a number of modernisation and service improvement initiatives which will secure improved value for money through recurrent productivity and efficiency benefits. It has established a process and reporting structure to identify and deliver both service improvements and productivity initiatives. To secure sustainable and tangible change throughout the organisation, the remit of the team, working in partnership with the organisation, is to:

- facilitate change and innovation;
- maximise efficiency and productivity;
- instil a culture of continuous improvement;
- train staff in improvement tools and techniques;
- co-ordinate programmes of improvement work.

Through working with services and teams and challenging behaviours and processes, the significant outcomes will be the redesign of services/processes together with measurable efficiency, productivity and financial gains.

Examples of the workstreams underway include:

- the implementation of an Electronic Medical Record, replacing paper based patient notes, transforming the medical records function;
- continued implementation of the peri-operative review, maximising the efficiency and effectiveness of its operating facilities and inter-related services;
- implementation of software tools and products designed to improve the rostering of staff.
- and continued participation in national benchmarking pilots

The continued roll out of service line reporting/management, improves the Foundation Trust's knowledge regarding the relative standing of services in relation to the income it receives through tariff. This will be further facilitated by the introduction of the patient level costing system, providing detailed costing schedules on a per patient basis. The information produced by these two systems provides an excellent opportunity to examine in detail those services that both do and do not appear to provide value for money.

Cash and Balance Sheet Position

The cash position has increased in year to £51.1m (2008/09 £45.8m). The increase is largely through a combination of the operating surplus, an increase in payables, provisions and other liabilities and Public Dividend Capital offset by capital payments of £13.0m including capital creditors (2008/09 £20.4m including capital creditors), an increase in debtors and repayment of the loan principal due in the year.

Prudential Borrowing

The Foundation Trust had a maximum long-term borrowing of £56.7m (2008/09: £58.2m).

The Foundation Trust secured a loan of £10m over 10 years with the final principal repayment due on the 25 January 2019 from the Foundation Trust Financing Facility. The Foundation Trust has also secured approval for a further £15m over 15 years from the Foundation Trust Financing Facility with a utilisation date up to 31 December 2010.

The Foundation Trust has secured interest free loans totalling £1.3m from the Salix Energy Efficiency Loan Scheme. These are expected to be drawn during 2010/11.

The Foundation Trust has £18.5m (2008/09: £18.5m) of approved working capital facility. The Foundation Trust did not draw on this facility during 2009/10 or in the previous year.

Private Patient Cap

The amount of income the Foundation Trust generates from private patient activities must be within the Private Patient cap set by Monitor at 1.09% of total patient related income.

The surplus resulting from private activity is reinvested into services for the benefit of NHS patients.

	2009/10 £ 000	2008/09 £ 000
Private Patient Income	1,372	1,533
Total Patient Related Income	269,496	252,534
Proportion as a percentage	0.51%	0.61%

Public Sector Payment Policy Performance

The Better Payment Practice Code requires organisations to aim to pay all valid undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. As an NHS Foundation Trust, the Foundation Trust is not bound by this code, but seeks to abide by it as it represents best practice.

The performance in 2009/10 for Non-NHS Creditors is in line with the previous year's performance and for NHS Creditors has shown an improvement. The Foundation Trust is continuing to work to improve its performance.

	2009/10	
	Number	**£000**
Total Non-NHS trade invoices paid in the year	**53,089**	**96,538**
Total Non NHS trade invoices paid within target	**47,126**	**85,882**
Percentage of Non-NHS trade invoices paid within target	**89**	**89**
Total NHS trade invoices paid in the year	**1,722**	**24,110**
Total NHS trade invoices paid within target	**974**	**14,983**
Percentage of NHS trade invoices paid within target	**57**	**62**

	2008/09	
	Number	£000
Total Non-NHS trade invoices paid in the year	54,766	96,832
Total Non NHS trade invoices paid within target	48,348	86,761
Percentage of Non-NHS trade invoices paid within target	88	90
Total NHS trade invoices paid in the year	1,744	22,254
Total NHS trade invoices paid within target	680	10,343
Percentage of NHS trade invoices paid within target	39	46

Investments

The Foundation Trust does not have any investments in subsidiaries or joint ventures. However, where the Foundation Trust had short-term cash surpluses to invest it placed them with approved UK registered banks and building societies and central government banking facilities including the Government Banking Service and the National Loans Fund in line with the approved policy.

Capital Programme

Capital investment totalling £11.3m was made during the year. The main elements of the capital programme are as follows:

Scheme	£million
Information Technology Schemes	1.0
Medical Equipment	1.8
Patient Environment Improvements	3.7
Buildings and Engineering Maintenance	3.4
New Building Schemes	1.4
Total	**11.3**

Statement on Going Concern

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

Charitable Funds

Purpose of Charitable Funds

The Foundation Trust's charitable funds are operated for the benefit of staff and patients in accordance with the objects of the charity.

Significant Donations During the Year

The Foundation Trust received a large number of very generous donations throughout the year, from many parts of the community. The Friends of BRI and Friends of St Luke's were again very supportive in their fundraising efforts.

Amongst the very generous donations received were legacies from Dorothy Ann Jennings (£142,062), Marjorie Hiley (£50,160) and Mary Sharp (£35,000).

Key Benefits Accruing from the Charitable Funds for 2009/10

During the year, the Charitable Funds purchased a large number of items of equipment and new fixtures and fittings for the wards and departments within the Foundation Trust.

The most significant purchases were of medical equipment, including a Cardiac Snap Shot Pulse Scanner upgrade for the Cardiology unit, and a Video Laryngoscope for the Neonatal unit.

Board of Governors

Appointments

The Board of Governors holds a number of statutory duties, one of which is to be consulted on the future plans of the organisation; they appoint and remove the Chairman and Non-Executive Directors. They set the terms, conditions and remuneration of Non-Executive Directors and they receive the annual report, the annual accounts and the auditors report on the accounts. They appoint and remove the external auditors.

The Board of Governors meet formally four times a year in addition to the Annual General Meeting.

This year, in line with their statutory duties, the Governors have reappointed the external auditor, appointed a new Non-Executive Director and been consulted on the Foundation Trust's Annual Plan 2009/10. Governors have participated in the annual performance review of the Chairman and considered and accepted the annual performance review report on the Non Executive Directors. The Governors considered the remuneration of the Chairman and Non-Executive Directors in accordance with the recommendation made in 2006 and accepted the recommendation from the Chairman and Non-Executive Directors that their remuneration remain set at the current level.

The role of Governors at Bradford Teaching Hospitals has continued to develop throughout the year and this is reflected in the extended Governor Work Programme.

Although the working groups involve varied numbers of Governors it is recognised that those who sit on them act as representatives for the full Board of Governors. They regularly report back to the full Board at the scheduled Board of Governor meetings on activities undertaken along with any recommendations for action, discussion and agreement. Individual Governors also participate in a selection of Foundation Trust business meetings.

All Governors have been involved in some strand of the work/involvement programme and the time devoted has been fairly distributed across the whole governing body. Membership of the Governor working groups and involvement in other areas of influence has been determined through the interests, skills and knowledge Governors declared following the completion of their induction programme.

Individual Governors have participated in the Foundation Trust's Green Transport Group, the Estates Environment Group, the Charitable Funds and Investment Committee, the Volunteers Forum and the Young People's Engagement Programme. Two Governors are involved in the Foundation Trust Governors Association (FTGA) with one of our Governors elected to the FTGA Executive Committee in July 2009.

Governors have worked towards maintaining membership and further developing the general membership engagement programme which saw the Focus on Medicine programme further developed and a review and roll-out of a revised Membership Interests Form. Governors have continued to oversee the delivery of the membership quarterly communications.

Governors oversaw the Annual General Meeting (AGM) in September 2009 which attracted 100 people and Governors were also integral to the planning and delivery of the accompanying Open Event (the Foundation Trust's fourth annual major event) which showcased over 40 departments, clinical areas and projects. The event attracted over 800 visitors.

In targeting hard to reach groups, Governors have worked with the Foundation Trust in continuing to develop distinct web-based communications for young people in general and our new members in particular. The launch of a young peoples' website took place in March 2010 at the annual Student Open Event. This event, planned with the support of Governors, attracted approximately 300 students from across the district and neighbouring regions.

Governors were involved in supporting the Volunteers Forum in the delivery of a Volunteering Fair in June 2009 which successfully highlighted the role of the volunteer as well as providing an opportunity for the forum to develop links and network with external groups and organisations.

This year saw the addition of two further areas of work to the Governors Work Programme - the Quality Agenda Governor Working Group and the Care Quality Commission Governor Working Group.

The 'Quality Agenda' relates to activities and work streams underway at the Foundation Trust in support of improving the patient experience, patient safety and effectiveness. All Governors are involved in a programme of ward visits where they meet with staff and patients and assess, against a checklist, aspects of the service delivered to in-patients. This includes communications, signage, nutrition, and cleanliness. During the year Governors visited 41 wards and consulted with approximately 130 patients during the visits. The completed assessments have provided valuable information which is fed into the action plans associated with the Quality Agenda.

Historically, a Governor working group, Standards for Better Health, has been convened on behalf of the full Board of Governors to develop the statement (of support or not) in response to the annual declaration to the Health Care Commission. With the change in the regulatory/monitoring regime from 1 April 2009, the Governor Working Group continued to meet in year and undertake a work programme in anticipation of having to provide a formal commentary to the Care Quality Commission (CQC) in relation to the Foundation Trust's application for registration. Although a formal commentary was not eventually required the Working Group produced a collective statement in support of the Foundation Trust's application for registration which was discussed and agreed by the full Board of Governors. The Governors have agreed to continue to meet in 2010/11 as the Care Quality Governor Working Group to review and assess the evidence presented by the Foundation Trust to the CQC as part of the application for registration.

The composition of the Board of Governors from April 2009 to March 2010 is set out below:

From 1 April 2009 to 31 March 2010

Public Governors	

Bradford North	Mrs Mary Brewer
Bradford North	Mr Mohammad Yaqoob
Bradford South	Mrs Sylvia Reilly
Bradford South	Mrs Maureen Sharpe
Bradford West (from 8 May 2008)	Mr Michael Warr
Bradford West	Mrs Nora Whitham
Keighley	Mr Ron Beale
Keighley	Mr Mike Richings
Shipley	Mrs Astrid Hansen
Shipley	Mr Norman Roper
Patient Governors	
Out of Bradford Patients	Mr John Speight
Out of Bradford Patients	Mr Mick Young
Staff Governors	
All Other Staff Groups	Mr John Sidebottom
Allied Health Professionals and Scientists	Mrs Alison Haigh
Medical and Dental	Mr Mark Steward
Nursing and Midwifery	Sister Janet Collett
Partner Governors	
Bradford and Airedale tPCT	Mr Shafiq Ahmed
Bradford Metropolitan District Council	Cllr Matt Palmer
Bradford University (until 30 Nov 2009)	Professor Grace Alderson
Leeds University	Professor John Young

Elections to the Board of Governors

The terms of office of 13 elected Governors ended on 31 March 2010. The election process commenced on 27 January 2010 and concluded on 24 March 2010.

The following Governors were elected unopposed and will commence their terms of office from 1 April 2010.

Public Bradford North	Mrs Mary Brewer

Public Bradford North	Mr Mohammad Yaqoob
Public Bradford South	Mr Mike Turner
Public Keighley	Mr Ronald Beale
Patient (Out of Bradford)	Mr John Speight
Patient (Out of Bradford)	Mr Michael Young
Staff Allied Health Professionals & Scientists	Mrs Alison Haigh
Staff Nursing and Midwifery	Mrs Carolyn Butterfield
Staff Medical and Dental	Mr Mark Steward
Staff 'All other staff groups'	Mr John Sidebottom

Voting in elections took place for one vacancy in the Bradford West Constituency and for two vacancies in the Shipley Constituency. The table below indicates the total number of votes cast and the % turn-out in voting.

Membership Constituency	Vacancy	Candidates Standing	Ballot Papers Despatched	Votes Cast	Turnout
Public Bradford West	1	3	11,275	1,235	11%
Public Shipley	2	3	6,310	1,133	18%

The following candidates were successfully elected and will commence their terms of office from April 2010.

Public Bradford West	Mrs Nora Whitham
Public Shipley	Mrs Susan Hillas
Public Shipley	Mrs Joan Barton

The Foundation Trust confirms that all elections to the Board of Governors have been held in accordance with the election rules as stated in the constitution.

Attendance at Board of Governors' Meetings 2009/2010

Name	Governor Status	Representing	22.4.09	15.7.09	23.9.09 (AGM)	21.10.09	20.1.10	total attendances*
Mr Shafiq Ahmed	Partner Governor	Bradford and Airedale tPCT	x	√	x	x	x	1 of 5
Professor Grace Alderson	Partner Governor	Bradford University	√	√	√	√		4 of 4
Mr Ron Beale	Public Governor	Keighley	x	x	x	x	√	1 of 5
Mrs Mary Brewer	Public Governor	Bradford North	x	√	√	√	√	4 of 5
Sister Janet Collett	Staff Governor	Nursing and Midwifery	√	√	√	√	x	4 of 5
Mrs Alison Haigh	Staff Governor	Allied Health Professionals and Scientists	x	√	√	√	√	4 of 5
Mrs Astrid Hansen	Public Governor	Shipley	√	√	√	√	√	5 of 5
Cllr Matt Palmer	Partner Governor	Bradford Metropolitan District Council	x	√	x	x	x	1 of 5
Mrs Sylvia Reilly	Public Governor	Bradford South	√	x	√	x	√	3 of 5
Mr Mike Richings	Public Governor	Keighley	√	√	√	√	√	5 of 5
Mr Norman Roper	Public Governor	Shipley	√	√	√	√	√	5 of 5
Mrs Maureen Sharpe	Public Governor	Bradford South	√	√	√	√	√	5 of 5
Mrs Jenny Scott	Partner Governor	Patient Forum	√	√	√	√	√	3 of 5
Mr John Sidebottom	Staff Governor	All Other Staff Groups	√	√	√	√	√	4 of 5
Mr John Speight	Patient Governor	Out of Bradford Patients	√	√	√	√	√	5 of 5
Mr Mark Steward	Staff Governor	Medical and Dental	x	√	√	√	√	4 of 5
Mr Michael Warr	Public Governor	Bradford West	x	√	x	√	√	3 of 5
Mrs Nora Whitham	Public Governor	Bradford West	√	√	√	√	√	5 of 5
Mr Mohammad Yaqoob	Public Governor	Bradford North	√	√	√	√	√	5 of 5
Professor John Young	Partner Governor	Leeds University	x	x	x	√	x	1 of 5
Mr Mick Young	Patient Governor	Out of Bradford Patients	√	√	√	√	√	5 of 5

denotes period when not a Governor

* provides total attendances out of maximum number of meetings could attend

It will be noted that a number of Governors were unable to attend some/all of the scheduled meetings during 2009/10. The Chairman met with individuals concerned (in line with the constitutional requirement) and established there were acceptable reasons provided for non attendance which in the majority of cases was due to other scheduling conflicts. All Governors have, however, participated in the extensive Governor Work Programme and so remain committed and active members of the Board.

Board of Directors

The Board of Directors is responsible for the day-to-day management of the Foundation Trust and the operational delivery of its services, targets and performance.

It is made up of both Non-Executive Directors and Executive Directors. The Executive Team has specific roles, with defined skills as stated in the Constitution. The Non-Executive Directors are appointed for their business skills and links to serving the local community. Prior to any new appointment of a Non-Executive Director, the Chairman carries out a skills assessment of the Board of Directors to review the person specification to accompany the generic job description of the Non-Executive Director.

The Board of Directors meets monthly. Following each Board meeting, there is a lunchtime operational visit to a directorate. The Clinical Director and General Manager are invited to give a short presentation to the Board followed by a visit to the clinical areas.

Four times a year the Board of Directors holds time-out meetings, which operate on a workshop style model. The way these meetings are held varies, with the Executive Team, Chairman and Non-Executive Directors meeting separately and then coming together to discuss a range of issues. Twice a year the Board of Directors hold joint timeout sessions with the Board of Governors. The autumn Board to Board meeting focuses on the development of the annual plan.

Key management structures that feed into and out of the Board of Directors are the Executive Directors' group, which meets formally twice per month and the Clinical Management Group, which meets monthly. Any new business case which presents a variance to the annual plan approved by the Board of Directors, will be reviewed and approved by the Clinical Management Group before they are presented to the Board of Directors.

Evaluating Our Performance

The Chairman and the Non-Executive Directors set objectives for the Executive Directors to deliver on targets as defined by our corporate priorities.

Appraisal of the Non-Executive Directors was reported to the Board of Governors at the July 2009 meeting of the Board of Governors. The Senior Independent Director carried out the appraisal of the Chairman at separate meetings of the Board of Governors and Board of Directors, and collated his feedback to present at the Board of Governors meeting in January 2010.

The Chief Executive carried out the appraisals of the executive team, which is collated and considered by the remuneration committee.

External appraisal regarding the overall delivery and performance of the Foundation Trust is set by the ratings issued by Monitor for three key categories – financial, governance and mandatory services.

The Foundation Trust maintained throughout the year a risk rating by Monitor for financial performance by being awarded a rating of four, with five being the best

rating available. With regard to governance, the Foundation Trust was rated "green" throughout the year. We were rated as "green" for mandatory services (these are a range of services we have to provide as set out in the terms of our licence from Monitor). This means that we are performing well.

In October 2009 the Care Quality Commission (CQC) published the results of its Annual Healthcheck for 2008/09. The Foundation Trust achieved a rating of good for the quality of its services (the same as the previous year) and excellent for its use of resources (an improvement on the previous year). The Board of Directors can take assurance from the external assessment of the Care Quality Commission (CQC) regarding their external assessment of the quality of the Trust's performance and the use of its resources. The quality of services rating is based on a combination of the Trust's Self Declaration against the Commission's Standards for Better Health together with performance against specific national targets.

The Board of Directors have all participated in an online self assessment to evaluate the performance of the Board which was facilitated by the Chairman using an external tool which is used to assess FTSE 350 companies.

Working Together

The Board of Directors has formally consulted with the Board of Governors throughout the year to support the delivery of their statutory duties.

Through regular consultation, they also play a key role in shaping, developing and evaluating the success of our annual plan, a process that begins every autumn at the joint Board to Board meeting.

The Director of Planning and Performance has presented regular updates throughout the year to the Board of Governors to seek their views, in order to feed into the development of the annual plan.

The Board of Governors and Board of Directors meet twice a year in closed workshop meetings. Here they address issues in the emerging agenda in the Foundation Trust's work programme for the Executive Directors to develop further with the Board of Directors.

The Board of Governors Working Group has scrutinised the internal work by departments for the annual declaration for Standards for Better Health and established processes for scrutiny of the emerging work programme for the Care Quality Commission (CQC). This has provided the Board of Directors with additional assurance towards the annual declaration for Standards for Better Health and the ongoing in-year compliance with the Care Quality Commission (CQC).

During the year the Board of Governors established a new programme of work which assessed the quality of a range of issues within our wards. The work programme is led by a Governor Working Group, however all Governors have signed up to participating in the ward visits. These visits are spot checks on the wards during which the Governors make a range of assessments, these includes talking to patients and staff. The assessment tool, which has been piloted and evaluated during the year, will now be used twice a year to carry out assessment across over thirty areas of the Trust. This information will be reported to the Board of Directors and to the public at the Board of Governors meetings.

The Board of Governors Working Group lead on arranging a week of events around the AGM Open Event and together with the Board of Directors host a series of events.

Appointments to the Board of Directors

Name and title	Commenced in post/terms of office
Mr David Richardson, Chairman	July 1 2005 to June 30 2011
Mr Miles Scott, Chief Executive	Permanent post from August 30 2005
Mr Bryan Millar, Director of Finance and Deputy Chief Executive	Permanent post from October 10 2005
Ms Sally Ferguson, Chief Nurse	Permanent post from March 31 2008
Dr Dean Johnson, Director of Planning and Performance	Permanent post from November 21 2005
Dr Clive Kay, Medical Director	Permanent Post from November 1 2006
Mrs Nadira Mirza, Deputy Chair and Senior Independent Director	December 1 1998 to November 30 2009*
Mr Richard Bell, Non-Executive Director and Chair of Audit Committee	June 1 2005 to May 31 2011
Mr Chris Jelley, Non-Executive Director	June 1 2005 to May 31 2011
Mr John Bussey, Non-Executive Director	May 1 2006 to April 30 2012
Mr John Waterhouse, Non-Executive Director	February 1 2008 to January 31 2011
Professor David Cottrell – Non-Executive Director	June 1 2008 to May 31 2011
Professor Grace Alderson – Non-Executive Director	December 1 2009 to November 30 2012

* Mrs Nadira Mirza was replaced by Professor Grace Alderson from December 1 2009.

Register of Interests

The Head of Corporate Affairs maintains a register of interests for both the Board of Directors and Board of Governors. These are available to the public and requests should be directed to the Head of Corporate Affairs, Trust HQ, Bradford Royal Infirmary, Bradford, BD9 6RJ.

There are no Company Directorships or other significant interests held by the individual Directors or Governors that may cause a conflict with the responsibilities of their respective roles.

Each Non-Executive Director is appointed/reappointed to serve a three-year term of office.

It is a statutory duty of the Board of Governors to appoint and remove the Chairman and the Non-Executive Directors. Therefore, in order to carry out this duty, the Chairman reports to the Governors on the outcome of the annual appraisal with each of the Non-Executive Directors at the July public meeting of the Board of Governors. The Senior Independent Director then carries out the appraisal of the Chairman, taking a sounding from both the Board of Directors and Board of Governors, to

formally report back to the Board of Governors at a public meeting.

Should the Chairman have any concerns regarding the performance of the Non-Executive Directors then he would raise this with the individual and, where necessary, consult the Board of Governors for further action.

