



Royal United Hospital Bath **NHS**
NHS Trust

annual report 2004/2005

X-Ray Flower Image 'Tulipa Rococo' © by Boo Beaumont

(Front and back cover).

Boo has had twelve solo exhibitions in the last four years. In 2004 she won the Royal Horticultural Society gold medal for this series of limited edition prints featuring X-Ray flower images. Her work is in many private and public collections including the National Portrait Gallery. For more information please go to www.boobeumont.org or call Boo directly on 07801 130140.

Some photos within this report are courtesy of the Bath Chronicle.

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1

Foreword by chairman and chief executive

Meeting challenges and planning for a better future

We are pleased to present this annual report for the Royal United Hospital Bath NHS Trust (RUH) for the year 2004/05; it covers the first full year at the trust for the chief executive Mark Davies.

During the year, the trust has continued to move through challenging times and is now firmly on the road to recovery. Key leadership tasks in 2004/05 included:

- Establishing good governance structures in terms of finance, clinical care and corporate organisation
- Developing the senior clinical and managerial teams and establishing sound organisational arrangements
- Ensuring that as many key targets as possible were met
- Reducing the expenditure base and earning more income
- Encouraging senior clinicians to become closely involved in the management of the trust
- Building bridges with external partners for example, in health and social care, and with MPs and the press/media
- Starting to formulate the trust's five year strategic direction - RUH 2010.

This report maps our good progress on each of these fronts.

Partnership working

The trust's progress has only been possible because our staff, along with our healthcare partners, have been

willing to meet the challenges that 2004/05 brought. It was a year when we set out to create a culture of openness and respect to ensure our staff and all our healthcare partners feel valued and involved.

In the autumn, the trust held two stakeholder events where representatives from local patient and public involvement forums, overview and scrutiny committees, voluntary organisations and health professionals discussed the planning of future local health services, including the development of services at the RUH. This led to the development of RUH 2010. There is no doubt that we are moving towards more positive planning for the future and that the external relationships including those with local health providers, MPs and media have improved.

Highlights of 2004/05

The trust made significant progress towards achieving the trust objectives set for 2004/05. Highlights of 2004/05 outlined later in this report include:

- The delivery of key waiting time targets
- Achieving an extremely challenging £13m savings programme and producing the best financial result for some years
- Dramatically improving the trust's financial efficiency. The RUH is now 7% more efficient than the national average



- Being one of the most successful hospitals in the country at reducing MRSA rates
- Implementing 'improving working lives' initiatives to make the RUH a better place to work
- Being included in the CHKS Top 40 Hospitals and the intensive care national audit showing that the hospital is one of the safest in the country
- Opening of the new medical assessment unit, ambulatory care facility and the chest pain unit at a capital cost of £2.13m.

Huge efforts were made to achieve the emergency care standard (formerly the 4 hour A&E target) and this was achieved for the first three quarters of the year. Due to the increase in the number of emergency attendances to A&E, we were unable to sustain this during the final quarter. Despite the additional pressures, we were awarded our second consecutive one star rating by the Healthcare Commission in July 2005.

Key targets for 2005/06

The trust's performance for this coming year will be geared around the following seven key targets:

- Achieving financial balance
- Further reducing inpatient and outpatient waiting times
- Reducing cancer waiting times
- Further reducing MRSA rates

- Continuing to implement Agenda for Change
- Implementing Choose and Book
- Meeting the emergency care 4 hour standard.

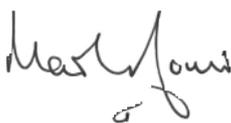
All of the key targets are challenging, however, the trust is already making good progress towards achieving them.

In this foreword, we have highlighted some of our achievements and some of the challenges we faced in 2004/05.

The coming year brings a new challenge for the trust as patients will be able to choose where they receive their treatment. We will build on the work we started last year and will continue to work with our staff, our local healthcare partners and other local groups to ensure that the RUH is the number one choice of patients in Bath and North East Somerset, Gloucestershire, Western Wiltshire and Mendip.


Mike Roy
Chairman




Mark Davies
Chief Executive



2

About us, our vision and our values

Who are we and what do we do?