About Our Directors

Mr David Richardson, Chairman

David was appointed as Chairman to Bradford Teaching Hospitals NHS Foundation Trust in July 2005 and re-appointed by the Governors in 2008. David is currently the Director of his own company called DGR (UK) Ltd. He is the Chairman of Bradford and Airedale Care Partnerships Ltd-LIFT Co, and Chief Executive of Bradford Breakthrough Ltd, which is the senior business leaders' forum for the district.

These posts have been held since the Chairman was appointed at the Foundation Trust. The work undertaken in these posts does not interfere with the Chairman's commitments at the Foundation Trust and their overlap with health partners, and all the major businesses and city institutions, strengthens effectiveness in the role as Chairman.

Mr Miles Scott, Chief Executive

Miles has been Chief Executive of Bradford Teaching Hospitals NHS Foundation Trust since August 2005. Before coming to Bradford he was Chief Executive of Harrogate and District NHS Foundation Trust for four years. Miles joined the NHS General Management Training Scheme in 1988 after graduating from Cambridge University with a degree in History. His NHS career has encompassed acute, community and mental health services, the King's Fund and Trent Regional Office. He is a member of the Foundation Trust Network Board and the NICE Technology Appraisals Committee.

Ms Sally Ferguson, Chief Nurse

Sally qualified as a Registered Nurse and Registered Sick Children's Nurse at Great Ormond Street Hospital for Children in 1985 and then worked within the speciality of neonatal surgery in London and Manchester. Sally has undertaken a range of management roles within the North West including paediatrics, neonatal medicine, adult head & neck services, and children's community and mental health services. Sally became Director of Nursing and Support Services / Deputy Chief Executive at the Cardiothoracic Centre Liverpool NHS Trust in 2002, prior to moving to the post of Director of Nursing and Patient Services at Aintree Hospitals NHS Foundation Trust in 2004. Sally commenced as Chief Nurse at Bradford Teaching Hospitals NHS Foundation Trust In March 2008.

Mr Bryan Millar, Director of Finance/ Deputy Chief Executive

Bryan has worked in the NHS for over 30 years in a variety of financial roles within Yorkshire and the North East of England. After occupying a number of posts at District and Regional Health Authorities, Bryan joined Northgate and Prudhoe NHS Trust becoming their Director of Finance and Performance Management in 1993. He became Director of Finance at Bradford Community Health NHS Trust in 1999 before

moving to Bradford South and West PCT where he was Director of Finance and Deputy Chief Executive. Bryan joined the Foundation Trust as Director of Finance in October 2005. He is a fellow of the Association of Chartered Certified Accountants.

Dr Dean Johnson, Director of Planning and Performance

Dean spent six years at Loughborough University studying mathematics to degree and PhD level. Following university, Dean started working for the NHS in 1992, on the management training scheme. After seven years working at Queens Medical Centre in operational and corporate roles, he moved to Nottingham Health Authority to be responsible for the commissioning of elective services. Following three years at the Health Authority, Dean moved to Broxtowe and Hucknall PCT as Director of Planning and Performance. Following this and in the year preceding working at the Foundation Trust, Dean worked for the Department of Health in both Leeds and London, looking at urgent care in a primary care setting. Dean's current responsibilities are for planning services, the performance management of the organisation, planning capital investment, information services and marketing

Dr Clive Kay, Medical Director

Clive took over the role as Medical Director in November 2006 and has worked as a Consultant Radiologist at the Foundation Trust since 1998. Before working in Bradford, he spent three years at the Medical University of South Carolina as Chief of Radiological Services at the Digestive Disease Centre. Clive was the Lead Clinician for the Western West Yorkshire Upper Gastrointestinal Cancer Centre between July 2001 and March 2010. He is the Chairman of the Royal College of Radiologists' Scientific Programme Committee and an Associate Editor for 'Clinical Radiology'. He is the immediate past Chairman of the British Society of Gastrointestinal and Abdominal Radiology. He is a Fellow of the Royal College of Radiologists and a Fellow of the Royal College of Physicians of Edinburgh.

Professor Grace Alderson, Non-Executive Director

Grace works part-time as Professor of Medical Microbiology at Bradford University where she has held a range of senior academic roles including senior Pro Vice Chancellor. She is also a Chartered Scientist, Chartered Biologist and a Fellow of both the Institute of Biomedical Science and the Institute of Biology. Grace became a Partner Governor at Bradford Teaching Hospitals in 2004 representing the University of Bradford until her appointment to non-executive director on December 1, 2009. She is a member of the Lord Chancellor's Advisory Committee in Bradford and on the Board of Governors of Dixons City Academy. She has recently been appointed a lay member of the General Dental Council. She has also been a trustee for a range of charities including the higher education Equality Challenge Unit and QED-UK. Grace has been a member of the board of Salitas, a spin out company from the University of Bradford which interfaces with the health sector.

Mr Richard Bell, Non-Executive Director

Richard is a chartered accountant with over 30 years' post-qualification experience. Currently, he is part-time Financial Director to a biotech company and part-time director of a software company, as well as running his own consulting business, which has in the past provided finance director services to a number of clients

including the University of Liverpool, a utilities repair business and other manufacturing and service companies.

Previously, he ran a Ford motor group with a turnover of £130 million for two years and prior to that worked for Barr and Wallace Arnold Trust plc for 12 years, where he was Group Finance Director for five years and Company Secretary for nine.

Mr Chris Jelley, Non-Executive Director

After reading politics, philosophy and economics at Balliol College, Oxford, Chris taught economics at the City of London School for Boys for four years. He then joined BBC's educational television department, producing economics and management programmes, the BBC's first numeracy campaign, and a series of programmes analysing the NHS in 1986.

At Yorkshire Television, he was Chairman of the ITV Schools TV Committee and Chairman of the European Broadcasting Union's Education Expert Group. In 1998 he was one of the team appointed by the Department for Education and Skills to set up the University for Industry, known as learndirect, and commissioned many of their IT courses. He has also been a Consultant to the NHS University. He is currently Chairman of the Governors of Moorfield School, Ilkley and Chairman of the Trustees of the Open College of the Art.

Alongside his Non-Executive Director's role, Chris acts as Senior Independent Director to the Foundation Trust. In this capacity he is available to members and Governors if they have concerns which contact through the normal channels of Chairman, Chief Executive or Finance Director has failed to resolve or for which such contact is inappropriate.

Mr John Waterhouse, Non-Executive Director

After attending Bradford Grammar School and reading physics at St Catherine's College, Oxford, John worked in computing in industry and the NHS. Later he was Managing Director of a number of industrial services companies – computer services, waste management and construction services. From 2001 he served two terms as a Non-Executive Director of North Bradford Primary Care Trust, when he was the PCT's partner governor at the Foundation Trust. Later he was elected a public governor.

He was a member of the Community Health Council and the successor organisation for public and patient involvement. He maintains his interest in the improvement of both primary and secondary NHS services in his native Bradford, particularly in the tackling of health inequalities in our city.

He lives in Idle and has served as a Magistrate in Bradford since 1992 and was a school governor. A lifetime runner, he is a member of the regional council for England Athletics, charged with modernising the sport in our region.

Mr John Bussey, Non-Executive Director

After ten years in shipping and forwarding, John spent two years in corporate finance before jointly founding the Driver Hire Group. From 1985 when Driver Hire was founded it has grown from two offices to a nationwide company with more than 120

offices and a turnover of over £70m in 2004 when the business was invested in by private equity investors.

John is a member of the Institute of Logistics, the Institute of Management, holder of the Certified Diploma in Accounting and Finance from the Association of Certified Accountants and a Fellow of the Institute of Directors. He is also a chartered director and an interviewer for the Chartered Director Programme on behalf of the Institute of Directors. For 11 years John was also a board member of the British Franchise Association, has been an advisor to the Prince's Trust and is a retired Justice of the Peace.

Professor David Cottrell, Non-Executive Director

David is the Foundation Chair in Child and Adult Psychiatry, and Dean of Medicine, at the Leeds School of Medicine. Until recently, he was Associate Medical Director of Leeds Primary Care Trust, where he was actively involved in reshaping the way children's services are provided, as well as forging partnerships with local education, social services and the voluntary sector. He remains a clinician and is a registered family and systemic psychotherapist. He has recently been awarded a large grant to conduct a major research project evaluating family therapy following self-harm. David represents the University of Leeds.

Attendance at Board of Directors' Meetings 2009/10

BOARD MEMBERS	29.4.09	27.5.09	24.6.09	29.7.09	26.8.09	30.9.09	28.10.09	25.11.09	16.12.09	27.1.10	24.2.10	28.03.10	TOTAL
David Richardson	√	√	√	√	√	√	√	√	√	√	√	√	12 of 12
Miles Scott	√	√	√	√	√	√	√	√	√	√	√	√	12 of 12
Bryan Millar	√	x	√	√	√	√	x	√	√	√	√	√	10 of 12
Dean Johnson	√	√	√	x	√	√	√	√	√	√	√	√	11 of 12
Sally Ferguson	√	x	√	√	√	x	√	√	√	√	√	√	10 of 12
Clive Kay	√	√	x	√	√	√	x	√	√	√	√	√	10 of 12
Jo Bray	√	√	√	√	√	x	√	√	√	√	√	x	10 of 12
John Bussey	x	√	√	√	√	√	√	√	√	√	√	√	11 of 12
Chris Jelley	√	√	√	√	√	√	√	√	√	√	√	√	12 of 12
Richard Bell	√	√	√	√	√	√	√	√	√	√	√	√	12 of 12
Nadira Mirza**	√	x	√	√	x	√	√	√					6 of 8
John Waterhouse	√	√	√	√	√	√	√	√	√	√	√	√	12 of 12
David Cottrell	x	√	x	x	√	√	√	x	√	x	√	√	7 of 12
Grace Alderson*									√	√	x	√	3 of 4

Denotes period when not a Non-Executive Director

√ = Attended
X = Apologies sent

*NB Grace Alderson not appointed until 1 December 2009
** NB Nadira Mirza left 30 November 2009

Governance Committee

The Governance Committee is a committee of the Board of Directors. The purpose of the committee is to ensure that the Foundation Trust maintains and develops an effective assurance framework and system of internal control across a range of its clinical, non-clinical, financial and business activities. Its aim is to maintain the risk to compliance with the authorisations, standards, targets, quality and safety criteria in a unified assessment framework designed to achieve organisational objectives. This is to be achieved through a process of regular reporting and evaluation, and the maintenance of risk registers at corporate and operational levels.

It does not remove from the Board of Directors the overall responsibility for the system of internal control, but provides a forum for detailed consideration of such matters in order to give Board confidence in signing the Statement of Internal Control and self-certification process required by Monitor, the Care Quality Commission and other external organisations.

The Committee met four times during the year from 1st April 2009 to 31 March 2010.

Attendance at Board of Directors' Governance Committee Meetings 2009/2010

MEMBERS	25.2.09	27.5.09	24.6.09	11.11.09	10.2.10	TOTAL
David Richardson	√	√	√	√	√	5 of 5
Miles Scott	√	√	√	X	√	4 of 5
Bryan Millar	√	X	√	X	√	3 of 5
Dean Johnson	√	√	√	√	√	5 of 5
Sally Ferguson	√	X	√	√	√	4 of 5
Clive Kay	√	√	X	√	√	4 of 5
Jo Bray (in attendance)	√	√	√	√	√	5 of 5
Chris Allcock (in attendance)	X	√	X	√	√	3 of 5
Donna Thompson (in attendance)	√	√	√	√	√	5 of 5
Richard Bell	√	√	√	√	X	4 of 5
Nadira Mirza	√	X	X	X		1 of 4
John Waterhouse	√	√	√	√	√	5 of 5
Grace Alderson					X	0 of 1

√ = Attended X = Apologies sent

Denotes period when not a Non Executive Director

Audit Committee

The Audit Committee is a committee of the Board of Directors. The purpose of the committee is to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives. During the year, the committee approved the audit plans for both internal and external auditors. Representatives from both auditors have attended each meeting and presented details of the work carried out and their main findings.

The committee has reviewed a number of key documents and the processes supporting them including the Standards for Better Health Declaration, head of internal audit opinion and the

Foundation Trust's annual accounts and the report produced by the external auditor on these accounts.

The committee has sought and been given assurance that the necessary co-operation had been received from Trust managers and staff. The committee was also satisfied that there was appropriate liaison and co-operation between internal and external auditors.

The committee's membership is as follows:

- Richard Bell
- Chris Jelley
- John Bussey

In addition, the Director of Finance and representatives of both internal and external audit normally attend meetings. One of the Assistant Directors of Finance acts as Secretary to the committee.

The committee met eight times during the year. Attendance at these meetings was as follows:

Attendance at Audit Committee Meetings 2009/2010

MEMBERS	22.04.09	03.06.09	29.07.09	30.09.09	28.10.09	25.11.09	27.01.10	31.03.10	TOTAL
Bryan Millar (in attendance)	√	√	√	√	X	√	√	√	7
Chris Allcock (in attendance)	√	√	√	√	√	√	√	X	7
Chris Jelley	√	√	√	√	√	√	√	√	8
John Bussey	X	X	√	√	√	√	√	√	6
Richard Bell	√	√	√	√	√	√	√	√	8

√ = Attended X = Apologies sent

External Audit

The external auditor for the Foundation Trust is:

PricewaterhouseCoopers LLP
Benson House
33 Wellington Street
Leeds
LS1 4JP

The auditor was originally appointed in March following a procurement exercise led by a working group of the Board of Governors. The auditor was reappointed by the Board of Governors in October 2009. The appointment is in accordance with the Audit Code for NHS Foundation Trusts, published by Monitor.

The fee for the year is shown below:

Fee (excluding VAT)	2009/10 £000
Audit Services – Statutory Audit	58.8
Other Services	36.0
Total	**94.8**

The non-audit work relates to the review of the restatement of the Foundation Trust's accounts for 2008/09 under International Financial Reporting Standards (IFRS), a review of Information Governance arrangements and external assurance work on the Quality Report

The provision of non-audit services by the external auditor is governed by the Foundation Trust's Policy on the Use of External Audit for Non-Audit Services, which was originally approved by the Board of Governors in July 2007. The main objective of the policy is to ensure that any non-audit service provided by the external auditor cannot impair or cannot be seen to impair, the objectivity of their opinion on the financial statements.

Any proposal for the use of the external auditors to provide non audit services is reported to the audit committee.

Quality and Safety Review Group

In the autumn the Board established a new sub committee, the Quality and Safety Review Group, Chaired by Prof David Cottrell (Non-Executive Director). This group's purpose is to strengthen integration and co-ordination of the management and development of quality and safety at a corporate level in the Foundation Trust. The group has initiated a new campaign, SAFE!, to improve the care of acutely unwell patients and spread best practice throughout the organisation. While this is a new Committee of the Board, the Group's work is already having real impact on the quality and safety issues being addressed.

Attendance at Quality and Safety Review Group Meetings 2009/2010

Member	Deputy	06/11/2009	15/01/2010	19/03/2010	Attendance	% Attendance
David Cottrell (Chair)	Non Executive Director	√	√	√	3	100%
Clive Kay	Donna Thompson	√	√	√	3	100%
Sally Ferguson	Sally Scales	√	√	√	3	100%
Dean Johnson	Brent Walker	√	X	√	2	67%
Robin Jeffrey	Assistant Medical Director	√	√	√	3	100%
Derek Tuffnell	Assistant Medical Director	√	√	√	3	100%
John Wright	Tracy Watson	√	√	√	3	100%
David Wilkinson	Donna Thompson	√	√	√	3	100%
Jo Bray	Ann-Marie Coubrough	X	√	√	2	67%
Simon Frazer	Maria Neary	√	√	√	3	100%
Brent Walker	Dave Griffith	√	√	√	3	100%

John Waterhouse	No approp deputy	√	√	√	3	100%
Donna Thompson	No approp deputy	√	√	√	3	100%
Sally Scales	No approp deputy	√	√	√	3	100%
Chris Allcock	No approp deputy	√	√	X	2	67%

Search Committee

The appointment of Non-Executive Directors is defined in the Foundation Trust's constitution, which states that "*The search committee will be expected to make a recommendation to the Board of Governors".* The constitution goes on to state that *"a Non-Executive Director may stand for re-appointment and the Search Committee may recommend them".*

The new Code of Governance issued by Monitor in September 2006 also states that "*the Governors are responsible at a general meeting for the appointment and re-appointment of the Chair and Non-Executive Directors".*

The Search Committee of the Board of Governors held a meeting in March 2009 to commence the consideration of the vacancy created by the departure of Nadira Mirza. During the autumn the position was widely advertised in the local media and representatives from the Search Committee held interviews to report their recommendation to the full Board of Governors at their meeting in October 2009, where Professor Grace Alderson was appointed for a three year term of office.

Charitable Funds Committee

The purpose of the Charitable Funds Committee is to give additional assurances to the Board of Directors that the Foundation Trust's Charitable activities are within the law and regulations set by the Charity Commissioners for England and Wales and to ensure compliance with the Charity's own governing document.

The Charitable Funds Committee monitors all aspects of charitable activity with the Foundation Trust as set out within its governing document. During the year the Committee reviewed the income and expenditure of the Funds and approved changes to signatories and the setting up and closure of specific funds. Other business addressed during the year included monitoring the investment performance of the fund. Other business addressed included reviewing the expenditure strategy to ensure funds are deployed to maximise the impact of the Charity.

Attendance at Charitable Funds Committee Meeting 2009/10

MEMBERS	27.5.09	26.8.09	16.12.09	24.02.10	TOTAL
David Richardson	√	√	√	√	4
Miles Scott	√	√	√	√	4
Sally Ferguson	X	√	√	√	4
John Young (in attendance)	√	√	X	X	2
John Sidebottom (in attendance)	√	√	√	√	4
Mike McDonnell (in attendance)	√	√	√	√	4
Bryan Millar	X	√	√	√	3
John Waterhouse	√	√	√	√	4
John Bussey	√	√	√	√	4
√ = attended			x = apologies sent		

Remuneration Report

Remuneration Committee

All the Non-Executive Directors are members of the Remuneration Committee. In attendance are Miles Scott, Chief Executive and Pat Campbell, Director of Human Resources. There were two meetings held during the year.

The Chairman and the Non-Executive Directors review appraisal outcomes for Executive Directors and review progress against the Corporate Priorities.

Contracts for Executive Directors are permanent, and include a 6-month notice period. Cost-of-living pay awards are automatically linked to Agenda for Change and incremental progression is subject to achievement of objectives. The exception being the Medical Director – who has retained Medical and Dental Terms and Conditions. There is no separate provision for compensation for early termination. No significant awards were made to past senior managers during the year.

In terms of the definition of senior managers, it is the view of the Board of Directors that the authority and responsibility for controlling manager activities is retained by the Board and not exercised below this level.

During 2008/09 Executive Directors were paid a non recurring bonus based on the Remuneration Committee's assessment of performance against objectives for 2007/08. The Remuneration Committee discontinued this bonus scheme at its meeting on 29 April 2009 and as a result no bonus payment has been made in relation to 2008/09 (despite the excellent performance of the organisation in this year).

Attendance at Remuneration Committees 2009

MEMBERS	29.4.09	28.10.09	TOTAL
David Richardson	√	√	2
Miles Scott (in attendance)	√	√	2
Richard Bell	√	√	2
Nadira Mirza	√	√	2
John Bussey	X	√	1
John Waterhouse	√	√	2
Chris Jelley	√	√	2
David Cottrell	X	√	1
Pat Campbell (in attendance)	√	√	2
√ = attended		x = apologies sent	

Directors' Remuneration

Remuneration of Senior Managers

Note: It is the view of the Board that the authority and responsibility for controlling major activities is retained by the Board and is not exercised below this level.

This table is subject to audit

Name and title	Salary (Bands of £5,000) £ 000s	Other remuneration (Bands of £5,000) £ 000s	Golden hello £ 000s	Compensation for loss of office £ 000s	Benefits in kind (Rounded to the nearest £100) £
Mr David Richardson (Chairman)	50 - 55				
Mr Miles Scott (Chief Executive)	185 - 190				
Mr Bryan Millar (Director of Finance)	155 - 160				
Dr Clive Kay (Medical Director)	70 - 75	190 - 195			
Dr Dean Johnson (Director of Planning & Performance)	140 - 145				
Ms Sally Ferguson (Chief Nurse)	140 - 145				
Professor Grace Alderson (Non Executive Director) *	0 - 5				
Mr Richard Bell (Non Executive Director)	15 - 20				
Mr John Bussey (Non Executive Director)	10 - 15				
Professor David Cottrell (Non Executive Director)	10 - 15				
Mr Chris Jelley (Senior Non Executive Director) **	10 - 15				
Mrs Nadira Mirza (Senior Non Executive Director) ***	10 - 15				
Mr John Waterhouse (Non Executive Director)	10 - 15				

Pension Entitlements of Senior Managers

Note: As Non-Executive members do not receive pensionable remuneration, there are no entries in respect of pensions for Non-Executive members.