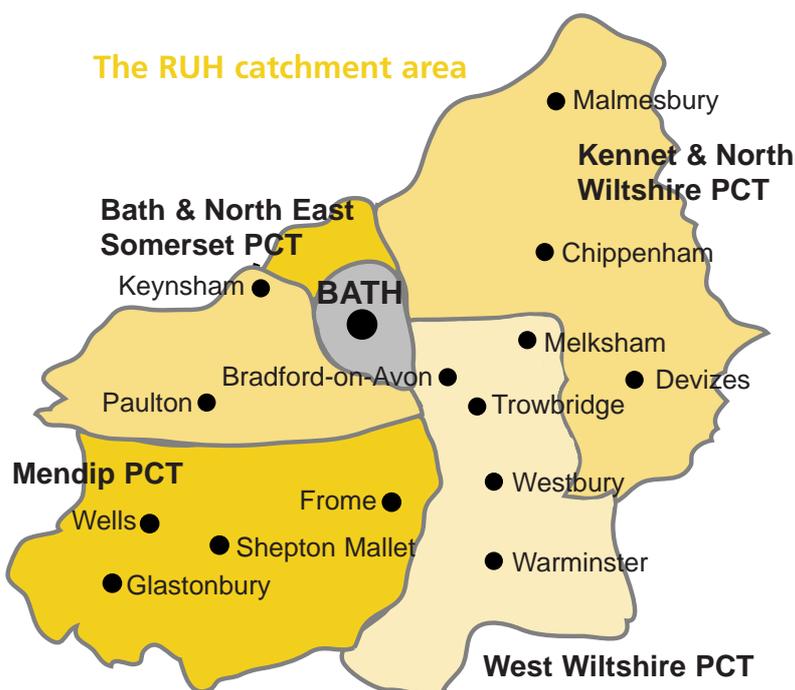
The Royal United Hospital Bath (RUH) is an acute hospital trust serving a population of around 450-500,000 people living in Bath, North East Somerset, South Gloucestershire and Wiltshire. It works with four main primary care trusts (PCTs), Bath and North East Somerset PCT, Kennet and North Wiltshire PCT, Mendip PCT and West Wiltshire PCT. The primary care trusts are responsible for commissioning services on behalf of their populations.

The trust provides around 650 beds and a comprehensive range of acute services that one would expect to find within a district general hospital; these include acute medicine, surgery,



children's services, elderly care, intensive care and a full range of diagnostic and support services. General maternity services are provided by West Wiltshire PCT on the RUH site. In addition, the hospital offers a number of more specialised services; these have either been established over time or have been developed as part of wider clinical networks with links to other hospital providers. Areas of specialty within the hospital include renal dialysis (provided as a satellite service from Bristol), specialist orthopaedics (provided as a stand-alone service), newborn intensive care (provided as part of a wider clinical network), radiotherapy and chemotherapy (provided as part of the Avon, Somerset and Wiltshire Cancer Network) and specialist cancer surgery (provided historically as stand-alone services, currently being reviewed in line with national best practise on a specialty by specialty basis within the context of the Avon, Somerset and Wiltshire Cancer Network).

The RUH catchment area





The trust employs around 3,500 staff, some of whom also provide outpatient, diagnostic and some day case surgery services at community hospitals in Bradford-on-Avon, Chippenham, Devizes, Frome, Keynsham, Malmesbury, Melksham, Paulton, Shepton Mallet, Trowbridge, Warminster and Westbury. This fulfils part of the trust's aim to provide high quality care to people in their local communities.

RUH 2010 The trust worked closely with staff and members of the public and other local community organisations to develop a strategic direction for the trust for the next five years. The strategy, known as RUH 2010, builds upon the trust's vision, values and strategic objectives.

What is our vision?

RUH: The best staff giving excellent care The RUH is committed to doing its best and working to ensure the safety of all who use or work in its services. It is an organisation that can be trusted to do what it says it will do. These behaviours should be recognisable in the way every member of staff undertakes his or her job.

What are our values?

The hospital is an organisation that wishes to be recognised as valuing the individual and acting in ways that

demonstrate respect and dignity for patients, their carers and for staff. Together, our staff agreed how we could do this and agreed values which include: treating each other with respect, putting patient care at the heart of what we do, challenging ourselves and others to tell the truth, being willing to have our actions and decisions scrutinised by others and applauding loyalty, improvement and innovation.