Name and Title	Total accrued pension at age 60 at 31st March 2010	Value of automatic lump sums at 31st March 2010	Real increase in pension during the year	Real increase in automatic lump sum during the year	CETV at 31st March 2010	CETV at 31st March 2009	Real increase in CETV during the year
	(Bands of £2,500)	(Bands of £2,500)	(Bands of £2,500)	(Bands of £2,500)	(Bands of £1,000)	(Bands of £1,000)	(Bands of £1,000)
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
2009/10							
Mr Miles Scott (Chief Executive)	50.0 - 52.5	150.0 - 152.5	2.5 - 5.0	10.0 - 12.5	790 -791	660 - 661	97 - 98
Mr Bryan Millar (Director of Finance / Deputy Chief Executive)	62.5 - 65.0	190.0 - 192.5	5.0 - 7.5	15.0 - 17.5	1,290 - 1,291	1,075 - 1,076	161 - 162
Dr Clive Kay (Medical Director)	37.5 - 40.0	112.5 - 115.0	2.0 - 2.5	5.0 - 7.5	664 - 665	563 - 564	72 - 73
Dr Dean Johnson (Director of Planning & Performance)	28.0 - 30.5	82.5 - 85.0	2.5 - 5.0	5.0 - 7.5	416 - 417	344 - 345	54 - 55
Ms Sally Ferguson (Chief Nurse)	40.0 - 42.5	120.0 - 122.5	5.0 - 7.5	15.0 - 17.5	682 - 683	533 - 534	122 - 123

Accounting policies for pensions and other retirement benefits are set out in note 1 to the annual accounts.

* With effect from December 2009
** Senior Non-Executive Director with effect from November 2009
*** Left November 2009

Miles Scott
Chief Executive

Membership Constituencies

Bradford Teaching Hospitals NHS Foundation Trust membership is made up of public, patient and staff membership constituencies.

Public Membership Constituency

To be eligible for public membership a person needs to be over the age of 16 years and resident within the Bradford Metropolitan District Council (BMDC) boundary.

The public membership constituency is divided into five sub-constituencies which are Keighley, Shipley, Bradford North, Bradford South and Bradford West and correspond to the local electoral ward areas as defined by BMDC. The electoral ward a person lives in determines which membership sub-constituency they are registered in. Public members are automatically registered in one of the sub-constituencies as determined by their home postcode.

Membership Sub-Constituency	Wards
Keighley	Craven, Ilkley, Keighley Central, Keighley East, Keighley West, Worth Valley
Shipley	Baildon, Bingley, Binley Rural, Shipley, Wharfedale, Windhill and Wrose
Bradford North	Bolton and Undercliffe, Bowling and Barkerend, Bradford Moor, Eccleshill, Idle and Thackley
Bradford South	Great Horton, Queensbury, Royds, Tong, Wibsey, Wyke
Bradford West	City, Clayton and Fairweather, Heaton, Little Horton, Manningham, Thornton, Toller

Patient Membership Constituency

To be eligible for patient membership a person needs to be over the age of 16 years, have received treatment at Bradford Teaching Hospitals NHS Foundation Trust and live outside the BMDC boundary or, where appropriate, they are the carers of such a patient and act on their behalf.

Staff Membership Constituency

To be eligible for staff membership a person needs to be an employee of the Foundation Trust who holds a permanent contract of employment or has worked for the Foundation Trust for at least 12 months. Contract staff or staff holding honorary contracts and have worked at the Foundation Trust for at least 12 months are also eligible for membership.

The staff membership constituency is made up of four sub-constituencies which are Allied Health Professionals & Scientists, Nursing and Midwifery, Medical and Dental and All Other Staff Groups.

Number of Members

At the year end the Foundation Trust has a total membership of 49,096. Compared to the previous year (08/09) the Foundation Trust has approximately 2,000 fewer members registered. It should be noted that in 08/09 the Foundation Trust recruited an additional 4,254 above the target set of 47,000. During 09/10 the plan was to maintain membership 'in the region of 50,000' and as such no overall growth in membership was expected. The Foundation Trust and Governors are pleased that membership has remained high and considers the number of members to be within an acceptable margin of the 50,000 stated in the Annual Plan 09/10.

The table below provides a breakdown of membership within each of the main membership constituencies and where applicable the sub-membership constituency within each group.

Public Membership Constituency Breakdown	**FT members**	**Total BMDC 16 plus pop.**	**Total BMDC pop**	**Membership as % of total BMDC 16 plus eligible public pop.**
Keighley	2,797	70,895	94,368	4%
Shipley	6,320	71,428	90,029	9%
Bradford North	7,635	69,042	92,364	11%
Bradford South	8,181	71,606	110,308	11%
Bradford West	11,422	68,911	105,954	17%
Total Public Membership	***36,555***	**351,882**	**493,023**	**10%**

Total Patient Members	***7,678***

Staff Membership Constituency breakdown	**FT members**	**Total eligible staff population**	**Membership as % of total eligible staff population**
Allied Health Professionals and Scientists	697	715	97%
Nursing and Midwifery	1,547	1,562	99%
Medical and Dental	346	359	96%
All Other Staff Groups	2,267	2,304	98%
Total Staff	***4,863***	***4,940***	***98%***

Newly employed staff members are automatically opted into membership of the Foundation Trust unless they advise that they do not wish to be a member. Employees who are ineligible for staff membership due to the nature of their contracts are offered either public or patient membership of the Foundation Trust as long as they meet the qualifying criteria for those membership constituencies. Staff members who leave employment of the Foundation

Trust are offered either public or patient membership of the Foundation Trust as long as they meet the qualifying criteria for those membership constituencies.

Membership Recruitment Activity During 2009 to 2010

In year the Foundation Trust recruited 864 new members across all membership constituencies whilst membership reduced by 3,158 members across all membership constituencies. This equates to 404 new members joining our public and patient membership communities and 460 new members joining our staff membership constituency. Total public membership represents approximately 10% of the local eligible BMDC population. The total number of employees eligible for membership has increased in year by an additional 276 due to their contracts extending beyond 12 months and so making those staff eligible for Foundation Trust membership. Staff membership remains at 98% of the total staff population.

Having enjoyed significant success in recruiting new members in 08/09, the main focus this year has been on the retention of members particularly amongst our younger, harder to reach group. It is pleasing to report that this year's churn rate is 25% less than that expected based on previous years' membership churn rates.

New members continue to be recruited at a variety of events held at the Foundation Trust and within the local district. The membership benefits package has increased in year to include the addition of special rates for members in the Foundation Trust's restaurants and access to NHS Discounts, an online national discount scheme previously only available to NHS staff. New members are also joining via the Foundation Trust's online joining form and the membership recruitment form which is included as standard within the membership magazine and other relevant Foundation Trust publications.

The Foundation Trust and Governors are pleased that we have managed to maintain membership at an acceptable level.

A Summary of the Membership Strategy

The Membership Development Strategy covers the period April 2007 to March 2010 and was approved by the Board of Governors at their meeting in March 2007. The total membership recruitment target set within the strategy of achieving a membership total of 30,000 by March 2010 has been achieved and surpassed. The membership engagement and development activities outlined within the strategy continue to be implemented and further developed. Activities undertaken during 2009 and 2010 are highlighted below.

Membership Activity 2009 - 2010

The main focus this year has been on delivering an enhanced membership programme, catering to the engagement needs of our current membership. This year has again seen a number of key developments with regard to membership engagement, development and communications.

Governor Working Groups

The Governor Working Group programme includes areas of activity where Governors both lead on and influence developments at the Foundation Trust including all aspects of membership recruitment, engagement and communications. Although the working groups involve varied numbers of Governors those who sit on them act as representatives for the full Board of Governors. They regularly report back to the full Board at the scheduled Board of Governor meetings on activities undertaken and bring recommendations for further actions to the full Board for further discussion and agreement. There are Governor Working Groups involved with each of the developments relating to of the distinct areas of membership activity outlined below.

Open Event/AGM 2009

In September 2009 the Foundation Trust, with the support of Governors, delivered its fourth annual Open Event combined with the AGM. This major event attracted 800 visitors and approximately 100 people attended the Annual General Meeting. The Open Event provided interactive displays, presentations and behind the scenes tours from 40 departments/specialties and voluntary/charitable groups operating within the Foundation Trust. As part of the review process, Governors considered the comments and views provided by visitors to the event and the staff who took part. Comparisons were made to previous years' results and Governors and the Foundation Trust were pleased to note that the satisfaction ratings continue to improve (as demonstrated in the table below).

	2008	2009
How do you rate the event overall	80% - Excellent 20% - Good	82% - Excellent 18% - Good
How interesting was the event	75% - Excellent 25% - Good	85% - Excellent 15% - Good
How enjoyable was the event	70% - Excellent 30% - Good	70% - Excellent 30% - Good

In response to feedback from visitors received the previous year the changes made to the delivery of the Open Event led to the improved satisfaction ratings. More registration points had been allocated to cope better with the volume of visitors. A dedicated café area helped improve the general overall experience of visitors to the event. Space was allocated to staff departments according to their requirements which meant staff had more flexibility around what they could include within their interactive display. Additional comments from visitors variously described the event as 'interesting and enjoyable', 'providing useful insights into departments' and many were 'pleased at having had the opportunity to attend'. The review included an analysis of feedback received from staff who took part in the event. It was pleasing to note that more staff than in the previous year recognised the importance of engaging with members of the public.

Although the attendance figures at the Open Event were slightly below those recorded in previous years many comments received in the satisfaction surveys from both staff and visitors highlight the benefit of being able to spend more time with individuals leading to in increased qualitative experience.

The feedback gathered is being used to inform the planning and delivery of the AGM and Open event scheduled for September 2010.

Volunteers Forum

The Volunteers Forum comprises eleven charitable and voluntary organisations operating within the Foundation Trust. Governors support the work of the forum by providing regular feedback on activities and developments to the main Board of Governors.

During 2009/2010 the forum has continued to raise and consolidate its profile within and outside of the Foundation Trust. The forum delivered a very successful and well attended Volunteers Fair in June 2009 to coincide with the annual Week of the Volunteer. The fair included participation from local community based voluntary and charitable organisations. The forum also took part in the Foundation Trust's major open event held in September 2009 and, various members of the forum played a key role in the Student Open Event held in March 2010 namely Bradford Teaching Hospitals Voluntary Services team, the Chaplaincy team and 'Radio Royal', the hospital radio charity based at Bradford Royal Infirmary.

In September 2009 during the Foundation Trust's week of special events the fourth annual Volunteers Thank You Luncheon took place. The event, hosted by the Chairman and Chief Executive, paid tribute to the very significant contribution made to the life of the Foundation Trust by the volunteers and charitable organisations. The event honoured volunteers with long service awards and a volunteer of the year award. Over 250 volunteers from the groups who comprise the forum attended the event.

The forum's involvement in these events has served to increase awareness of the roles of volunteers across the Foundation Trust and has also served to support an increase in the number of people registering as volunteers.

Regular articles continue to be placed within the Foundation Trust's internal staff magazine (*Trust Today*) and within *Focus*, the membership magazine.

Young Peoples Engagement Programme

This has been a significant year with regard to increased engagement with our younger members (16 to 25 year olds) - one of the Foundation Trust's 'hard to reach groups'.

The Governor Working Group has supported the delivery of an expanded engagement and communications programme aimed at both our younger Foundation Trust members and our local students within statutory, further and higher education. The programme of work this year has included:

- The development of an information resource with a focus on the range of jobs and career options in the NHS as well as training and education opportunities for young people. The resource also provides information on how young people can access the various opportunities available at the Foundation Trust such as work experience, short courses for those interested in science, nursing and medicine and advice and guidance on applying for the Foundation Trust's young volunteers programme.

- Working closely with the Foundation Trust's Web Manager to continue the development of a micro-site specifically for our younger members www.youngpeople.bradfordhospitals.nhs.uk This site forms the main means of communicating with our younger members. The areas covered include Jobs and Careers, Training and Education, Health and Wellbeing and Volunteering. The site has changed considerably since its early development in 08/09.

- Working with a number of our younger staff members (aged between 16 and 25 years) as part of a special photographic project reflecting their different roles and aspects of their work routine.

- Delivery of the Student Open Event in March 2010. Approximately 300 visitors attended this popular event, now in its fourth year. As well as young people from the local community's educational establishments, a large number of students from Wakefield, York and the Kirklees and Calderdale areas attended. With a focus on careers and jobs, training and education and health and well being; students had the opportunity to visit interactive stands, take part in clinical tours and attend presentations delivered by younger newly qualified members of staff who shared their experiences in Nursing and Medicine. The feedback to date has been extremely positive. The working group is currently undertaking an evaluation of the event which will inform the delivery of the programme during the next year. This event also saw the formal launch of the dedicated micro-site aimed at our younger Foundation Trust members.

As a result of the work supported by Governors within the area of young peoples engagement, the Board of Directors supported a recommendation from the Board of Governors that the Foundation Trust develop a long term engagement and communications strategy with regards to young people. A range of departments across the Trust are working to develop the Strategy.

Focus on Medicine and Governor Meet Members Sessions

The membership events calendar is a general programme of events aimed at all members. The programme includes Focus on Medicine sessions which are presentations/demonstrations on key services and subjects that members have previously declared an interest in. They provide all members with opportunities to gain an insight into how our services operate (and on occasion those of our partners within the health community). Importantly, these events also provide an additional avenue for members to let the Foundation Trust know what they think about the services provided.

The sessions have proved popular with members and up until July 2009 were delivered at the Foundation Trust. In reviewing the programme Governors and the Foundation Trust agreed to deliver the new programme at various venues within the membership constituency areas to provide opportunities for those members to attend a session who might otherwise not wish to travel to a central venue. The programme of Focus on Medicine sessions in the community began in February 2010 and will be completed in May 2010.

When reviewing the Focus on Medicine Programme, opportunities have been provided for members to find out more about;

- Cancer Services
- Research and Development
- Medical Education
- Diabetes and Endocrinology
- Physiotherapy Services
- How the Foundation Trust handles personal data

The Focus on Medicine sessions are accompanied by 'Governor Meet Member' sessions which are informal opportunities for members to meet Governors face to face and raise any appropriate issues. A number of members have taken this opportunity to meet with the Foundation Trust's Governors during the year.

Two key events also formed a special part of this year's Focus on Medicine Programme – these were celebratory events held at St Luke's Hospital and Bradford Royal Infirmary and marked the end of the 60 year anniversary of the NHS. The events included an exhibition on the history of Bradford Teaching Hospitals from the 1800s to the present and the screening of a film 'Remembering St Luke's' made with the support and participation of the St Luke's Nurses League. A keynote presentation was delivered by one of the Foundation Trust's Governors. This particular event was hugely popular amongst both staff and visitors.

Governors were pleased to note that approximately 480 members in total attended the Focus on Medicine events programme. Reports on all membership events have been presented to the membership as a whole via update articles within *Focus*, the membership magazine.

Membership Interests and PPI Review

Towards the latter part of 2009 the Foundation Trust undertook a major review of its membership interests form which is circulated as part of the new member welcome pack. The form had been in use since 2005. Following the review the membership interests questionnaire has been expanded to include the gathering of information that relates to:

- *'Members priorities for planned developments as outlined in the Corporate Strategy'* which identifies the priorities that are most important to our members.

- *'Identifying those members who have had an in-patient and/or out-patient experience during the last five years'* to better support the PPI process.

- *'Members perceptions of the Foundation Trust with regard to a number of key areas that include hospital cleanliness, information provided to patients, patient safety, staff communications with patients and infection control'* which will help the Foundation Trust to identify those areas that members are most concerned about and provide reassurances and additional information where required.

The form continues to gather members' personal interests related to the Foundation Trust's clinical services, current projects and initiatives and patient support services as well as members' willingness to support the Foundation Trust in specific PPI projects along with the method of involvement they prefer.

Approximately 15% of our 49,000 members have indicated their willingness to be involved in PPI activities. Members have this year participated in a number of Patient and Public Involvement activities which have included stroke services, research and development projects and supporting the Foundation Trust in setting priorities for the capital programme.

The new membership interests form has been rolled out during the last quarter of 2009/10 to all Public and Patient members. The information provided will be used to develop the membership engagement agenda moving forward.

The membership interests questionnaire is an opportunity to provide more detailed and meaningful information which relates directly to the Foundation Trust's long term strategic developments. As such the membership questionnaire will be reviewed every three to five years in line with the development of future corporate strategies and circulated to the full membership so that current member views, priorities and willingness to take part in PPI activities can be assessed and addressed.

Membership Communications

Members have received regular quarterly communications consisting of two update letters alternating with two membership magazines (*Focus*). These communications have provided updates on new developments at the Foundation Trust, information on membership activities, useful patient information, spotlights on services, reports to the membership from the Governors and useful contact information.

All new members have received a welcome letter which includes information requesting preferred methods of communication. The Foundation Trust continues to collate information provided by members who are willing to receive electronic communication and share mailings with members of the same household. The membership welcome letters include a membership identity card containing useful contact details for the Foundation Trust including PALS, Complaints, membership contact information and details of the Foundation Trust website. The electronic version of the membership magazine is now produced in a digital flip-book format making it easier to read online.

Governors' main method of communicating with the membership is through the twice yearly membership magazine (*Focus*) and two information letters. The magazine includes regular reports on the business covered by the Board of Governors meetings.

Contact Procedures for Members Who Wish to Communicate With Governors

If members have specific issues they wish to raise they can contact individual Governors, the Chairman, or the Board of Governors as a whole via a dedicated helpline telephone number, via a dedicated email address or in writing c/o the Foundation Trust Membership Office.

Members can meet with Governors and raise questions and issues in person at the Members Meet Governors sessions which are scheduled to follow on from the Focus on Medicine sessions.

Members are encouraged to raise questions regarding the business of the Board of Governors by contacting the Head of Corporate Affairs in the first instance in advance of meetings.

Board of Governor papers and agendas are published on the Foundation Trust's website two weeks prior to the meetings taking place.

Members are advised of these processes through the membership welcome pack, the quarterly membership communications updates, the agenda for the board of governors meetings and via the Foundation Trust's dedicated membership website pages.

Public Interest Disclosures

Countering Fraud and Corruption

The Foundation Trust complies with the Secretary of State's directions on counter fraud measures that were issued in 2004.

A programme of proactive work has been carried out during the year by the Foundation Trust's Local Counter Fraud Specialist and this has linked closely with the Foundation trust's communications plans.

The Foundation Trust's fraud and corruption policy and a range of related materials are available on the intranet for staff and work has continued to raise the profile of the Local Counter Fraud Specialist through a range of initiatives.

Foundation Trust staff have been communicated to about tackling fraud in the NHS and who to contact if they suspect fraud has been committed. Internal publicity to promote counter fraud week and the role of the Local Counter Fraud Specialist has taken place and counter fraud leaflets have been distributed throughout the hospitals.

Equality and Diversity

Our Equality and Diversity Strategy 2008 sets out our approach to Equality and Diversity. In the Strategy we have set out what we intend to do to improve access to our services and employment opportunities for all sections of the community. We have made a number of pledges that we are able to be measured against.

Central to our approach is the requirement for each part of the Foundation Trust to carry out Equality Impact Assessments (EqIA). EqIA is a mechanism for examining how the services we provide and the employment practices we use impact on our patients and staff. It is a tool to identify whether or not policies, services and procedures are having an impact on a particular group of people due to age, disability, gender, ethnicity, religion or belief and sexual orientation. It aims to ensure that we are not providing services or using employment practices that discriminate against any equality groups and allows us to critically examine our practices and identify any institutional barriers, acts or omissions that detrimentally affect individuals and communities.

The Equality Impact Assessment process requires us to look at each equality group in turn and consider whether there is evidence or reason to believe that a policy, service or function affects that group differently. It asks us to look at evidence and identify whether there is anything we can do to change a policy or function to reduce the impact on equality groups.

Equality Teams, made up of clinicians, lead nurses, managers, staff and patient representatives are meeting across the Foundation Trust to look in detail at the policies, services and functions that have the greatest impact on the community we serve. These Teams are considering the equality issues and asking our stakeholders - patients, Foundation Trust members, partners and the public to comment and make suggestions for improvement.

Our aim is to respond to issues raised and to make sure that our policies, services and functions are more accessible and responsive to the needs of all the communities we serve.

Each Directorate has targets to reach in relation to carrying out equality impact assessments. Each Directorate Annual Plan incorporates the requirement to carry out two Equality Impact Assessments of policies or functions. Senior managers are performance managed on the delivery of these targets.

We are making significant progress in removing barriers to services and employment opportunities by implementing our strategic Equality and Diversity objectives through the Equality Impact Assessment process.

We have set up an Equality and Diversity Scrutiny Committee which is chaired by the Chief Nurse. The group includes stakeholder membership from Bradford Health Partnership and community representatives where appropriate. The group includes representatives from all six equality strands in the Bradford District.

We also have an Equality Implementation Group (EIG) which is chaired by the Head of Equality and Diversity. The group includes Equality Leads (nominated Senior Managers from each Directorate) and nominated Staff Network representatives of the Equality Networks. It is tasked with ensuring that the requirements of the Equality Strategy are put in place and provides a forum for discussing issues relating to equality and diversity.

We have complied with the Publication Duties to produce Race, Disability and Gender Equality Schemes, and the requirement to produce an update each year. The Disability Equality Scheme was scheduled for updating in December 2009. However, we made a commitment in our Equality and Diversity Strategy that we would produce a Single Equality Scheme to cover all six equality strands and reflect the requirements contained in the Equality Bill. As the Equality Bill is still making its way through Parliament, we have delayed publication of the Scheme. We have however, consulted widely on the draft Single Equality Scheme. We intend to publish our Scheme once the Equality Bill has been finalised to ensure that we are reflecting the legislative requirements. This will be in place by end of May 2010.

We produce an annual equality workforce information report which is published on our website. The report for 2009 has just been finalised and will be published by end of April 2010.

Communicating With Our Staff

During the year, we have made sure that we communicate effectively with our staff over matters that concern them as employees. Staff have access to information through our staff magazine, monthly core briefings after the Board of Directors meeting, globally-sent emails and individual directorate briefings.

We have continued to use these methods of communication to make our staff aware of the financial and economic factors affecting the performance of the Foundation Trust.

We make every effort to make sure that our staff are engaged and involved in the day-to-day decision-making at the Foundation Trust. We have a staff involvement policy, which sets out how we do this.

We have also launched a Staff Suggestion Scheme across the Foundation Trust. This gives staff the opportunity to provide feedback and make suggestions which could help save money, improve the delivery of a service or improve the experience of patients. Staff Governors, working with the Chairman, review all suggestions and prizes are awarded to staff whose suggestions are successfully implemented.

Our policy on equality and diversity includes a code of practice on recruitment and selection, which takes into account the need for reasonable adjustments for disabled employees.

We also have a policy on managing attendance, which contains specific provisions for dealing with employees who have become disabled. We manage the development of staff, including disabled employees, within the Knowledge and Skills Framework and their personal development plan.

Caring for Our Environment

Bradford Teaching Hospitals NHS Foundation Trust's primary concern is the delivery of quality care and service to improve the health and well being of our patients, local communities and Foundation Trust stakeholders. We recognise that our services consume resources and produce waste material which will, in turn, have an effect on the environment, and ultimately may impact on the health of the people for whom we provide a service.

In order to operate as a good Corporate Citizen we acknowledge that we must consider the environmental impacts of our services within the core business strategy. We are committed to promoting policies and practices that will provide a responsible approach to environmental management within the Foundation Trust.

For this purpose, we have developed a Sustainable Development Strategy which focuses on long-term improvements and reducing environmental impacts. Governance and implementation of the strategy is the responsibility of the Sustainable Development Steering Group (SDSG), led by the Chairman David Richardson. The strategy will be carried out by implementing the objectives detailed in the Sustainable Development Implementation Plan. These objectives aim to achieve a 10% target reduction by 2015 and cover the following areas:

- Energy and carbon management
- Procurement and food
- Low carbon travel, transport and access
- Water
- Waste
- Designing the built environment
- Organisational & workforce development
- Role of partnerships and networks
- Governance
- Finance

The Sustainable Development Strategy is supported by the Environmental Policy and Energy Policy and is also linked to the Carbon Management Strategy. The Foundation Trust is participating in Phase 4 of the Carbon Trust NHS Carbon Management Program and has committed to a strategic CO_2 emissions target reduction of 20%. We have begun a number of Salix-funded carbon reduction projects detailed in the Carbon Management Implementation Plan. Projects include:

- De-steaming the Bradford Royal Infirmary site
- Installation of a combined heat and power unit at BRI, providing heat and renewable electricity generation
- Green travel planning
- Carbon champions and energy campaigns
- Energy efficient lighting schemes such as LED car park lights and T5 adapters in corridors
- PC management software
- Water leak monitoring
- Waste management projects including diversion of clinical waste from energy intensive incineration to heat treatment with heat recovery

Since 1999, the Foundation Trust has held the Carbon Trust Carbon Standard, the requirements of which are to be able to demonstrate a continued annual reduction in carbon emissions and on going investment in carbon saving schemes. In August 2009 a £1.7million project to de-steam the St Lukes site was completed, funded by the Department of Health. Steam boilers were replaced with more efficient modular gas boilers and plate heat exchangers, and a 310 kWe combined heat and power unit (CHP) was installed. The CHP generates electricity onsite and has lowered CO_2 emissions considerably.

The Foundation Trust has reduced CO_2 consumption by 12.2% since 1999 despite increased site activity of 20%. Our current performance of 52 GJ/100 m^3 is remarkably good compared to other old acute large hospitals at 66 GJ/100 m3.

Volunteering

Our volunteering community is considered as an invaluable resource - providing a variety of practical services that contributes to, and enhances, the quality of patient care. Volunteering provides the opportunity for members of the public to take on meaningful roles, to be involved with the provision of local health care services, and to really make a difference. Volunteers are welcome at the Foundation Trust from the age of 16 years. Membership continues to grow significantly and constitutes a group of all ages and backgrounds.

In the current economic climate, there continues to be many job losses and redundancies within the community. The demand for volunteer placements is on the increase, as many see volunteering as a way back into employment, through gaining experience. For those who are nearer retirement age, volunteering provides a worthwhile activity and a purpose in life and this has resulted in younger, pre-retirement aged people coming forward for volunteer work.

A number of groups (volunteer-led and other charitable organisations) continue to operate from within the Foundation Trust. Through membership of the Volunteer Forum Group, these groups collectively continue to grow and develop into a mutually supportive network, raising and promoting the good work of our volunteers.

The Volunteer Forum Group continues to be supported by three Governors of the Foundation Trust, providing support, advice and a good communication link with the Trust Board. Close links are maintained with external groups such as the Bradford Strategic Volunteer Partnership and Bradford University Volunteer Services.

The voluntary services department continues to manage the relationship between the Foundation Trust and a number of those voluntary and charitable organisations.

The 11 most active groups have a combined total membership community of 907 people. Through a variety of services and activities, our volunteers are able to support our staff, patients and visitors.

Six distinct voluntary organisations, five with charitable status, are registered with the Foundation Trust and are directly managed through the voluntary services department:

- The Friends of BRI
- The Friends of SLH
- Radio Royal
- St Luke's Sound
- Bradford Heart Support Group
- Stroke Group (does not have charitable status)

A number of other voluntary groups are registered with the voluntary services department and maintain strong links with them. These groups fall within the management of those who specialise in that particular field:

- The Chaplaincy Group
- Born In Bradford Project
- Cancer Information Centre Volunteers
- Downs Syndrome Support
- Ear Trust

The number of registered and active volunteers across all these groups stands at 457. This demonstrates an increase in permanent volunteers of 5%. The voluntary services department continues to work closely with Bradford University, and local schools and colleges, to provide valuable learning opportunities and experiences for students, through voluntary placements.

There are two periods of recruitment for students each year with 35 places available in each intake. Students are required to commit to a minimum of six months and recruitment has been organised to allow for exam timetables.

The demand for volunteers within wards and departments continues to increase, with new projects being introduced. These have included a new guiding service in the Horton Wing Out-patients at St Luke's Hospital (SLH). A new project is also being developed in the form of a drop in session which will offer carers of patients who have suffered a stroke some support and advice. The session will be based on Ward F6 at SLH.

There is a new guiding service at Maternity at BRI and over the last twelve months volunteers have worked closely with the Morley Street Resource Centre to provide a much-needed support system for visually impaired patients in the Eye Department. This has proven successful and we are now exploring the possibility of setting up a similar service at SLH in the Macular Clinics. In particular, this service provides immediate support for patients who have been placed onto the visually impaired register and offers help and advice to patients and their carers.

Another new project which will be trialled in May of this year is a Ward Trolley Service, providing cold drinks, confectionary, fresh fruit, newspapers and magazines for those who

are unable to get to the hospital shop. If this project is successful, it will be rolled out throughout the hospital and will create another 56 volunteer placements.

The demand from the general public to provide volunteering opportunities is continuously increasing and in order to meet with that demand, a new member of staff has joined the Voluntary Services Team. Mary Taylor, Volunteer Services Co-ordinator, joined the team in January 2010 and will be responsible for co-ordination of Student Volunteers and the Volunteer Trolley Services Team.

A number of other voluntary and charitable organisations continue to have strong links with the Foundation Trust and liaise closely with the voluntary services department. Whilst most groups maintain their own distinct identity and purpose, all groups share the same aim to assist and improve the experiences of patients who receive healthcare within our hospitals.

In addition to practical assistance, volunteer groups continue to raise a vast amount of funds which are then donated to wards and departments, with the aim of improving the experience of patients and visitors.

Health and Safety

The work to continually improve health and safety within the Foundation Trust is progressing. Generally, awareness of health and safety has been raised through the Risk Management newsletter, training, risk management meetings, communicating health and safety statistics and shared learning bulletins. The risk management website on our intranet site also plays an important role in highlighting key messages.

Our risk leads have continued the good work within their respective directorates in enabling managers to meet their responsibilities.

The Foundation Trust's risk assessment programme continues and is incorporated within relevant directorate risk registers and where appropriate, onto the corporate risk register.

2,862 health and safety risk incidents were reported in the last 12 months, 651 of these incidents related to staff. The following areas continuing to be our highest reported health and safety incidents:

- injuries caused as a result of slips and trips on the same level;
- injuries caused as a result of falls from a height;
- injuries caused by physical assault on staff by patients;
- injuries caused by contamination, for example sharps injuries.

Effort continues to be focused on the above risk areas with specific groups being set up to concentrate on reducing the number of incidents. In the last 12 months particular attention has being paid to the risks posed to lone workers. We have issued our staff identified as lone workers with a 'Lone Working Device' which has the ability to alert a call centre if the member of staff is at risk, this opens a line between the holder of the device and a call centre who can listen in and record the situation/conversation and alert an emergency police response. This can then be used as evidence to pursue prosecution of offenders.

Occupational Health

Highlight of the year was the official opening of the new £1.6 million Workplace Health and Wellbeing Centre as an NHS demonstration site by the government's director for health and work, Professor Dame Carol Black.

The new centre, which opened in March 2010, is one of just 11 new innovation units around England delivering improvements to NHS occupational health services and improving access for local businesses.

Its development included the refurbishment of part of Field House at BRI and facilities include a gym for vocational rehabilitation, counselling facilities, an audio booth and 10 consulting rooms where nurse advisors and physicians carry out occupational health assessments.

The centre also provides a range of other healthcare services, including hearing assessments and sickness absence referrals, to more than 10,000 employees both in the NHS and across a wide range of West Yorkshire industries, including more than 40 smaller companies.

A new mobile unit also made the directorate more accessible to private companies in the local community by taking staff and services direct to the workplace.

The centre's aim is to provide a proactive, comprehensive workplace health and wellbeing service that addresses the needs of the staff in line with the recommendations from The Boorman review of Occupational Health.

By supporting local businesses to address the health need of their staff and comply with health and safety legislation, this will build a stronger local community. It will support the Bradford Economic Strategy of building a stronger economy and encouraging investment and spending, generating greater wealth, better housing and better health.

A business development manager is leading on income generation activities, business development, performance and co-ordination.

A marketing strategy has been developed and is being implemented; the department has acquired five new contracts in the small and medium enterprise sector, 3 medium sized in the last 12 months.

There were several other key initiatives during the year:

- Our staff flu vaccination campaign was hugely successful in 2009/10. The uptake for staff swine flu vaccinations was 58% and the second highest in the Yorkshire and Humber region. Our staff seasonal flu uptake was 30%, an increase of 14% on the previous year.

- The department participated in the first two national audits of occupational health clinical practice run by The Royal College of Physicians. The areas audited were back pain and depression - the two main causes of absenteeism in the UK.

As part of our quality improvement process, feedback questionnaires are now sent out with all reports and client forms can be completed in-house.

Statement on Internal Control

Scope of Responsibility

As Chief Executive and Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Bradford Teaching Hospitals 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 Bradford Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2010 and up to the date of approval of the annual report and accounts.

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, employers 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.

Capacity to Handle Risk

As the Chief Executive of a large acute teaching hospital Foundation Trust, I recognise that committed leadership in the area of risk management is essential to maintaining the sound systems of internal control required to manage the risks associated with the achievement of corporate objectives and compliance with our terms of authorisation as an NHS Foundation Trust.

To this end I also recognise that diligence and objectivity are personal attributes required to ensure that appropriate structures are in place to gain assurance about the management of risk, from both internal and external sources.

In order to demonstrate this commitment, the Medical Director and Head of Corporate Affairs are personally accountable to me for the maintenance and development of the governance framework for the organisation. The Medical Director is responsible for clinical risk and the

Head of Corporate Affairs is responsible for corporate governance. In addition the Medical Director plays a key role in the newly formed Quality and Safety Review Group which was established in the autumn of 2009.

The Governance Committee of the Board of Directors, chaired by the Foundation Trust's Chairman, is charged with coordinating, monitoring and overseeing risk management of both clinical and non-clinical governance agendas. I am a member of this Committee, together with Executive Directors and representative Non-Executive Directors. The Governance Committee of the Board of Directors complements the Audit Committee of the Board of Directors.

In addition to this I recognise that effective training is essential in the management of risk and this is demonstrable at all levels within the organisation. At an operational level, the Foundation Trust has in place well developed programmes of generic and specific risk management training. These programmes, including those at induction, are aimed at minimising common risks at ward and development level.

At the Clinical Directorate level, designated risk coordinators are in place to coordinate devolved risk management arrangements. Local policies are in place at this level, as are directorate risk registers. Specialist advisors are available to provide input to these arrangements and generic advice and support is provided by the risk management team.

At the senior management level the system of control for business, financial and service delivery risk is encompassed within the Operational Management Framework, as described in the Risk Management Strategy. The use of the risk assessment tool and the processes of control and assurance attendant to risk minimisation has been shared and disseminated at senior management level through regular risk management meetings. It is working practice that all Board of Directors' papers and reports include a summary of risk assessment.

Learning from good practice and from untoward incidents is seen as a primary mechanism for continuously improving risk management systems. In the Foundation Trust these lessons are derived from external guidance, from site visits and from incidents reported through the hospital's risk incident reporting system. All Serious Untoward Incidents (SUIs) are reported formally to the Board of Directors.

The Risk and Control Framework

The Foundation Trust's Risk Management Strategy is founded on a holistic approach to risk management that embraces business, financial, service delivery, clinical and non-clinical risks. The latest update of the Strategy was approved by the Board of Directors in August 2009. A review of the Assurance Framework was carried out by the Board of Directors in March 2010.

The strategy clearly defines how the broad spectrum of risks managed by the Foundation Trust is identified, assessed, managed and controlled. Business, financial and service delivery risks are derived from organisational objectives through the business planning process of the Foundation Trust. Clinical and non-clinical risks are identified through well-defined processes of assessment and reporting.

Evaluation of all these risks, independent of source, is performed using a risk assessment tool that may be applied in a structured and uniform way. Residual organisational risk is ranked and prioritised on the Foundation Trust's risk register.

The strategy describes how risk management is embedded in the organisation using three interacting and complementary management systems intrinsic to operational practice.

These are:

- The corporate plan
- The governance framework
- The strategic management framework

Internal assurances as to the effectiveness of this system of internal control are provided under the auspices of one of these systems.

The corporate priorities incorporate the primary system of risk minimisation. These control mechanisms are initiated by the setting of personal objectives at senior management level that are derived from the principle organisational objectives defined by the corporate objectives and the Annual Plan submission to Monitor, the Independent Regulator of Foundation Trusts.

The performance management, progress monitoring and control processes embedded in this structure ensure that the corrective actions required to deliver objectives are consistently applied. Within the same framework, the consequences of partial or non-achievement of objectives are regularly monitored and assessed. In this way, the risks associated with the business, financial and service objectives are actively minimised.

The role of the governance framework in respect of the management of risk is twofold:

- To oversee and monitor the process of internal control in the Foundation Trust to assure itself, from both internal and external sources, that the risks run by the organisation are properly identified and appropriately managed
- To identify, evaluate and prioritise clinical and non-clinical risks and gain assurance that these are appropriately controlled and treated within the corporate risk management framework

The inter-relationship of these systems is described in the risk management strategy.

The assurances the Board of Directors and I require to endorse and approve the statement of internal control are derived from internal and external sources of evidence. The governance framework has a key role in monitoring, evaluating, reporting and collating this evidence. This evidence is to a great extent derived from the schedule of reports and reviews that are generated by:

- The operational management and governance systems
- Internal audit
- External audit and external reviews

These reviews and reports have taken the form of:

- Monthly reports to the Board of Directors, for on-going monitoring
- Annual, or more frequent, internal reports to the Board of Directors, and other key meetings, required by guidance or statute resulting from monitoring processes within the operational management frameworks
- External reports from inspecting bodies
- Specific reports on particular focussed key risk issues

These reports and reviews are generally associated with action plans whose achievement priority is reflected in the risk register and in organisational and personal objectives.

Key internal assurances can be derived from the following reviews by the Board of Directors:

- Self-assessment against the requirements of Monitor's Compliance Framework
- Self-assessment against the requirements of the Standards for Better Health / Care Quality Commission
- Routine monitoring returns to Monitor
- Performance management monitoring
- Financial monitoring
- Claims and complaints
- Clinical governance
- Clinical and non-clinical risk management, including health and safety
- Human resources and service equity
- Equality Impact Assessments and monitoring
- Self assessment against any external investigation/enquiries into the performance of other Trusts
- Senior Information Risk Owner reporting

These areas have been covered in statutory, mandatory or advisory reports to the Board of Directors or to the Governance Committee during the last 12 to 15 months, or incrementally on a month-by-month basis.

The responsibility for reporting is a personal requirement of the senior managers with delegated responsibility in these areas. The report highlights the current status of compliance and residual risk in respect of relevant statute, guidance, targets or good practice in the areas covered, and act as primary internal assurances to the Board of Directors. They also highlight areas where corrective action must be undertaken. In addition, the groups within the governance framework and Board sub-committees have specific delegated responsibilities in monitoring the effectiveness of risk minimisation in the Foundation Trust to support the Board of Directors in endorsing the statement of internal control.

Overlaid on this framework, are a series of external reports that reinforce the assurance required by the Board of Directors in endorsing the Statement of Internal Control. These include assessments carried out on behalf of the NHS Litigation Authority (NHS LA).

The NHS LA administers the Clinical Negligence Scheme for Trusts which provides a means for funding the cost of clinical negligence claims and the Risk Pooling Scheme for Trusts, which provides a means for funding the cost of legal liabilities to third parties and property losses. Organisations receive discounts on their contributions to the schemes where they can demonstrate compliance with the NHS LA's risk management standards. Assessment against these standards is currently in two parts – Maternity Services and Risk Management Standards for Acute Trusts. The Foundation Trust holds level 1 for maternity services and level 1 for Acute Trusts.

In 2009/10, the Foundation Trust again proactively involved public stakeholders in the management of risks that impacted on them by jointly reviewing the compliance assessment for the Standards for Better Health with the Board of Governors and commenced work in year to provide scrutiny to establish processes for the new requirements set by the Care Quality Commission. This year there was no formal requirement for either the Overview and Scrutiny Committee of Bradford and Metropolitan District Council or the local involvement

networks (LINks) to provide a statement to support the Foundation Trust declaration for Standards for Better Health. The Foundation Trust declared full compliance with the 44 core standards in the Care Quality Commission's annual health check.

The Foundation Trust is 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 are in accordance with the scheme rules, and that the members' pension scheme records are accurately updated in accordance with the time scales detailed in the regulations.

The Foundation Trust has completed its encryption project and has effective information governance to ensure essential safeguarding of our information assets from all threats. The Senior Information Risk Owner (SIRO) provides a quarterly report to the Board of Directors and ensures that there is an effective information governance infrastructure in place and any information risks are reported. This is an appointment which was required by the NHS to strengthen controls around information risk and security.

Mr Tony Shenton, Consultant in Accident and Emergency Medicine and Caldicott Guardian, works closely with the SIRO, particularly where any identified information risks include patient confidentiality or information sharing issues. He Chairs the Information Governance Group which reports annually to the Governance Committee of the Board of Directors.

The Foundation Trust's Serious Untoward (SUI) Policy has been amended to incorporate incidents including data loss or breach of confidentiality.

The Foundation Trust experienced a loss of data in March 2009. The reporting and handling of this loss was carried out with transparency and efficiency under the guidance of the Board of Directors. They gained and implemented external advice from both the external Auditors and the Information Commissioner. The Information Commissioner in his letter to the Chief Executive in July 2009 confirmed his satisfaction with the handling of the loss and subsequent planned action.

As a result of the external assessment carried out by PwC, a detailed action plan was developed and has been implemented within the defined timescales. The Board of Directors approved the Foundation Trust's Information Governance submission at the February Board meeting which will provide external validation of the standards that the Foundation Trust is adhering to with regard to all aspects of Information Governance.

The Foundation Trust recognises that safeguarding patient confidentiality is essential and will continue to monitor and assess our information risks in order to identify and address any weaknesses and ensure continuous improvement of our systems and processes.

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

Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Foundation Trust's financial plan, which was submitted to Monitor in May 2009, included a planned surplus of £3 million. This plan included a savings target (described within the

organisation as the performance improvement target) which has been delivered in full throughout the year and this provides a firm baseline for the forthcoming year.

The resources of the Foundation Trust are managed within the framework set by the Standing Financial Instructions, and various guidance documents that are produced within the Foundation Trust, which have a particular emphasis on budgetary control and ensuring that service developments are implemented with appropriate financial controls.

The Board of Directors receives a comprehensive finance report on a monthly basis encapsulating all relevant financial information to allow them to discharge their duties effectively. The Foundation Trust also provides financial information to Monitor on a quarterly basis inclusive of financial tables and a commentary.

The resource and financial governance arrangements are further supported by both internal and external audit to secure economic, efficient and effective use of the resources the Foundation Trust has at its disposal.

The Foundation Trust has complied with cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

Annual Quality Report

Corporate Governance and Leadership

The directors of Bradford Teaching Hospitals NHS Foundation Trust are required to satisfy themselves that the trust's annual Quality Report is fairly stated. In doing so we are required to put in place a system of internal control to ensure that proper arrangements are in place based on criteria specified by Monitor, the Independent Regulator of NHS Foundation Trusts.

We have appointed an Executive Director, the Chief Nurse, to lead, and advise us, on all matters relating to the preparation of the trust's annual Quality Report.

We have established a non-executive led committee of the Board of Directors, the Quality and Safety Review Committee. The purpose of the Quality and Safety Review Committee is to ensure an integrated and co-ordinated approach to the management and development of quality and safety at a corporate level in the Foundation Trust.

To ensure that the Trust's Quality Report presents a properly balanced picture of its performance over the year the committee are required:

- To contribute to the development of the Foundation Trust's Quality Report
- To agree the priorities that will inform the development of the Directorate Quality Report
- To provide a mechanism for assurance to the Board of Directors

The quality metrics and performance data within the Quality Report are reviewed and reported to the Trust Board by the Quality and Safety Review Committee.