Commitment to the NHS Plan The trust's objectives for 2005/06 will enable us to deliver the Government's NHS Improvement Plan: Putting People at the Heart of Public Services. This plan will significantly reduce waiting times to a maximum of 18 weeks from GP referral to treatment by 2008. Whilst reducing waiting times, our staff will continue to provide excellent clinical care for patients and find ways to improve our services and achieve financial balance. The full list of objectives is included on page 22.



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How did we do in 2004/2005?

Encouraged by the one star awarded to the trust in 2003/04, staff made huge efforts to improve performance in the Healthcare Commission's star ratings assessment for 2004/05. Despite heavy demands due to winter pressures that extended through to late spring, the trust was successful in maintaining its star this year.

Achieving financial balance and the emergency care standard that 98% of patients should be seen, treated and admitted, transferred or discharged within four hours were the greatest challenges during 2004/05. During the year, emergency attendances rose by 11.6% and admissions were up by 4.2% compared to 2003/04.

During the first three quarters of the year, the trust comfortably achieved the emergency care target of 90% and was the best performing trust (towards this target) in the country in quarter two. However, performance against the 98% target introduced at the start of January, proved difficult as a result of an unprecedented number of emergency admissions coupled with



ward closures due to the winter D&V. Hospital staff worked closely with healthcare partners to consider ways to address the issues.

The trust's performance in other key targets which contributed to the award of one star included: ensuring patients are not waiting longer than 12 hours in A&E, outpatients not waiting longer than the standard 17 weeks, agreeing with at least two thirds of patients in advance a date for inpatient/day case operations and outpatient appointments, seeing patients with suspected cancer within two weeks of referral, and hospital cleanliness.

Hospital cleanliness remains a key issue for the public. RUH staff have worked tirelessly to address this, as confirmed by the 2005 PEAT assessment where the trust was rated "Good" for hospital cleanliness and as shown by the MRSA rates, which were almost halved from the previous year.





The following figures indicate the route our patients took to receive their treatment:

- 68,522 patients (61,378 in 2003/04) attended the emergency department and there were 31,417 non-elective admissions (30,139 in 2003/04)
- 7,506 patients were admitted for elective inpatient procedures (841 less inpatients than in the previous year - a fall of 10.1%)
- 22,735 patients were treated for elective day case procedures (107 more day cases than in the previous year – a rise of 0.47%)
- 251,208 patients were seen in our outpatient departments (3,768 more outpatients than in the previous year – a rise of 1.5%).

Encouragingly, during 2004/05, the trust also performed well in a number of other important aspects of patient experience at the RUH. This includes gaining top marks for the whole patient environment with 100% score for hospital food and well above average marks for privacy and dignity.

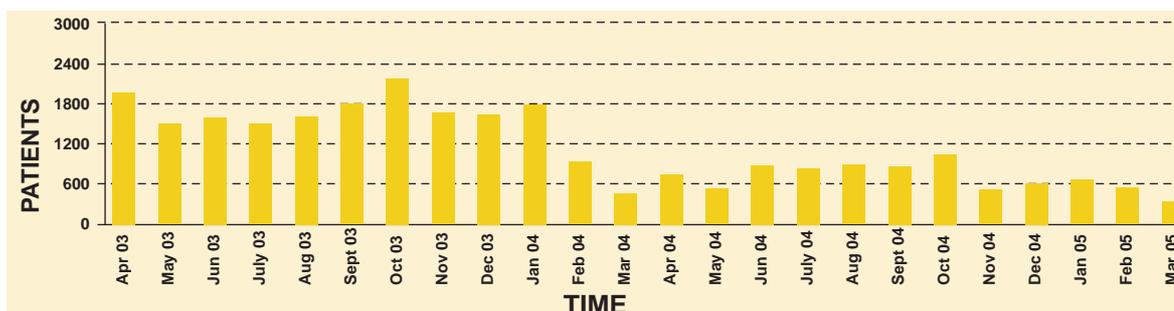
We received many letters of praise and thanks from grateful patients and many thank you letters were published in local newspapers as evidence of the high level of patient care provided.

April 2004 saw the opening of the new medical assessment unit as part of the trust's transformation plan; the new unit improved the flow of patients through the emergency department as well as patient quality, safety, and satisfaction.