Systems and Processes

There are systems and processes in place for the collection, recording, analysis and reporting of data which are focused on securing data which is accurate, valid, reliable, timely, relevant and complete.

Each quality indicator has a named lead with their specific roles and responsibilities in relation to data quality and validation clearly defined and documented.

The data collection system and validation process is monitored through peer review by the named leads.

Where the indicator forms part of the national reporting framework the data is validated and signed off by the Performance team.

Data which will be used for external reporting will be subject to rigorous verification and senior management approval.

The effectiveness of the systems of internal control in relation to the Quality Report will be reviewed through a process of internal audit.

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 and the executive managers within the Foundation Trust who have responsibility for the development and maintenance of the internal control framework, and 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed by the following reports:

- Self-assessment against compliance with the Standards for Better Health and the Care Quality Commission
- Self-assessment against Monitor's Compliance Framework
- The assurance framework review
- External and internal audit reports and risk management arrangements
- Reports on annual clinical governance reviews
- Regular structured reports on finance and performance management
- Patient and staff satisfaction surveys
- Governance self-assessment by both Board of Directors and Board of Governors following each meeting (in addition to the externally facilitated self assessment process carried out by both Boards)

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 of Directors
- The Audit Committee
- The Governance Committee
- Quality Review and Safety Group

The process of internal control has been maintained and reviewed within the following framework, particularly in respect of:

- The Board of Directors receives monthly performance and financial management reports as the primary mechanism for assessing compliance with national and local targets, and the identification of existing and potential risks. Alongside this the Board of Directors receives a quarterly report on the delivery of the corporate priorities. The Board of Directors also receives and endorses key internal and external reports that specifically demonstrate the adequacy of the internal control function in designated risk areas;
- The Audit Committee examines and monitors the financial reporting and controls, ensures compliance with relevant regulatory legal and conduct requirements, adherence to both internal and external policies and guidance;
- The Governance Committee monitors the corporate governance of the Foundation Trust and its supporting risk management framework that monitors the performance of the internal control functions and reviews the assurance framework;
- In the autumn the Board established a new sub committee of the Board of Directors, the Quality Review and Safety Group, Chaired by a Non Executive Director. This group has met three times during the year and its purpose is to ensure an integrated and co-ordinated approach to the management and development of quality and safety at a corporate level in the Foundation Trust. The group has commenced leadership to a new campaign to improve the care of acutely unwell patients;
- The Executive Directors and senior managers, who have delegated responsibility for the achievement of organisational objectives and risk minimisation, and for the management of risks generated within the clinical and non-clinical areas;
- Internal audit, who undertake a series of audits based on a risk based audit plan that incorporates agreed elements of the assurance framework;
- Other explicit reviews and assurance mechanisms, such as reports from the NHS LA.

During 2009/10, the Foundation Trust achieved its targeted reduction in the number of MRSA bacteraemia. The target of 22 cases during the year has been achieved with only 8 cases reported during the year against the contract. *Clostridium difficile* targets are also well below trajectory.

Conclusion

The Foundation Trust and its officers are alert to their responsibilities in respect of internal control and has in place organisational arrangements to identify and manage risk. The Foundation Trust has not identified any significant internal control issues.

Miles Scott
Chief Executive

Bradford Teaching Hospitals NHS Foundation Trust

Annual Accounts

for the year ended 31st March 2010

CONTENTS

NATIONAL HEALTH SERVICE ACT 2006

DIRECTIONS BY MONITOR IN RESPECT OF NATIONAL HEALTH SERVICE FOUNDATION TRUSTS' ANNUAL ACCOUNTS

Monitor, the Independent Regulator of NHS Foundation Trusts, with the approval of HM Treasury, in exercise of powers conferred on it by paragraph 25(1) of Schedule 7 of the National Health Service Act 2006, hereby gives the following Directions:

1. Application and interpretation

(1) These Directions apply to NHS foundation trusts in England.

(2) In these Directions "The Accounts" means:

for an NHS foundation trust in its first operating period since authorisation, the accounts of an NHS foundation trust for the period from authorisation until 31March; or

for an NHS foundation trust in its second or subsequent operating period following authorisation, the accounts of an NHS foundation trust for the period from 1 April until 31 March.

"the NHS foundation trust" means the NHS foundation trust in question.

2. Form of accounts

(1) The accounts submitted under paragraph 25 of Schedule 7 of the 2006 Act shall show, and give a true and fair view of, the NHS foundation trust's gains and losses, cash flows and financial state at the end of the financial period.

(2) The accounts shall meet the accounting requirements of the *'NHS Foundation Trust Annual Reporting Manual 2009/10'* (*FT ARM*) as agreed with HM Treasury, in force for the relevant financial year.

(3) The Statement of Financial Position shall be signed and dated by the chief executive of the NHS foundation trust.

(4) The Statement on Internal Control shall be signed and dated by the chief executive of the NHS foundation trust.

3. Statement of accounting officer's responsibilities

(1) The statement of accounting officer's responsibilities in respect of the accounts shall be signed and dated by the chief executive of the NHS foundation trust.

4. Approval on behalf of HM Treasury

(1) These directions have been approved on behalf of HM Treasury.

Signed by the authority of Monitor, the Independent Regulator of NHS foundation trusts

Signed:

Name: Chris Mellor (Acting Chairman)
Dated: 7 April 2010

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTING OFFICER OF BRADFORD TEACHING HOSPITALS 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 accounting officers' Memorandum issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Under the NHS Act 2006, Monitor has directed Bradford Teaching Hospitals NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Bradford Teaching Hospitals 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 NHS foundation trust Financial Reporting Manual 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 Financial 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 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 Monitor's NHS Foundation Trust Accounting Officer Memorandum.

Signed.....

Chief Executive Date: 7 June 2010

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF INTERNAL CONTROL

Scope of Responsibility

As Chief Executive and Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the 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 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.

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To this end I also recognise that diligence and objectivity are personal attributes required to ensure that appropriate structures are in place to gain assurance about the management of risk, from both internal and external sources.

In order to demonstrate this commitment, the Medical Director and Head of Corporate Affairs are personally accountable to me for the maintenance and development of the governance framework for the organisation. The Medical Director is responsible for clinical risk and the Head of Corporate Affairs is responsible for corporate governance. In addition the Medical Director plays a key role in the newly formed Quality and Safety Review Group which was established in the autumn of 2009.

The Governance Committee of the Board of Directors, chaired by the Foundation Trust's Chairman, is charged with coordinating, monitoring and overseeing risk management of both clinical and non-clinical governance agendas. I am a member of this Committee, together with Executive Directors and representative Non-Executive Directors. The Governance Committee of the Board of Directors complements the Audit Committee of the Board of Directors.

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The Foundation Trust is 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 are in accordance with the scheme rules, and that the members' pension scheme records are accurately updated in accordance with the time scales detailed in the regulations.

The Foundation Trust has completed its encryption project and has effective information governance to ensure essential safeguarding of our information assets from all threats. The Senior Information Risk Owner (SIRO) provides a quarterly report to the Board of Directors and ensures that there is an effective information governance infrastructure in place and any information risks are reported. This is an appointment which was required by the NHS to strengthen controls around information risk and security.

Mr Tony Shenton, Consultant in Accident and Emergency Medicine and Caldicott Guardian, works closely with the SIRO, particularly where any identified information risks include patient confidentiality or information sharing issues. He Chairs the Information Governance Group which reports annually to the Governance Committee of the Board of Directors.

The Foundation Trust's Serious Untoward (SUI) Policy has been amended to incorporate incidents including data loss or breach of confidentiality.

The Foundation Trust experienced a loss of data in March 2009. The reporting and handling of this loss was carried out with transparency and efficiency under the guidance of the Board of Directors. They gained and implemented external advice from both the external Auditors and the Information Commissioner. The Information Commissioner in his letter to the Chief Executive in July 2009 confirmed his satisfaction with the handling of the loss and subsequent planned action.

As a result of the external assessment carried out by PwC, a detailed action plan was developed and has been implemented within the defined timescales. The Board of Directors approved the Foundation Trust's Information Governance submission at the February Board meeting which will provide external validation of the standards that the Foundation Trust is adhering to with regard to all aspects of Information Governance.

The Foundation Trust recognises that safeguarding patient confidentiality is essential and will continue to monitor and assess our information risks in order to identify and address any weaknesses and ensure continuous improvement of our systems and processes.

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

Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Foundation Trust's financial plan, which was submitted to Monitor in May 2009, included a planned surplus of £3 million. This plan included a savings target (described within the organisation as the performance improvement target) which has been delivered in full throughout the year and this provides a firm baseline for the forthcoming year.

The resources of the Foundation Trust are managed within the framework set by the Standing Financial Instructions, and various guidance documents that are produced within the Foundation Trust, which have a particular emphasis on budgetary control and ensuring that service developments are implemented with appropriate financial controls.

The Board of Directors receives a comprehensive finance report on a monthly basis encapsulating all relevant financial information to allow them to discharge their duties effectively. The Foundation Trust also provides financial information to Monitor on a quarterly basis inclusive of financial tables and a commentary.

The resource and financial governance arrangements are further supported by both internal and external audit to secure economic, efficient and effective use of the resources the Foundation Trust has at its disposal.

The Foundation Trust has complied with cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

Annual Quality Report

Corporate Governance and Leadership

The directors of Bradford Teaching Hospitals NHS Foundation Trust are required to satisfy themselves that the trust's annual Quality Report is fairly stated. In doing so we are required to put in place a system of internal control to ensure that proper arrangements are in place based on criteria specified by Monitor, the Independent Regulator of NHS Foundation Trusts.

We have appointed an Executive Director, the Chief Nurse, to lead, and advise us, on all matters relating to the preparation of the trust's annual Quality Report.

We have established a non-executive led committee of the Board of Directors, the Quality and Safety Review Committee. The purpose of the Quality and Safety Review Committee is to ensure an integrated and co-ordinated approach to the management and development of quality and safety at a corporate level in the Foundation Trust.

To ensure that the Trust's Quality Report presents a properly balanced picture of its performance over the year the committee are required:

- To contribute to the development of the Foundation Trust's Quality Report
- To agree the priorities that will inform the development of the Directorate Quality Report
- To provide a mechanism for assurance to the Board of Directors

The quality metrics and performance data within the Quality Report are reviewed and reported to the Trust Board by the Quality and Safety Review Committee.

Systems and Processes

There are systems and processes in place for the collection, recording, analysis and reporting of data which are focused on securing data which is accurate, valid, reliable, timely, relevant and complete.

Each quality indicator has a named lead with their specific roles and responsibilities in relation to data quality and validation clearly defined and documented.

The data collection system and validation process is monitored through peer review by the named leads.

Where the indicator forms part of the national reporting framework the data is validated and signed off by the Performance team.

Data which will be used for external reporting will be subject to rigorous verification and senior management approval.

The effectiveness of the systems of internal control in relation to the Quality Report will be reviewed through a process of internal audit.

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 and the executive managers within the Foundation Trust who have responsibility for the development and maintenance of the internal control framework, and 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed by the following reports:

- Self-assessment against compliance with the Standards for Better Health and the Care Quality Commission
- Self-assessment against Monitor's Compliance Framework
- The assurance framework review
- External and internal audit reports and risk management arrangements
- Reports on annual clinical governance reviews
- Regular structured reports on finance and performance management
- Patient and staff satisfaction surveys
- Governance self-assessment by both Board of Directors and Board of Governors following each meeting (in addition to the externally facilitated self assessment process carried out by both Boards)

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 of Directors
- The Audit Committee
- The Governance Committee
- Quality Review and Safety Group

The process of internal control has been maintained and reviewed within the following framework, particularly in respect of:

- The Board of Directors receives monthly performance and financial management reports as the primary mechanism for assessing compliance with national and local targets, and the identification of existing and potential risks. Alongside this the Board of Directors receives a quarterly report on the delivery of the corporate priorities. The Board of Directors also receives and endorses key internal and external reports that specifically demonstrate the adequacy of the internal control function in designated risk areas;

- The Audit Committee examines and monitors the financial reporting and controls, ensures compliance with relevant regulatory legal and conduct requirements, adherence to both internal and external policies and guidance;

- The Governance Committee monitors the corporate governance of the Foundation Trust and its supporting risk management framework that monitors the performance of the internal control functions and reviews the assurance framework;

- In the autumn the Board established a new sub committee of the Board of Directors, the Quality Review and Safety Group, Chaired by a Non Executive Director. This group has met three times during the year and its purpose is to ensure an integrated and co-ordinated approach to the management and development of quality and safety at a corporate level in the Foundation Trust. The group has commenced leadership to a new campaign to improve the care of acutely unwell patients;

- The Executive Directors and senior managers, who have delegated responsibility for the achievement of organisational objectives and risk minimisation, and for the management of risks generated within the clinical and non-clinical areas;

- Internal audit, who undertake a series of audits based on a risk based audit plan that incorporates agreed elements of the assurance framework;

- Other explicit reviews and assurance mechanisms, such as reports from the NHS LA.

During 2009/10, the Foundation Trust achieved its targeted reduction in the number of MRSA bacteraemia. The target of 22 cases during the year has been achieved with only 8 cases reported during the year against the contract. *Clostridium difficile* targets are also well below trajectory.

Conclusion

The Foundation Trust and its officers are alert to their responsibilities in respect of internal control and has in place organisational arrangements to identify and manage risk. The Foundation Trust has not identified any significant internal control issues.

Miles Scott, Chief Executive

Independent Auditors' Report to the Board of Governors of Bradford Teaching Hospitals NHS Foundation Trust

We have audited the financial statements of Bradford Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with relevant statute, the Audit Code for NHS Foundation Trusts issued by Monitor and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Board of Governors of Bradford Teaching Hospitals NHS Foundation Trust in accordance with paragraph 24(5) 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.

The maintenance and integrity of the Bradford Teaching Hospitals NHS Foundation Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Scope of the audit of the financial statements

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 NHS Foundation Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the NHS Foundation Trust; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

• give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual, of the state of the NHS Foundation Trust's affairs as at 31 March 2010 and of its income and expenditure and cash flows for the year then ended; and

• have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion

• the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual; and

• the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Board of Governors of Bradford Teaching Hospitals NHS Foundation Trust

We have audited the financial statements of Bradford Teaching Hospitals NHS Foundation Trust for the year ended 31 March 2010 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is the NHS Foundation Trust Annual Reporting Manual issued by the Independent Regulator of NHS Foundation Trusts ("Monitor").

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Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with the NHS Foundation Trust Annual Reporting Manual, of the state of the NHS Foundation Trust's affairs as at 31 March 2010 and of its income and expenditure and cash flows for the year then ended; and

- have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual.

Opinion on other matters prescribed by the Audit Code for NHS Foundation Trusts

In our opinion

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual; and

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Audit Code for NHS Foundation Trusts requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from locations not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

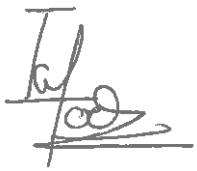
- we have not received all the information and explanations we require for our audit; or

- the Statement on Internal Control does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual or is misleading or inconsistent with information of which we are aware from our audit; or

- we have not been able to satisfy ourselves that the NHS Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Certificate

We certify that we have completed the audit of the accounts in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Audit Code for NHS Foundation Trusts issued by Monitor.



Ian Looker (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
7 June 2010

FOREWORD TO THE ACCOUNTS

These accounts for the year ended 31 March 2010 have been prepared by Bradford Teaching Hospitals NHS Foundation Trust under paragraph 24 and 25 of Schedule 7 to the National Health Service Act 2006 in the form which Monitor, the Independent Regulator of NHS Foundation Trusts has, with the approval of the Treasury, directed.

Signed.....

Chief Executive Date: 7 June 2010

PRIMARY STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

	note	2009/10 £000	2008/09 £000
Operating income	2	305,187	288,591
Operating expenses	3	(299,473)	(280,904)
OPERATING SURPLUS / (DEFICIT)		**5,714**	**7,687**
FINANCE COSTS			
Finance income	5	251	1,538
Finance expense - financial liabilities	6.1	(291)	(54)
Finance expense - unwinding of discount on provisions	16	(44)	(44)
PDC dividends payable	6.2	(3,181)	(4,860)
NET FINANCE COSTS		(3,265)	(3,420)
SURPLUS FOR THE YEAR		**2,449**	**4,267**
Other comprehensive income			
Revaluation (losses) and impairment (losses) property, plant and equipment		(20,623)	(54,089)
Revaluation gains arising from classifying non current assets as Assets Held for Sale		0	354
Increase in the donated asset reserve due to receipt of donated assets		701	47
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal of donated assets		(187)	(127)
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD		(17,660)	(49,548)

All income and expenses shown relate to continuing operations.
The notes on pages 19 to 61 form part of these financial statements.

PRIMARY STATEMENTS

STATEMENT OF FINANCIAL POSITION

	note	31 Mar 2010 £000	31 Mar 2009 £000	1 Apr 2008 £000
Non-current assets				
Intangible assets	7.1	1,797	2,321	2,890
Property, plant and equipment	8.1	130,974	149,232	163,670
Trade and other receivables	11.1	1,102	793	1,325
Total non-current assets		133,873	152,346	167,885
Current assets				
Inventories	10	3,698	3,681	3,713
Trade and other receivables	11.1	10,242	7,582	5,813
Non-current assets for sale and assets in disposal groups	9	0	861	1,415
Cash and cash equivalents	18.1	51,059	45,821	37,036
Total current assets		64,999	57,945	47,977
Current liabilities				
Trade and other payables	12	(39,724)	(36,787)	(35,010)
Borrowings	14	(1,048)	(1,000)	(16)
Provisions	16	(2,120)	(1,091)	(2,503)
Other liabilities	13	(8,213)	(9,370)	(8,510)
Total current liabilities		(51,105)	(48,248)	(46,014)
Total assets less current liabilities		**147,717**	**162,043**	**169,818**
Non-current liabilities				
Trade and other payables	12	0	0	(89)
Borrowings	14	(2,000)	(9,000)	0
Provisions	16	(7,816)	(3,743)	(1,794)
Other liabilities	13	(5,724)	[illegible]	(1,698)
Total non-current liabilities		(15,540)	(13,972)	(3,581)
Total assets employed		**132,177**	**148,351**	**166,237**
Financed by (taxpayers' equity)				
Public Dividend Capital		115,147	113,661	111,261
Revaluation reserve	17	30,335	51,432	73,648
Donated asset reserve		1,235	721	915
Income and expenditure reserve		(14,540)	(17,463)	[illegible]
Total taxpayers' equity		**132,177**	**148,351**	**166,237**

These financial statements, including notes, were approved by the Board on 7 June 2010.

Signed: ..... Miles Scott
Chief Executive

Date: 7 June 2010

PRIMARY STATEMENTS

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Total	Public Dividend Capital	Revaluation Reserve	Donated Assets Reserve	Income and Expenditure Reserve
	£000	£000	£000	£000	£000
Taxpayers' Equity at 1 April 2009	**148,351**	113,661	51,432	721	(17,463)
Surplus for the year	**2,449**	0	0	0	2,449
Revaluation (losses) and impairment losses property, plant and equipment	(20,623)	0	(20,623)	0	0
Revaluation gains/(losses) and impairment losses arising from classifying non current assets as assets held for sale	**0**	0	(354)	0	354
Increase in the donated asset reserve due to receipt of donated assets	**701**	0	0	701	0
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal of on donated assets	(187)	0	0	(187)	0
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	**0**	0	(120)	0	120
Public Dividend Capital received	**1,486**	1,486	**0**	**0**	**0**
Taxpayers' Equity at 31 March 2010	**132,177**	115,147	30,335	1,235	(14,540)
Taxpayers' Equity at 1 April 2008	**166,237**	111,261	73,648	915	(19,587)
Surplus for the year	**4,267**	0	0	0	4,267
Revaluation(losses) and impairment (losses) property, plant and equipment	(24,827)	0	(24,805)	(22)	0
Revaluation gains/(losses) and impairment losses arising from classifying non current assets as Assets Held for Sale	**354**		354	0	0
Increase in the donated asset reserve due to receipt of donated assets	**47**	0	0	47	0
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal of on donated assets	(127)	0	0	(127)	0
Transfers to the income and expenditure account in respect of assets disposed of	**0**	0	(9)	0	9
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	**0**	0	(193)	0	193
Public Dividend Capital received	**2,400**	2,400	0	0	0
Other transfers between reserves	**0**	0	2,437	(92)	(2,345)
Taxpayers' Equity at 31 March 2009	**148,351**	113,661	51,432	721	(17,463)

PRIMARY STATEMENTS

STATEMENT OF CASH FLOWS

	2009/10 £000	2008/09 £000
Cash flows from operating activities		
Operating surplus from continuing operations	5,714	7,687
Non-cash income and expense:		
Depreciation and amortisation	**8,107**	**8,703**
Impairments	**2,334**	**4,332**
Reversals of impairments	(239)	**0**
Transfer from the donated asset reserve	(137)	(127)
(Increase)/decrease in Trade and Other Receivables	(2,567)	(1,237)
(Increase)/decrease in Inventories	(17)	**32**
Increase/(decrease) in Trade and Other Payables	**4,363**	**140**
Increase in Other Liabilities	**2,710**	**2,071**
Increase/(Decrease) in Provisions	**1,016**	(1,472)
Other movements in operating cash flows	**111**	(3)
NET CASH GENERATED FROM/(USED IN) OPERATIONS	21,345	20,121
Cash flows from investing activities		
Interest received	**251**	**1,538**
Purchase of financial assets	(145,000)	(550,288)
Sales of financial assets	**145,000**	**550,288**
Purchase of Property, Plant and Equipment	(13,026)	(20,360)
Sales of Property, Plant and Equipment	**8**	**0**
Net cash (used in) investing activities	(12,767)	(18,822)
Cash flows from financing activities		
Public dividend capital received	**1,486**	**2,400**
Loans received	**0**	**10,000**
Loans repaid	(1,000)	**0**
Interest paid	(243)	(54)
PDC dividend paid	(3,583)	(4,360)
Net cash generated from/(used in) financing activities	(3,340)	7,486
Increase in cash and cash equivalents	5,238	8,785
Cash and cash equivalents at 1 April	45,821	**37,036**
Cash and cash equivalents at 31 March	51,059	45,821

Note 1 Accounting policies and other information

Monitor has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the *NHS Foundation Trust Annual Reporting Manual* which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2009/10 *NHS Foundation Trust Annual Reporting Manual 2009/10* issued by Monitor. The accounting policies contained in that manual follow International Financial Reporting Standards (IFRS) and HM Treasury's *Financial Reporting Manual* 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.

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities

1.1 Consolidation

These accounts are for Bradford Teaching Hospitals NHS Foundation Trust alone as there are no subsidiaries, associates, joint ventures or joint operations.

1.2 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration received or receivable in the normal course of business, net of discounts and, where appropriate, other sales related taxes. The main source of income for the trust is contracts with commissioners in respect of healthcare services.

The figures quoted are based upon income received in respect of actual activity undertaken within each category. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

The NHS foundation trust contracts with NHS commissioners following the Department of Health's Payment by Results methodology. The income associated with incomplete inpatient spells (spells which begin in one financial year but are incomplete at the year end date) is matched to the appropriate financial year. The element relating to the financial year in which the spell began is included at an estimated value, and is recorded as incomplete in receivables in the current year.

The NHS Operating Framework 2009-10 introduced "Commissioning for Quality and Innovation (CQUINS)" which provides the opportunity for the Foundation Trust to receive incentive income, over and above contracted income, by demonstrating compliance with a number of quality indicators agreed with NHS Commissioners. Income is recognised when Bradford and Airedale PCT, the foundation trust's local PCT, determines that the quality indicators have been achieved.

1.3 Expenditure on Employee Benefits

Short-term Employee Benefits
Salaries, wages and employment-related payments are recognised in the period 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 period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Pension costs
NHS Pension Scheme
Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS foundation trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employers' pension cost contributions are charged to operating expenses as and when they become due. The NHS Pension Scheme (England and Wales) Resource Account is published annually and can be found on the Business Service Authority - Pensions Division website at www.nhsbsa.nhs.uk/pensions.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

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:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year; and
- the cost of the item can be measured reliably.

Additionally property, plant and equipment is capitalised where:

- individual items have a cost of at least £5,000;
- form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

- form part of the initial setting-up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets 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. Thereafter they are stated at cost less accumulated depreciation and any recognised impairment loss.

All assets are measured subsequently at fair value.

The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The costs arising from financing the construction of the fixed asset are not capitalised but are charged to the statement of comprehensive income in the year to which they relate.

Land and buildings are valued at fair value in accordance with the revaluation model set out in IAS 16. Land and buildings are revalued at least every five years. More frequent valuations are carried out if the foundation trust believes that there has been a significant change in value.

Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors Valuation Standards. The last asset valuations were undertaken by the District Valuer Service, part of the Valuation Office Agency of HM Revenue and Customs, during March 2010 at the prospective valuation date of 1 April 2010.

The valuations are carried out primarily on the basis of depreciated replacement cost on a modern equivalent asset basis for specialised operational property and fair value for non-specialised operational property.

For non-operational properties including surplus land, the valuations are carried out at open market value.

Assets in the course of constructionare valued at cost and are revalued by professional valuers when they are brought into use.

Operational equipment is valued at net historical cost.

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

Depreciation
Items of Property, Plant and Equipment are depreciated to their residual values over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Depreciation is charged using the straight-line method.

Freehold land is considered to have an infinite life and is not depreciated.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the NHS foundation trust's professional valuers.

Property Plant and Equipment are depreciated on a straight line basis over the estimated lives, which are:

Engineering plant and equipment	5 - 15 years
Vehicles	7 years
Office equipment, furniture and soft furnishings	5 - 10 years
Medical and other equipment	5 - 15 years
IT equipment	4 - 6 years
Buildings, installations and fittings	25 - 60 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Government granted assets are held as deferred income and donated assets held in the donated asset reserve. Depreciation is charged on both Government granted assets and donated assets in line with the above estimated lives. However for Government granted assets and donated assets a transfer is made to the I&E account to match the depreciation charged.

Disposals
The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Revaluation and impairment
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 recognised in operating income.

Decreases in asset values and impairments 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'.

De-recognition
Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
- management are committed to a plan to sell the asset;
- an active programme has begun to find a buyer and complete the sale;
- the asset is being actively marketed at a reasonable price;
- the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and

- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged 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 as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated assets
Donated fixed assets are capitalised at their current value on receipt and this value is credited to the donated asset reserve. Donated fixed assets are valued and depreciated as described above for purchased assets. Gains and losses on revaluations are also taken to the donated asset reserve and, each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the statement of comprehensive income. Similarly, any impairment on donated assets charged to the statement of comprehensive income is matched by a transfer from the donated asset reserve. On sale of donated assets, the net book value of the donated asset is transferred from the donated asset reserve to the Income and Expenditure Reserve.

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 foundation trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the foundation trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:
- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the foundation trust intends to complete the asset and sell or use it;
- the foundation trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;

- adequate financial, technical and other resources are available to the foundation trust to complete the development and sell or use the asset; and
- the foundation trust can measure reliably the expenses attributable to the asset during development.

Software
Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

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 fair value. 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 recognised in operating income. Decreases in asset values and impairments 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'.

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 on a straight line basis over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. The estimated lives fall between 4 and 6 years.

1.7 Research and development

Expenditure on research is not capitalised. Expenditure on development is capitalised if it meets the following criteria:
- there is a clearly defined project;
- the related expenditure is separately identifiable;
- the outcome of the project has been assessed with reasonable certainty as to its technical feasibility and its resulting in a product or services that will eventually be brought into use; and
- adequate resources exist, or are reasonably expected to be available, to enable the project to be completed and to provide any consequential increases in working capital.

There was no such expenditure requiring capitalisation at the statement of financial position date. Expenditure which does not meet the criteria for capitalisation is treated as an operating cost in the year in which it is incurred. NHS foundation trusts disclose the total amount of research and development expenditure charged in the Statement of Comprehensive Income separately. However, where research and development activity cannot be separated from patient care activity it cannot be identified and is therefore not separately disclosed.

1.8 Government grants

Government grants are grants from Government bodies other than income from primary care trusts or NHS trusts for the provision of services. Grants from the Department of Health, including those for achieving three star status, are accounted for as Government grants as are grants from the Big Lottery Fund. Where the Government grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grant is used to fund capital expenditure the grant is held as deferred income and released to operating income over the life of the asset in a manner consistent with the depreciation charge for that asset.

1.9 Inventories

Pharmacy inventories are valued at weighted average historical cost. Other inventories are valued at the lower of cost and net realisable value using the First In, First Out (FIFO) method.

Provision is made where necessary for obsolete, slow moving inventory where it is deemed that the costs incurred may not be recoverable.

1.10 Financial instruments and financial liabilities

Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets in respect of assets acquired through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

All other financial assets and financial liabilities are recognised when the foundation 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 foundation 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 held by the foundation trust are all categorised as 'Loans and receivables'. Financial liabilities held by the foundation trust are all classified as 'Other financial liabilities' with none categorised as 'Liabilities at fair value through the statement of comprehensive income'.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The foundation trust's loans and receivables comprise: cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value. In all cases the fair value is the transaction value. Any long term receivables that are financial instruments require discounting to reflect fair value.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand and are classified accordingly in the financial statements.

Cash, bank and overdraft balances are recorded at the current values of these balances in the foundation trust's cash book. These balances exclude monies held in the foundation trust's bank account belonging to patients (see 'third party assets' below). Account balances are only set off where a formal agreement has been made with the bank to do so. In all other cases overdrafts are disclosed within creditors. Interest earned on bank accounts and interest charged on overdrafts are recorded as, respectively, 'interest receivable' and 'interest payable' in the periods to which they relate. Bank charges are recorded as operating expenditure in the periods to which they relate.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Financial liabilities
All financial liabilities are recognised initially at fair value. In all cases the fair value is the transaction value.

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 foundation trust assesses whether any financial assets (loans and receivables) are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

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 for credit losses.

1.11 Leases

Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the foundation 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.

The foundation trust has reviewed all current leases and decided that there are no material finance leases. Hence all leases are shown as operating leases.

1.12 Provisions

The foundation 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 rate of 2.2% in real terms.

Clinical negligence costs
The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the foundation 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 foundation trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the foundation trust is disclosed at note 16.

Non-clinical risk pooling
The foundation trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the foundation trust pays an annual contribution to the NHSLA 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.

1.13 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 20 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 20, 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.

1.14 Public Dividend Capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the foundation 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 foundation trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for donated assets and cash held with the Office of the Paymaster General or the Government Banking Service. Average relevant net assets are calculated as a simple mean of opening and closing relevant net assets.

1.15 Value Added Tax

Most of the activities of the foundation 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.

1.16 Corporation Tax

The foundation trust is a Health Service body within the meaning of s519 AICTA 1988 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is a power for the Treasury to disapply the exemption in relation to the specified activities of a foundation trust (s519A (3) to (8) ICTA 1988), but, as at 31 March 2010, this power has not been exercised. Accordingly, the foundation trust is not within the scope of Corporation Tax.

1.17 Foreign exchange

Transactions that are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the statement of comprehensive income.

To meet the requirements of some research projects, the foundation trust operates a Euro account. The balance of this account is translated into sterling at the exchange rate ruling at the time of receipt of the monies and at the end of the accounting period. Any resulting exchange gains and losses are taken to the Statement of Comprehensive Income.

1.18 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are banked and shown within cash and creditors in the foundation trust's accounts. The total value of these is disclosed in note 18.1 to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual.

1.19 Dispensation from the application of accounting standards

HM Treasury has granted a dispensation from the application of IAS 27 by NHS Foundation Trusts in relation to the consolidation of NHS Charitable Funds for 2009/10 and 2010/11.

1.21 Accounting standards issued but not yet adopted in the NHS

There are a number of accounting standards that are issued but not yet effective. A table is shown at the end of these accounts, which lists these standards (note 29). These accounts do not reflect any of these standards.

1.22 Critical accounting estimates and judgements

The preparation of the financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of income and expenses and of assets and liabilities. The estimates and assumptions are based on historical experience and other factors that are believed to be reasonable under all the circumstances. Actual results may vary from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgements that have had a significant effect on the amounts recognised in the financial statements are outlined below.

Income estimates
In measuring income for the year management have taken account of all available information. Income estimates that have been made have been based on actual information related to the financial year.

Included in the income figure is an estimate for open spells, patients undergoing treatment that is only partially complete at twelve midnight on 31 March. The number of open spells for each specialty is taken and multiplied by the average specialty price and adjusted for the proportion of the spell which belongs to the current year.

Injury compensation scheme income is also included to the extent that it is estimated it will be received in future years. It is recorded in the current year as this is the year in which it was earned. However as cash is not received until future periods, when the claims have been settled, an estimation must be made as to the collectability.

Expense accruals
In estimating expenses that have not yet been charged for management have made a realistic assessment based on costs actually incurred in the year to date, with a view to ensuring that no material items have been omitted.

Impairment of property, plant and equipment
In accordance with the stated policy on asset valuation, a valuation of the Foundation Trust's property assets was carried out during March 2010 at the prospective valuation date of 1 April 2010. (The last valuation was carried out during 2009 at the prospective valuation date of 1 April 2009).

Specialised property has been valued at depreciated replacement cost on a modern equivalent asset basis in line with Royal Institute of Chartered Surveyors standards. Land has been valued having regard to the cost of purchasing notional replacement sites in the same locality as the existing sites.

Recoverability of receivables
In accordance with the stated policy on impairment of financial assets, management have assessed the impairment of receivables and made appropriate adjustments to the existing allowance account for credit losses.

Provisions
In accordance with the stated policy on provisions, management have used best estimates of the expenditure required to settle the obligations concerned, applying HM Treasury's discount rate as stated, as appropriate. Management have also taken into account all available information for disputes and possible outcomes.

NOTES TO THE ACCOUNTS

Note 2.1 Operating income (by classification)	2009/10 Total £000	2008/09 Total £000
Income from activities		
Elective income	60,091	57,145
Non elective income	90,680	76,978
Outpatient income	45,113	41,682
A & E income	10,713	10,034
Other NHS clinical income (see note 2.2)	59,732	65,184
Private patient income (see note 2.3)	1,372	1,533
Other non-protected clinical income	1,796	0
Total income from activities	**269,497**	**252,556**
Other operating income		
Research and development	3,546	2,187
Education and training	15,471	13,201
Charitable and other contributions to expenditure	257	294
Transfer from donated asset reserve in respect of depreciation on donated assets	187	127
Provider to provider income (see note 2.4)	8,394	5,362
Catering income (see note 2.4)	1,279	1,314
Other (see note 2.4)	6,556	13,550
Total other operating income	**35,690**	**36,035**
TOTAL OPERATING INCOME	**305,187**	**288,591**

The Terms of Authorisation set out the mandatory goods and services that the foundation trust is required to provide (protected services). The majority of the income from activities shown above is derived from the provision of protected services other than other non-protected clinical income and private patient income.

NOTES TO THE ACCOUNTS

Note 2.2 Other NHS clinical income

Other NHS clinical income comprises, in the main, former Bradford managed services (critical care, renal and cochlear auxiliaries), direct access services, cost per case items, ward attenders, audiological services, consultant excellence awards and breast screening income.

Note 2.3 Private patient income	2009/10 £000	2008/09 £000	Base Year £000
Private patient income	1,372	1,533	1,632
Total patient related income	269,496	252,534	160,654
Proportion (as percentage)	**0.51%**	**0.61%**	**1.02%**

Section 44 of the National Health Service Act 2006 requires that the proportion of private patient income to the total patient related income of NHS foundation trusts should not exceed its proportion whilst the body was an NHS Trust in 2002/03, which was 1.02%. The above note shows that the foundation trust was compliant for 2009/10 and 2008/09.

Note 2.4 Other operating income	2009/10 Total £000	2008/09 Total £000
Provider to provider income	8,394	5,362
Catering income	1,279	1,314
Other	6,556	13,550
TOTAL OTHER OPERATING INCOME	**16,229**	**20,226**

Provider to provider income relates to services provided by the foundation trust to other trusts or PCTs. Income recorded under this heading relates to areas including ENT, ophthalmology and plastic surgeons working at Calderdale and Huddersfield NHS Foundation Trust and Airedale NHS Trust and the provision of radiation protection and rehabilitation services to various trusts within the district. Other areas relate to the provision of ENT services across Calderdale and Kirklees, ophthalmology staff time and support in primary care, and provision of IVF and Community Paediatric Services.

Other income relates to non NHS staff recharges i.e council and universities , car parking income, occupational health, therapy and pain management , medical record requests , precription charges and staff gym.

Note 2.5 Segmental Analysis

The "Chief Operating Decision Maker" (CODM) is the Trust Board because it is at this level where overall financial performance is measured and challenged. The Trust Board primarily considers financial matters at a Trust wide level. The Trust Board are presented with information on clinical directorates but this is not the primary way in which financial matters are considered.

The Trust has applied the aggregation criteria from IFRS 8 operating segments because the clinical directorates provide similar services, have homogenous customers, common production processes and a common regulatory environment. Therefore on this basis we believe that there is one segment and have reported under IFRS 8 on this basis.

The financial position reported to the April Board for 2009/10 was:

	Reported to April BoD £000	Reconciling Items £000	Reported Position £000
Total Operating Income	305,170	17	305,187
Total Operating Expenditure	(289,264)	(7)	(289,271)
EBITDA	**15,906**	**10**	**15,916**
Depreciation	(8,107)	0	(8,107)
Asset Impairment	(2,095)	0	(2,095)
Interest Payable/Receivable & Other	(84)	0	(84)
PDC dividend payable	(2,963)	(218)	(3,181)
Surplus	**2,657**	**(208)**	**2,449**

The differences are explained by the following:

Operating Income	
Adjustment regarding additional income not accrued at Board Report date	17
Operating Expenditure	
Adjustment regarding additional audit fee not accrued at Board Report date	(7)
PDC dividend payable	
Correction to calculation post Board Report date	(218)

The majority of the foundation trust's income £221,416m (72.5%) comes from the same geographical area from Bradford and Airedale Primary Care Trust who are under the control of the NHS. The foundation trust does not receive more than 10% of its total income form any other one source.

The main type of income the Trust generates is primarily for the provision of healthcare covering different specialties such as Medicine, Surgery, Orthopaedics and Accident and Emergency.

The revenue earned from Scottish and Welsh PCTs is only £57k (0.2%). No other income from outside England.

NOTES TO THE ACCOUNTS

Note 3.1 OPERATING EXPENSES (by type)	2009/10	2008/09
	Total £000	Total £000
Services from NHS foundation trusts	56	60
Services from NHS trusts	7,513	6,784
Employee expenses - executive directors	1,108	1,030
Employee expenses - non-executive directors	159	149
Employee expenses - staff	193,350	177,177
Drug costs	22,603	20,285
Supplies and services - clinical (excluding drug costs)	29,782	29,128
Supplies and services - general	4,352	4,386
Establishment	4,734	5,531
Research and development	341	42
Transport	1,246	682
Premises	16,202	15,129
Increase / (decrease) in allowance account for credit losses	(1,392)	524
Depreciation on property, plant and equipment	8,107	8,703
Impairments of property, plant and equipment	2,334	4,332
Reversal of impairments of property, plant and equipment	(239)	0
Audit fees		
audit services - statutory audit	68	63
audit services - regulatory reporting	0	0
Other auditors' remuneration		
further assurance services	36	0
other services	0	8
Clinical negligence	5,245	2,835
Loss on disposal of property, plant and equipment	111	8
Impairments of assets held for sale	0	554
Legal fees	182	149
Consultancy costs	783	762
Training, courses and conferences	1,028	0
Patient travel	31	30
Car parking & security	3	0
Early retirements	0	92
Hospitality	53	0
Publishing	0	0
Insurance	156	0
Other services, eg external payroll	1,004	554
Losses, ex gratia & special payments	170	878
Other	347	1,029
TOTAL	299,473	280,904

NOTES TO THE ACCOUNTS

Note 3.2 Operating leases	2009/10 £000	2008/09 £000
Minimum lease payments	356	386
TOTAL	**356**	**386**

Note 3.3 Operating leases	31 Mar 10 £000	31 Mar 09 £000
Future minimum lease payments due:		
- not later than one year;	316	320
- later than one year and not later than five years;	476	680
TOTAL	**792**	**1,000**

The foundation trust leases in the main certain items of medical equipment but also certain motor vehicles and photocopying and other equipment.

All medical equipment currently held under lease is leased under NHS PASA agreements. These make no provision for any contingent rentals. They are silent on renewal and purchase options and do not comprise escalation clauses. The framework they provide is consistent with an operating lease arrangement.

Motor vehicles and photocopying and other equipment currently held under lease are leased under agreements specific to the lessor concerned. None of the agreements currently in force make provision for any contingent rentals, comprise escalation clauses

There was no intention from the inception of any of the current leases that any of the leased equipment would be purchased outright either at the end of or at any time during the lease terms.

Note 3.4 Limitation on auditor's liability	2009/10 £000	2008/09 £000
Limitation on auditor's liability	1,000	1,000

NOTES TO THE ACCOUNTS

Note 4.1 Employee expenses	2009/10 Total £000	2009/10 Permanent £000	2009/10 Other £000	2008/09 Total £000
Salaries and wages	155,995	151,851	4,144	140,703
Social security costs	12,261	11,731	530	11,270
Pension costs - defined contribution plans Employer's contributions to NHS Pensions	17,411	17,411	0	15,947
Agency/contract staff	8,791	0	8,791	10,180
TOTAL	194,458	180,993	13,465	178,192

All employer pension contributions in 2009/10 and 2008/09 were paid to the NHS Pensions Agency.

Note 4.2 Average number of employees (WTE basis)	2009/10 Total Number	2008/09 Total Number
Medical and dental	534	505
Administration and estates	1,056	972
Healthcare assistants and other support staff	900	909
Nursing, midwifery and health visiting staff	1,530	1,462
Nursing, midwifery and health visiting learners	225	190
Scientific, therapeutic and technical staff	599	571
Bank and agency staff	332	252
TOTAL	5,176	4,861

Note 4.3 Early retirements due to ill health	2009/10 £000	2009/10 Number	2008/09 £000	2008/09 Number
Number of early retirements on the grounds of ill health		11		8
Value of early retirements on the grounds of ill health	813		489	

This note discloses the number of and additional pension costs for individuals who retired early on ill-health grounds during the year. This information has been supplied by NHS Pensions. These retirements represented 2.43 per 1,000 active scheme members. The cost of these ill-health retirements will be borne by the NHS Pensions Agency.

NOTES TO THE ACCOUNTS

Note 5 Finance income

Interest receivable amounted to £251,000 (2008/09: £1,538,000). This relates to interest earned on short term Treasury deposits with approved UK registered banks and building societies and central government banking facilities including the Government Banking Service and the National Loans Fund.

Note 6.1 Finance costs - interest expense

Interest payable amounted to £291,000 (2008/09: £54,000). This is interest due on a 10 year £10,000,000 loan from the Foundation Trust Financing Facility taken out on 21 January 2009. £1,000,000 has been repaid in the year.

No interest or compensation has been paid under the Late Payment of Commercial Debts (Interest) Act 1998 during 2009/10 or 2008/09.

Note 6.2 Public Dividend Capital dividend

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the NHS foundation 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 NHS foundation 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) net cash balances held with the Government Banking Services and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

The amount payable this year is £3,181,000 (2008/09: £4,860,000), which is 3.5% of the year's average relevant net assets of £90,892,000 (2008/09: £102,150,000, 4.2%).

Note 6.3 Losses and special payments

NHS foundation trusts are required to record cash and other adjustments that arise as a result of losses and special payments. These losses to the foundation trust will result from the write off of bad debts, compensation paid for lost patient property, or payments made for litigation claims in respect of personal injury. In the year the foundation trust had 167 (2008/09: 1,783) separate losses and special payments, totalling £170,000 (2008/09: £878,000). The bulk of these were in relation to bad debts and ex gratia payments in respect of personal injury.

NOTES TO THE ACCOUNTS

Note 7.1 Intangible assets 2009/10	Total	Software licences (purchased)
	£000	£000
Gross cost at 1 April 2009	3,132	3,132
Additions - purchased	46	46
Gross cost at 31 March 2010	3,178	3,178
Amortisation at 1 April 2009	811	811
Provided during the year	570	570
Amortisation at 31 March 2010	1,381	1,381
Net book value		
NBV - Purchased at 1 April 2009 (restated)	2,321	2,321
NBV total at 1 April 2009 as restated	2,321	2,321
Net book value		
NBV - Purchased at 31 March 2010	1,797	1,797
NBV total at 31 March 2010	1,797	1,797

All assets classed as intangible meet the criteria set out in IAS 38 (2) in terms of: identifiability, control (power to obtain benefits from the asset), and future economic benefits (such as revenues or reduced future costs).

The cost less residual value of an intangible asset with a finite useful life is amortised on a systematic basis over that life, (IAS 38 and 97).

Note 7.2 Intangible assets 2008/09 Prior year	Total	Software licences (purchased)
	£000	£000
Gross cost at 1 April 2008	3,132	3,132
Gross cost at 31 March 2009	3,132	3,132
Amortisation at 1 April	242	242
Provided during the year	569	569
Amortisation at 31 March 2009	811	811
Net book value		
NBV - Purchased at 1 April 2008	2,890	2,890
NBV total at 1 April 2008	2,890	2,890
Net book value		
NBV - Purchased at 31 March 2009	2,321	2,321
NBV total at 31 March 2009	2,321	2,321

NOTES TO THE ACCOUNTS

Note 8.1 Property, plant and equipment 2009/10

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2009 as restated	**179,669**	21,176	112,781	2,366	683	33,985	359	7,863	456
Additions - purchased	**10,552**	0	4,013	93	3,644	1,776	38	988	0
Additions - donated	**701**	0	689	0	0	12	0	0	0
Impairments charged to revaluation reserve	**(27,158)**	(1,496)	(25,845)	183	0	0	0	0	0
Reclassifications	**0**	0	3,771	0	(3,771)	0	0	0	0
Transferred to disposal group as asset held for sale	**861**	472	281	108	0	0	0	0	0
Disposals	**(1,531)**	0	0	0	0	(1,404)	0	(31)	(6)
Cost or valuation at 31 March 2010	**163,094**	**20,152**	**95,690**	**2,750**	**556**	**34,279**	**397**	**8,820**	**450**
Accumulated depreciation at 1 April 2009	**30,437**	0	0	0	0	24,565	320	5,257	295
Depreciation provided during the year	**7,537**	0	4,400	42	0	2,078	7	982	28
Impairments recognised in operating expenses	**2,334**	0	2,334	0	0	0	0	0	0
Reversal of impairments	**(239)**	0	(239)	0	0	0	0	0	0
Revaluation surpluses	**(6,537)**	0	(6,495)	(42)	0	0	0	0	0
Disposals	**(1,412)**	0	0	0	0	(1,316)	0	(31)	(6)
Accumulated depreciation at 31 March 2010	**32,120**	**0**	**0**	**0**	**0**	**25,268**	**327**	**6,208**	**317**

NOTES TO THE ACCOUNTS

Note 8.1 Property, plant and equipment 2009/10

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
NBV - purchased at 1 April 2009	**148,511**	21,176	112,581	2,366	683	8,917	39	2,588	161
NBV - donated at 1 April 2009	**721**	0	200	0	0	503	0	18	0
NBV total at 1 April 2009	**149,232**	**21,176**	**112,781**	**2,366**	**683**	**9,420**	**39**	**2,606**	**161**
Net book value									
NBV - purchased at 31 March 2010	**129,739**	20,152	94,872	2,750	556	8,607	70	2,599	133
NBV - donated at 31 March 2010	**1,235**	0	818	0	0	404	0	13	0
NBV total at 31 March 2010	**130,974**	**20,152**	**95,690**	**2,750**	**556**	**9,011**	**70**	**2,612**	**133**

Of the totals at 31st March 2010, £1,051,000 (31st March 2009: £1,101,000) related to land valued at open market value, and £301,000 (31st March 2009: £301,000) related to dwellings valued at open market value.

No assets were held under finance leases and hire purchase contracts at the balance sheet date (31st March 2009: £ nil).

No depreciation was charged to the income and expenditure in respect of assets held under finance leases and hire purchase contracts (31st March 2009: £ nil).

Land and buildings were revalued during March 2010 at the prospective valuation date of 1 April 2010. In accordance with IAS16, the resultant decreases in value have been debited directly to revaluation reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset, with the balance being recognised as an expense in the statement of comprehensive income.

No other impairments have been recognised.

Note 8.2 Analysis of property, plant and equipment 31 March 2010

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
NBV - Protected assets at 31 March 2010	**103,450**	9,611	91,089	2,750	0	0	0	0	0
NBV - Unprotected assets at 31 March 2010	**27,524**	10,541	4,601	0	556	9,011	70	2,612	133
Total at 31 March 2010	**130,974**	**20,152**	**95,690**	**2,750**	**556**	**9,011**	**70**	**2,612**	**133**

The NHS foundation trust's unprotected assets include land, car parking, residential accommodation, administrative offices and unused wards.

NOTES TO THE ACCOUNTS

Note 8.3 Property, plant and equipment 2008/09

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2008 as previously stated	**220,885**	32,447	144,806	2,553	811	32,437	379	6,984	468
prior period adjustments	(29,542)	[illegible]	(29,578)	42	0	0	0	0	0
Cost or valuation at 1 April 2008 as restated	**191,343**	32,439	115,230	2,595	811	32,437	379	6,984	468
Additions - purchased	**21,908**	0	8,540	(1)	10,611	1,869	0	889	0
Additions - donated	**47**	0	0	0	0	28	0	19	0
Impairments charged to revaluation reserve	(3,978)	0	(3,978)	0	0	0	0	0	0
Reclassifications	**0**	0	10,739	0	(10,739)	(6)	0	0	6
Revaluation surpluses	**(29,795)**	(11,569)	(18,104)	(122)	0	0	0	0	0
Transferred to disposal group as asset held for sale	**554**	306	248	0	0	0	0	0	0
Disposals	(410)	0	0	0	0	(350)	(22)	(21)	(17)
Cost or valuation at 31 March 2009	**179,669**	**21,176**	**112,675**	**2,472**	**683**	**33,978**	**357**	**7,871**	**457**
Accumulated depreciation at 1 April 2008 as previously stated	**27,953**	0	274	6	0	22,603	335	4,457	278
prior period adjustments	(280)	0	(274)	(6)	0	0	0	0	0
Accumulated depreciation at 1 April 2008 as restated	**27,673**	0	0	0	0	22,603	335	4,457	278
Provided during the year	**8,134**	0	4,909	59	0	2,300	5	828	33
Revaluation surpluses	(4,968)	0	(4,909)	(59)	0	0	0	0	0
Disposals	(402)	0	0	0	0	(344)	(21)	(21)	(16)
Accumulated depreciation at 31 March 2009	**30,437**	**0**	**0**	**0**	**0**	**24,559**	**319**	**5,264**	**295**

NOTES TO THE ACCOUNTS

Note 8.3 Property, plant and equipment 2008/09

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
NBV - purchased at 1 April 2008	**162,895**	32,439	115,045	2,595	811	9,244	44	2,527	190
NBV - donated at 1 April 2008	**775**	0	185	0	0	590	0	0	0
NBV total at 1 April 2008	**163,670**	**32,439**	**115,230**	**2,595**	**811**	**9,834**	**44**	**2,527**	**190**
Net book value									
NBV - purchased at 31 March 2009	**148,511**	21,176	112,475	2,472	683	8,916	38	2,589	162
NBV - donated at 31 March 2009	**721**	0	200	0	0	503	0	18	0
NBV total at 31 March 2009	**149,232**	**21,176**	**112,675**	**2,472**	**683**	**9,419**	**38**	**2,607**	**162**

Note 8.4 Analysis of property, plant and equipment 31 March 2009

	Total	Land	Buildings excluding dwellings	Dwellings	Assets under Construction & POA	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net book value									
NBV - Protected assets at 31 March 2009	**108,232**	13,098	95,134	0	0	0	0	0	0
NBV - Unprotected assets at 31 March 2009	**41,000**	8,078	17,541	2,472	683	9,419	38	2,607	162
Total at 31 March 2009	**149,232**	**21,176**	**112,675**	**2,472**	**683**	**9,419**	**38**	**2,607**	**162**

The NHS foundation trust's unprotected assets include land, car parking, residential accommodation, administrative offices and unused wards.

NOTES TO THE ACCOUNTS

Note 9.1 Non-current assets for sale and assets in disposal groups 2009/10	Total	Property, Plant and Equipment
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 31 March 2009	861	861
Less assets transferred back to property, plant and equipment in year	(861)	(861)
NBV of non-current assets for sale and assets in disposal groups at 31 March 2010	0	0

Area A at St Luke's Hospital was placed on the market for sale during 2007/08 and as such, as at 1 April 2008, the IFRS balance sheet showed the asset held within current assets under IFRS 5. However, at a meeting of the Board of Directors in 2009/10 it was agreed that Area A would not be disposed of, and it is therefore now recorded within property, plant and equipment.

Note 9.2 Non-current assets for sale and assets in disposal groups 2008/09	Total	Property, Plant and Equipment
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 31 March 2008	1,415	1,415
Less impairment of assets held for sale expensed in year	(554)	(554)
NBV of non-current assets for sale and assets in disposal groups at 31 March 2009	861	861

Note 10 Inventories	31 Mar 2010	31 Mar 2009	1 Apr 2008
	£000	£000	£000
Theatre Consumables	730	522	637
Other Consumables	733	768	889
Drugs	2,015	2,229	2,070
Building & Engineering	219	154	117
Other Consumables	0	7	1
	3,698	3,681	3,713

NOTES TO THE ACCOUNTS

Note 11.1 Trade receivables and other receivables	Total 31 March 2010 £000	Total 31 March 2009 £000	Total 1 April 2008 £000
Current			
NHS receivables	7,000	4,243	3,659
Other receivables with related parties	479	0	0
Provision for impaired receivables	(1,111)	(2,570)	(2,609)
Prepayments	1,118	1,460	1,406
Accrued income	0	3	0
PDC dividend receivable	402	0	0
Other receivables	2,354	4,446	3,357
TOTAL CURRENT TRADE AND OTHER RECEIVABLES	**10,242**	**7,582**	**5,813**
Non-Current			
NHS receivables	189	0	370
Provision for impaired receivables	0	0	(159)
Other receivables	913	793	1,114
TOTAL NON CURRENT TRADE AND OTHER RECEIVABLES	**1,102**	**793**	**1,325**

NOTES TO THE ACCOUNTS

Note 11.2 Provision for impairment of receivables	2009/10 £000	2008/09 £000
At 1 April	2,570	2,771
Increase in provision	26	524
Amounts utilised	(67)	(725)
Unused amounts reversed	(1,418)	0
At 31 March	**1,111**	**2,570**

Note 11.3 Analysis of impaired receivables	31 March 2010 £000	31 March 2009 £000	31 March 2008 £000
Ageing of impaired receivables			
Up to three months	135	92	1,428
In three to six months	27	35	243
Over six months	949	2,443	1,106
Total	**1,111**	**2,570**	**2,777**

Ageing of non-impaired receivables past their due date			
Up to three months	2,148	2,075	1095
In three to six months	2,085	581	190
Over six months	1,212	64	58
Total	**5,445**	**2,720**	**1,343**

The foundation trust considered the recent collection history of individual receivables in determining whether to provide for them.

NOTES TO THE ACCOUNTS

Note 12 Trade and other payables	Total 31 March 2010 £000	Total 31 March 2009 £000	Total 1 April 2008 £000
Current			
Receipts in advance	0	2	1
NHS payables	9,631	2,915	3,551
Amounts due to other related parties	4,064	5,799	5,440
Trade payables - capital	1,489	3,917	2,369
Other payables	654	17,774	18,038
Accruals	22,886	6,380	5,611
TOTAL CURRENT TRADE AND OTHER PAYABLES	**38,724**	**36,787**	**35,010**
Non-current			
Other payables	0	0	89
TOTAL NON CURRENT TRADE AND OTHER PAYABLES	**0**	**0**	**89**

Note 13 Other liabilities	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Current			
Deferred income	9,208	9,224	8,510
Deferred Government Grant	55	146	0
TOTAL OTHER CURRENT LIABILITIES	**9,263**	**9,370**	**8,510**
Non-current			
Deferred income	5,104	2,233	1,698
Deferred Government Grant	622	676	0
TOTAL OTHER NON CURRENT LIABILITIES	**5,726**	**2,909**	**1,698**

NOTES TO THE ACCOUNTS

Note 14 Borrowings	31 March 2010 £000	31 March 2009 £000	1 April 2008 £000
Current			
Bank overdrafts	0	0	16
Loans from Foundation Trust Financing Facility	1,048	1,000	0
TOTAL CURRENT BORROWINGS	1,048	1,000	16
Non-current			
Loans from Foundation Trust Financing Facility	8,000	9,000	0
TOTAL OTHER NON CURRENT LIABILITIES	8,000	9,000	0

Note 15 Prudential borrowing limit	31 March 2010 £000	31 March 2009 £000
Total long term borrowing limit set by Monitor	56,700	58,200
Working capital facility agreed by Monitor	18,500	18,500
TOTAL PRUDENTIAL BORROWING LIMIT	75,200	76,700
Long term borrowing at 1 April	9,000	0
Net actual borrowing/(repayment) in year - long term	(1,000)	9,000
Long term borrowing at 31 March	8,000	9,000

The foundation trust is required to comply and remain within a Prudential Borrowing Limit. This is made up of two elements:

- the maximum cumulative amount of long-term borrowing. This is set by reference to the five ratio tests set out in Monitor's Prudential Borrowing Code. The financial risk rating set under Monitor's Compliance Framework determines one of the ratios and therefore can impact on the long term borrowing limit.
- the amount of any working capital facility approved by Monitor.

The foundation trust had a maximum long term borrowing limit of £56,700,000 (2008/09: £58,200,000). The foundation trust borrowed £10,000,000 in 2008/09 and had a further £15,000,000 loan approved which has not yet been drawn down.

	2009/10 Actual	2009/10 Approved	2008/09 Actual	2008/09 Approved
Financial ratios				
Maximum debt / capital	N/A	N/A	6.73%	25%
Minimum dividend cover	5.4	>1x	4.5	>1x
Minimum interest cover	56	>3x	398	>3x
Minimum debt service cover	12.6	>2x	398	>2x
Maximum debt service to revenue	0.40%	<2.5%	0.02%	<3%

All the actual Prudential Borrowings ratios are all well within approved limits.

The foundation trust has £18,500,000 (2008/09: £18,500,000) of approved working capital facility. The foundation trust did not draw down any amounts under its working capital facility in either 2009/10 or 2008/09.

Further information on the *NHS Foundation Trust Prudential Borrowing Code and Compliance Framework* can be found on the website of Monitor, the Independent Regulator of Foundation Trusts.

NOTES TO THE ACCOUNTS

Note 16 Provisions for liabilities and charges

	Current			Non-current		
	31 March 2010	31 March 2009	1 April 2008	31 March 2010	31 March 2009	1 April 2008
	£000	£000	£000	£000	£000	£000
Legal claims	518	302	431	1,814	1,783	1,794
Agenda for Change	691	789	2,077	0	0	0
Other	911	0	0	0	0	0
Total	**2,120**	**1,091**	**2,508**	**1,814**	**1,783**	**1,794**

Legal claims consist of amounts due as a result of third party and employee liability claims. The values are based on information provided by the NHS Litigation Authority, NHS Business Services Authority and NHS Pensions.

Agenda for Change provisions include provisions for unresolved national and localbandings for several job profiles and equal pay claims for nursery nurses.

Other provisions include provisions for associated specialitsts who are still being assimilated to new medical grades, rectification work on the lecture theatre built last year and a dispute with a supplier relating to service delivery.

As at 31st March 2010 £42,371,344 is included in the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the Foundation Trust (31st March 2009: £46,659,274).

	Total £000	Legal claims £000	Agenda for Change £000	Other £000
At 1 April 2009	**2,874**	2,085	789	0
Arising during the year	**1,398**	350	137	911
Utilised during the year	(102)	(102)	0	0
Reversed unused	(280)	(45)	(235)	0
Unwinding of discount	**44**	44	0	0
At 31 March 2010	**3,934**	**2,332**	**691**	**911**
Expected timing of cashflows:				
- not later than one year;	**2,120**	518	691	911
- later than one year and not later than five years;	**506**	506	0	0
- later than five years.	**1,308**	1,308	0	0
TOTAL	**3,934**	**2,332**	**691**	**911**

NOTES TO THE ACCOUNTS

Note 17 Revaluation reserve

	Total Revaluation Reserve £000
Revaluation reserve at 1 April 2009	**51,432**
Revaluation (losses) and impairment (losses) property, plant and equipment	(20,623)
Revaluation (losses) and impairment (losses) arising from classifying non current assets as assets held for sale	(354)
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	(120)
Revaluation reserve at 31 March 2010	**30,335**
Revaluation reserve at 1 April 2008	**73,648**
Revaluation (losses) and impairment (losses) property, plant and equipment	(24,605)
Revaluation (losses) and impairment (losses) arising from classifying non current assets as assets held for sale	354
Transfers to the income and expenditure account in respect of assets disposed of	(9)
Transfer of the excess of current cost depreciation over historical cost depreciation to the Income and Expenditure Reserve	(193)
Other transfers between reserves	2,437
Revaluation reserve at 31 March 2009	**51,432**

All revaluation movements relate to property,plant and equipment.

NOTES TO THE ACCOUNTS

Note 18.1 Cash and cash equivalents	31 March 2010 £000	31 March 2009 £000
At 1 April	45,821	37,036
At start of period for new FTs	0	0
Net change in year	5,238	8,785
At 31 March	**51,059**	**45,821**
Broken down into:		
Cash at commercial banks and in hand	163	341
Cash with the Government Banking Service	50,896	45,480
Cash and cash equivalents as in SoFP	**51,059**	**45,821**
Bank overdraft	0	0
Cash and cash equivalents as in SoCF	**51,059**	**45,821**

Third party assets held by the foundation trust were £3,198 (31st March 2009: £3,198).

The foundation trust operates a separate bank account for the Bradford Health Development Trust, an independent charity for which the foundation trust staff perform outsourced accounting duties. Bradford Health Development Trust is a registered charity that is run by Bradford Teaching Hospitals NHS Foundation Trust, Bradford and Airedale PCT and Bradford District Care Trust. At 31 March 2010 the balance on this account was £135,336 (31st March 2009: £20,315).

Note 18.2 Pooled budget

The foundation trust is not party to any pooled budget arrangements.

Note 19.1 Contractual capital commitments

Commitments under capital expenditure contracts at the balance sheet date were £2,177,000 (31st March 2009: £1,221,937).

Note 19.2 Events after the reporting period

There are no disclosable events after the reporting period.

Note 20. Contingent (liabilities) / assets

There is a contingent liability for the potential payment to staff members under the provisions of the equal pay legislation. It is too early in the claims process to estimate the likely outcome or the potential liability. This contingent liability was also noted in 2008/09 financial statements

There are no contingent assets as at 31st March 2010.

There were no contingent assets as at 31st March 2009.

NOTES TO THE ACCOUNTS

Note 21.1 Related party transactions

Bradford Teaching Hospitals NHS Foundation Trust is a public interest body authorised by Monitor, the Independent Regulator for NHS Foundation Trusts.

During the year none of the Board members or members of the key management staff, or parties related to them, has undertaken any material transactions with the foundation trust.

Bradford & Airedale Teaching Pct
requirements of the Constitution of Bradford Teaching Hospitals NHS Foundation Trust.

The Department of Health is regarded as a related party. During the year the foundation trust has had a number of material transactions with the Department, and with other entities for which the Department is regarded as the parent department. The entities with which there were material transactions are listed below.

All transactions were for the provision of healthcare services, apart from expenditure with NHS Litigation Authority, who supplied legal services.

The foundation trust has also received capital payments from a number of funds held within Bradford Teaching Hospitals NHS Foundation Trust Charitable Funds, the trustee of which is the foundation trust. Furthermore, the foundation trust has levied a management charge on the Charitable Funds in respect of the services of its staff. The Charitable Funds have not been consolidated into the foundation trust's accounts.

	Income £000	Expenditure £000
Value of transactions with board members in 2009/10		
Short term benefit	0	1,039
Post employment benefit	0	508
Value of transactions with other related parties in 2009/10		
Department of Health	1,763	0
Airedale NHS Trust	1,116	417
Barnsley PCT	25,729	0
Bradford & Airedale Teaching PCT	221,416	[illegible]
Bradford District Care Trust	1,227	481
Calderdale And Huddersfield NHS Foundation Trust	342	311
Calderdale PCT	8,543	0
Department Of Health	1,763	0
East Lancashire Teaching PCT	1,327	0
Kirklees PCT	5,311	0
Leeds PCT	6,019	0
Leeds Teaching Hospitals NHS Trust	1,599	11,394
Nhs Litigation Authority	0	5,423
North Yorkshire & York PCT	2,954	0
Wakefield District PCT	617	0
Yorkshire Ambulance Service NHS Trust	0	799
Yorkshire and the Humber Strategic Health Authority	15,407	64
Other NHS Bodies	2,714	1,237
Charitable Funds	78	0
Other	32	2
NHS Shared Business Services	0	498
Value of transactions with other related parties in 2008/09		
Other NHS Bodies	259	16

Note 21.2 Related Party Balances	Receivables £000	Payables £000
Value of balances with other related parties at 31 March 2010		
Department of Health	49	0
Airedale NHS Trust	222	58
Barnsley PCT	1,486	0
Bradford & Airedale Teaching PCT	3,787	6,009
Bradford District Care Trust	0	116
Calderdale And Huddersfield NHS Foundation Trust	313	39
Calderdale PCT	120	222
Department of Health	49	0
East Lancashire Teaching PCT	98	0
Kirklees PCT	0	40
Leeds PCT	172	298
Leeds Teaching Hospitals NHS Trust	471	108
National Heath Service Pension Scheme	0	2,272
North Yorkshire & York PCT	129	92
Wakefield District PCT	21	52
Yorkshire and the Humber Strategic Health Authority	76	11
Other NHS Bodies	434	315
Charitable Funds	78	0
Value of balances with other related parties at 31 March 2009		
Other NHS Bodies	2	1

NOTES TO THE ACCOUNTS

Note 22 Private Finance transactions

The foundation trust is not party to any Private Finance Initiatives. There are therefore no on-balance sheet or off-balance sheet transactions which require disclosure.

Note 23 Financial instruments

Bradford & Airedale Teaching Pct
have had during the period in creating or changing the risks an entity faces in undertaking its activities. The foundation trust actively seeks to minimise its financial risks. In line with this policy, the foundation trust neither buys nor sells financial instruments. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the foundation trust in undertaking its activities.

Liquidity risk
The foundation trust's net operating costs are incurred under three year agency purchase contracts with local Primary Care Trusts, which are financed from resources voted annually by Parliament. The foundation trust receives such contract income in accordance with Payment by Results (PBR), which is intended to match the income received in year to the activity delivered in that year by reference to the National Tariff procedure cost. The foundation trust receives cash each month based on an annually agreed level of contract activity, and there are quarterly corrections made to adjust for the actual income due under PBR. This means that in periods of significant over-performance against contract there can be a significant cash-flow impact. To alleviate this issue the foundation trust has put in place a £18.5m working capital facility, which to date, due to careful cash management, it has yet to draw on. The working capital facility was renewed on 30th May 2009.

The foundation trust currently finances its capital expenditure from internally generated funds and funds made available from Government, in the form of additional Public Dividend Capital, under an agreed limit. In addition, the foundation trust can borrow, both from the Department of Health Financing Facility and commercially, to finance capital schemes. Financing is drawn down to match the spend profile of the scheme concerned and the foundation trust is not, therefore, exposed to significant liquidity risks in this area.

Interest rate risk
With the exception of cash balances, the foundation trust's financial assets and financial liabilities carry nil or fixed rates of interest.

The foundation trust monitors the risk but does not consider it appropriate to purchase protection against it.

Foreign currency risk
The foundation trust has negligible foreign currency income, expenditure, assets or liabilities.

Credit risk
The foundation trust receives the majority of its income from Primary Care Trusts and statutory bodies and so the credit risk is negligible.

The foundation trust's treasury management policy minimises the risk of loss of cash invested by limiting its investments to:
- the Government banking service and the National Loans Fund;
- UK registered banks directly regulated by the FSA ; and
- UK registered building societies directly regulated by the FSA.

The policy limits the amounts that can be invested with any one non-government owned institution and the duration of the investment to between £3m and £7.5m and to no longer than 9 months.

Price risk
The foundation trust is not materially exposed to any price risks through contractual arrangements.

NOTES TO THE ACCOUNTS

Note 24.1 Financial assets by category	Total £000	Loans and receivables £000
Assets as per SoFP		
Trade and other receivables excluding non financial assets (at 31 Mar 2010)	**7,468**	7,468
Cash and cash equivalents (at bank and in hand (at 31 Mar 2010))	**51,059**	51,059
Bradford & Airedale Teaching Pct	**58,527**	**58,527**
Trade and other receivables excluding non financial assets (at 31 Mar 2009)	**4,412**	4,412
Cash and cash equivalents (at bank and in hand (at 31 Mar 2009))	**45,821**	45,821
Total at 31 March 2009	**50,233**	**50,233**
Trade and other receivables excluding non financial assets (at 1 Apr 2008)	**4,407**	4,407
Cash and cash equivalents (at bank and in hand (at 1 Apr 2008))	**37,036**	37,036
Total at 1 April 2008	**41,443**	**41,443**

All financial assets fall within "loans and receivables".

NOTES TO THE ACCOUNTS

Note 24.2 Financial liabilities by category

	Total £000	Other financial liabilities £000
Liabilities as per SoFP		
Borrowings excluding Finance lease and PFI liabilities (at 31 Mar 2010)	**9,048**	9,048
Trade and other payables excluding non financial assets (31 Mar 2010)	**34,659**	34,659
Bradford & Airedale Teaching Pct	**3,934**	3,934
Total at 31 March 2010	**47,641**	**47,641**
Borrowings excluding Finance lease and PFI liabilities (at 31 Mar 2009)	**10,000**	10,000
Trade and other payables excluding non financial assets (31 Mar 2009)	**30,986**	30,986
Provisions under contract (at 31 Mar 2009)	**2,874**	2,874
Total at 31 March 2009	**43,860**	**43,860**
Borrowings excluding Finance lease and PFI liabilities (at 1 Apr 2008)	**16**	16
Trade and other payables excluding non financial assets (1 Apr 2008)	**29,658**	29,658
Provisions under contract (at 1 Apr 2008)	**4,302**	4,302
Total at 1 April 2008	**33,976**	**33,976**

All financial liabilities fall within "other financial liabilities".

24.3 Fair values

For all of the foundation trust's financial assets and financial liabilities fair value matches carrying value.

24.4 Maturity of financial liabilities

All financial liabilities, with exception of the £10,000,000 loan, fall due within one year. The loan is repayable in equal amounts over the 10 years, hence £1,000,000 is due next year.

The loan has 9 remaining years, with the final principal payment due on 25th January 2019.

NOTES TO THE ACCOUNTS

Note 25.1 Explanation of transition to IFRS

This is the first year that the foundation trust has presented iits finacial statements under IFRS. The last finacial statements under UK GAAP were for the year ended 31 March 2009 and the date of transition to IFRS was therefore 1 April 2008.

STATEMENT OF COMPREHENSIVE INCOME	note	As previously stated under UK GAAP 2008/09 £000	Effect of transition to IFRS 2008/09 £000	As restated under IFRS 2008/09 £000
Operating income	25.2	288,578	13	288,591
Operating expenses	25.3	(280,973)	69	(280,904)
OPERATING SURPLUS / (DEFICIT)		**7,605**	**82**	**7,687**
FINANCE COSTS				
(Loss) on disposal of fixed asssets	25.3	(8)	8	0
Finance income		1,538	0	1,538
Finance expense - financial liabilities		(54)	0	(54)
Finance expense - unwinding of discount on provisions		(44)	0	(44)
PDC dividends payable		(4,860)	0	(4,860)
NET FINANCE COSTS		(3,428)	**8**	(3,420)
Surplus from continuing operations		**4,177**	90	4,267
SURPLUS FOR THE YEAR		**4,177**	**90**	**4,267**
Other comprehensive income				
Revaluation (losses) and impairment (losses) property, plant and equipment		[illegible]	0	[illegible]
Revaluation gains arising from classifying non current assets as Assets Held for Sale	25.3	0	354	354
Increase in the donated asset reserve due to receipt of donated assets		47	0	47
Reduction in the donated asset reserve in respect of depreciation, impairment, and/or disposal of donated assets		(127)	0	(127)
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD		(20,730)	444	(20,286)
Prior period adjustments		(29,262)	0	(29,262)
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE YEAR		(49,992)	444	(49,548)

Explanation of IFRS adjustments

Note 25.2 Operating Income

Discounting of non-current injury compensation scheme debtor to reflect fair value	5
Discounting of non-current injury benefit debtor to reflect fair value	8
	13

Note 25.3 Operating expense

Accrual for Holiday Pay under IAS 19, employee benefit which requires the recognition of unpaid annual leave	434
Impairment on asset held for sale taken to SoCI which is required under IFRS 5	(354)
Discounting of Non-Current pension provision to reflect fair value	(3)
(Loss) on disposal of fixed asssets shown in operating expenses under IFRS	(8)
	69

NOTES TO THE ACCOUNTS

Note 26.1 Explanation of transition to IFRS

STATEMENT OF FINANCIAL POSITION	note	As previously stated under UK GAAP 1 Apr 2008 £000	Effect of transition to IFRS 1 Apr 2008 £000	As restated under IFRS 1 Apr 2008 £000
Intangible assets	26.2		2,890	2,890
Property, plant and equipment	26.3	167,975	(4,305)	163,670
Trade and other receivables	26.4	1,355	(30)	1,325
Total non-current assets		169,330	[illegible]	167,885
Current assets				
Inventories		3,713		3,713
Trade and other receivables		5,813		5,813
Non-current assets for sale and assets in disposal groups	26.5		1,415	1,415
Cash and cash equivalents		37,036		37,036
Total current assets		46,562	1,415	47,977
Current liabilities				
Trade and other payables	26.6	(43,102)	8,092	(35,010)
Borrowings	26.6		[illegible]	(16)
Provisions	26.7		[illegible]	(2,504)
Other liabilities	26.6		(8,510)	(8,510)
Total current liabilities		(43,102)	[illegible]	[illegible]
Total assets less current liabilities		**172,790**	(2,972)	**169,818**
Non-current liabilities				
Trade and other payables	26.8	[illegible]	1,701	(89)
Provisions	26.7	[illegible]	2,508	[illegible]
Other liabilities	26.8		(1,699)	(1,699)
Total non-current liabilities		(3,092)	**2,511**	(3,581)
Total assets employed		**166,698**	(461)	**166,237**
Financed by (taxpayers' equity)				
Public Dividend Capital		111,261		111,261
Revaluation reserve		73,648		73,648
Donated asset reserve		915		915
Income and expenditure reserve	26.9	(19,126)	(461)	[illegible]
Total taxpayers' equity		166,698	(461)	166,237

Explanation of IFRS adjustments

Note 26.2 Intangible Assets

Recognition of Software licences in intangible assets	2,890

Note 26.3 Property, plant and equipment

Recognition of software licences in intangible assets	(2,890)
Recognition of asset held for sale in current assets	(1,415)
	(4,305)

Note 26.4 Non-current trade and other receivables

Discounting of non-current injury compensation scheme debtor	(22)
Discounting of non-current injury benefit debtor	(8)
	(30)

Note 26.5 Non-current assets for sale and assets in disposal groups

Recognition of asset held for sale in current assets	1,415

Note 26.6 Current Liabilities

Accrual for Holiday Pay under IAS 19, employee benefit which requires the recognition of unpaid annual leave	(434)
Borrowings transferred from trade and other payables	16
Other liabilities (deferred income) transferred from trade and other payables	8,510
	8,092

Note 26.7 Provisions

Current provisions transferred from non-current provisions	(2,508)

Note 26.8 Non-current liabilities

Other liabilities (deferred income) transferred from Trade and other payables	1,698
Discounting of non-current pension provision	3
	1,701

Note 26.9 Income and expenditure reserve

Discounting of non-current pension provision	(3)
Discounting of non-current injury scheme debtor	22
Discounting of non-current injury benefit debtor	8
Accrual for Holiday Pay under IAS 19, employee benefit which requires the recognition of unpaid annual leave	(434)
	(461)

NOTES TO THE ACCOUNTS

Note 27.1 Explanation of transition to IFRS

STATEMENT OF FINANCIAL POSITION	note	As previously stated under UK GAAP 31 Mar 2009 £000	Effect of transition to IFRS 31 Mar 2009 £000	As restated under IFRS 01 Apr 2008 £000
Intangible assets	27.2		2,321	2,321
Property, plant and equipment	27.3	152,414	(3,182)	149,232
Trade and other receivables	27.4	810	(17)	793
Total non-current assets		153,224	(878)	152,346
Current assets				
Inventories		3,681		3,681
Trade and other receivables		7,582		7,582
Non-current assets for sale and assets in disposal groups	27.5		861	861
Cash and cash equivalents		45,821		45,821
Total current assets		57,084	861	57,945
Current liabilities				
Trade and other payables	27.6	(47,157)	10,370	[illegible]
Borrowings	27.6		(1,000)	[illegible]
Provisions	27.7		[illegible]	[illegible]
Other liabilities	27.6		[illegible]	(9,370)
Total current liabilities		(47,157)	(1,091)	(48,248)
Total assets less current liabilities		**163,151**	**(1,108)**	**162,043**
Non-current liabilities				
Trade and other payables	27.8	(11,909)	11,909	**0**
Borrowings			(9,000)	(9,000)
Provisions	27.7	(2,874)	1,091	(1,783)
Other liabilities	27.8		(2,900)	(2,900)
Total non-current liabilities		(14,783)	**1,091**	(13,692)
Total assets employed		**148,368**	(17)	**148,351**
Financed by (taxpayers' equity)				
Public Dividend Capital		113,661		113,661
Revaluation reserve	27.9	51,280	152	51,432
Donated asset reserve		721		721
Income and expenditure reserve	27.10	(17,294)	(169)	(17,463)
Total taxpayers' equity		**148,368**	(17)	**148,351**

Explanation of IFRS adjustments

Note 27.2 Intangible Assets

Recognition of Software licences in intangible assets	2,321

Note 27.3 Property, plant and equipment

Recognition of software licences in intangible assets	(2,321)
Recognition of asset held for sale in current assets	(861)
	(3,182)

Note 27.4 Non-current trade and other receivables

Discounting of non-current injury scheme debtor	(17)

Note 27.5 Non-current assets for sale and assets in disposal groups

Recognition of asset held for sale in current assets	861

Note 27.6 Current Liabilities

Borrowings transferred from trade and other payables	1,000
Other liabilities (deferred income) transferred from trade and other payables	9,370
	10,370

Note 27.7 Provisions

Current provisions transferred from non-current provisions	(1,091)

Note 27.8 Non-current liabilities

Borrowings transferred from trade and other payables	9,000
Other liabilities (deferred income) transferred from Trade and other payables	2,909
	11,909

Note 27.9 Revaluation Reserve

Impairment on asset held for sale transferred from revaluation reserve to SoCI	354
Realised Depreciation	(202)
	152

Note 27.10 Income and expenditure reserve

Discounting of non-current injury benefit debtor	(17)
Impairment on asset held for sale transferred from revaluation reserve to SoCI	(354)
Realised Depreciation	202
	(169)

NOTES TO THE ACCOUNTS

Note 28.1 Explanation of transition to IFRS

STATEMENT OF CASH FLOWS	note	As previously stated under UK GAAP 1 Apr 2008 £000	Effect of transition to IFRS 1 Apr 2008 £000	As restated under IFRS 2008/09 £000
Cash flows from operating activities				
Operating surplus from continuing operations	28.2	7,605	82	7,687
Non-cash income and expense:				0
Depreciation and amortisation		8,703		8,703
Impairments	28.3	3,978	354	4,332
Reversals of impairments		0		0
Transfer from the donated asset reserve		(127)		
(Increase)/decrease in Trade and Other Receivables	28.4	(1,224)	(12)	
(Increase)/decrease in Inventories		32		32
Increase/(decrease) in Trade and Other Payables	28.5	555	(416)	139
Increase in Other Liabilities		2,071		2,071
Increase/(Decrease) in Provisions		(1,472)		
Other movements in operating cash flows	28.6	0	(8)	(8)
NET CASH GENERATED FROM/(USED IN) OPERATIONS		20,121	0	20,121
Cash flows from investing activities				
Interest received		1,538		1,538
Purchase of financial assets		(550,288)		(550,288)
Sales of financial assets		550,288		550,288
Purchase of Property, Plant and Equipment		(20,360)		(20,360)
Sales of Property, Plant and Equipment	28.5	0		0
Net cash (used in) investing activities		(18,822)	0	(18,822)
Cash flows from financing activities				
Public dividend capital received		2,400		2,400
Loans received		10,000		10,000
Loans repaid				0
Interest paid		(54)		(54)
PDC dividend paid		(4,860)		(4,860)
Net cash generated from/(used in) financing activities		7,486	0	7,486
Increase in cash and cash equivalents		8,785	0	8,785
Cash and cash equivalents at 1 April		37,036		37,036
Cash and cash equivalents at 31 March		45,821	0	45,821

Note 28.2 Operating surplus from continuing operations

Movement between discounting of non-current injury scheme debtor , discounting of non-current injury benefit debtor , accrual for holiday pay , impairment on asset held for sale taken to SoCI , discounting of non-current pension provision , (Loss) on disposal of fixed asssets

Note 28.3 Impairments

Impairment on asset held for sale transferred from revaluation reserve to SoCI

Note 28.4 Trade and other receivables

Discount on non current injury compensation scheme and injury benefit debtor

Note 28.5 Trade and other payables

Net movement to borrowings and other liabilities

Note 28.6 Other movements in operating cashflow

Loss on sale of asset

NOTES TO THE ACCOUNTS

Note 29.1 Recent standards issued but not yet adopted in the NHS

IFRS (IASB)	IASB Issued	EU Adopted	IFRS Effective date
Amendment to IAS 24, Related party disclosures	Nov-09	o/s	Annual periods beginning on or after 1 January 2011 (NHS: 2011/12)
IAS 27 (Revised) Consolidated and separate financial statements.	Jan-08	✓ 12 Jun 2009	Annual periods on or after 1 July 2009 (NHS: 2010/11)
Amendment to IAS 32 Financial instruments: Presentation on classification or rights issues	Oct-09	✓ 24 Dec 2009	Annual periods on or after 1 February 2010 (NHS: 2010/11)
Amendment to IAS 39 – Eligible hedged items	Jul-08	✓ 16 Sep 2009	Annual periods beginning on or after 1 July 2009 (NHS: 2010/11)
IFRS 1 (revised) First time adoption of IFRS	Nov-08	✓ 26 Nov 2009	Annual periods beginning on or after 1 July 2009 Therefore should not apply to NHS bodies
Amendments to IFRS 1 (revised), on first time adoption of IFRS additional exemptions	Jul-09	o/s	Annual periods beginning on or after 1 January 2010 Should not apply to NHS bodies
Amendments to IFRS 1 (revised), First time adoption of IFRS	Jan-10	o/s	Annual periods beginning on of after 1 July 2010 Should not apply to NHS bodies
IFRS 2 Share-based payment – Group cash-settled share-based payment transactions	Jul-09	✓ 23 March 2010	Annual periods beginning on or after 1 January 2010 (NHS: 2010/11)
IFRS 3 (Revised) Business combinations	Jan-08	✓ 12 Jun 2009	Business combinations occurring in annual periods beginning on or after 1 July 2009 (NHS: 2010/11)
IFRS 9, Financial instruments	Nov-09	o/s	Annual periods beginning on or after 1 January 2013 (NHS: 2013/14)
Amendment to IFRIC 14, IAS 19 – Prepayments of a minimum funding requirement	Nov-09	o/s	Annual periods beginning on or after 1 January 2011 (NHS: 2011/12)
IFRIC 17 Distributions of Non-cash Assets to Owners	Nov-08	✓ 25 Nov 2009	Annual periods beginning on or after 1 July 2009 (NHS: 2010/11)

NOTES TO THE ACCOUNTS

Note 29.1 Recent standards issued but not yet adopted in the NHS (continued)

IFRS (IASB)	IASB Issued	EU Adopted	IFRS Effective date
IFRIC 18, Transfer of assets from customers	Jan-09	✓ 27 Nov 2009	Annual periods on or after 1 July 2009 although EU endorsed for annual periods on or after 31 October 2009 (NHS: 2010/11)
IFRIC 19, Extinguishing financial liabilities with equity instruments	Nov-09	o/s	Annual periods beginning on or after 1 July 2010 (NHS: 2011/12)
Annual Improvements 2009	Apr-09	✓ 23 March 2010	Individual amendments apply for annual periods beginning either on or after 1 July 2009 or 1 January 2010 (NHS: 2010/11) Note: HM Treasury has early adopted the amendment to IFRS 8 in relation to the disclosure of total assets by segment.
Annual Improvements 2010	May-10	o/s	Unless otherwise specified, individual amendments apply for annual periods beginning on or after 1 January 2011. (NHS: 2011/12) Note: HM Treasury has early adopted the amendment to IFRS 8 in relation to the disclosure of total assets by segment.

NOTES TO THE ACCOUNTS

Note 29.2 Status of standards and interpretations not yet adopted by the EU

✓ below indicates that the standard or interpretation has been recommended by EFRAG or ARC (as appropriate).

	Standard/Interpretation	EFRAG	ARC
IFRIC 19	Extinguishing financial liabilities with equity instruments	29-Jan-10	04-Mar-10
Amendment to IFRIC 14	Prepayments of a minimum funding requirement	29-Jan-10	04-Mar-10
Amendments to IFRS 1	Additional exemptions	09-Oct-09	14-Dec-09
Amendments to IFRS 1	Exemption to not include new fair value hierarchy	19-Feb-10	04-Mar-10
Amendments to IAS 24	Bradford & Airedale Teaching Pct	29-Jan-10	04-Mar-10
IFRS 9	Financial instruments	o/s	o/s
Annual improvements 2010			