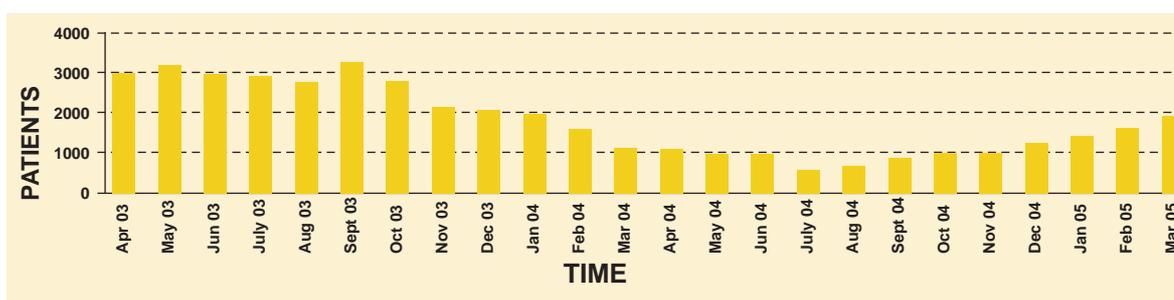


Our progress towards meeting the year end targets

Progress towards maximum wait of 17 weeks for outpatient appointments

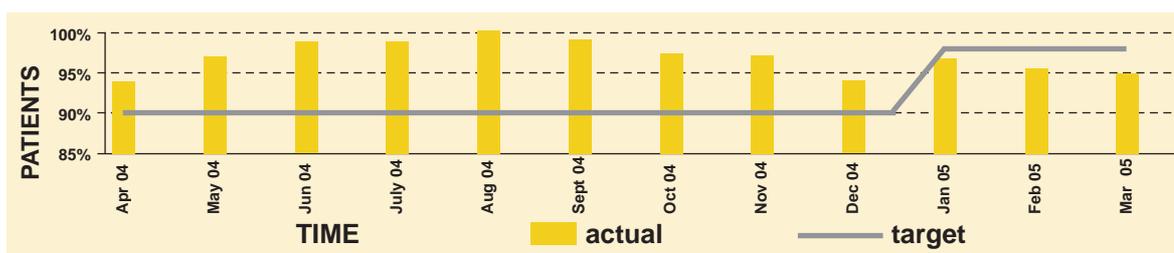


Progress towards maximum wait of 6 months for elective admission



Our performance towards meeting existing targets

Progress towards 90% of patients attending A&E being treated, admitted or discharged within 4 hours



Progress towards reducing cancelled operations and maximum 30 minute outpatient clinic waits

Additional Indicators	Q1 04/05	Q2 04/05	Q3 04/05	Q4 04/05
Cancellations as % of elective admissions	1.4%	1.8%	2.5%	2.6%
30 minute outpatient clinic waits	70.9%	70.0%	69.2%	67.6%

The trust successfully maintained its performance against the elective and outpatient waiting list targets introduced in March 2004 and has made significant progress towards meeting the six month and thirteen week targets by December 2005.

Furthermore in April 2005, the RUH was named as one of the top 40 hospitals in the country following an independent comparative report by CHKS into clinical effectiveness and outcomes, efficiency and patient/carer experience.



4

How well did we meet our patients' needs?

During 2004/05, we continued to develop our services to ensure our patients receive good quality treatment and care, in a safe environment. We also performed well in a number of other important aspects of patients' experience.

Ensuring our hospital is a safe place

The safety of our hospital is reflected in several independent reports including the most recent Dr Foster Report in the Sunday Times when the trust was judged the sixth safest hospital in the country. The continuous audit of mortality rates in intensive care carried out by the Intensive Care National Audit Research Centre also recognises the RUH as one of the safest hospitals in the country.

Reducing MRSA ...and other healthcare associated infections. Our dedicated infection control team worked hard in 2004/05 to raise awareness of infection control issues amongst staff, patients and visitors. They introduced hand gel to ward areas including entrances and patient bedsides, and implemented a national poster campaign to reinforce the messages about the importance of hand hygiene. During 2003/04, the trust was reported to have 53 cases of patients having MRSA in their bloodstream; during 2004/05, this figure dropped to 30. As a result of the actions of the infection control team along with the support of staff, patients and visitors, the trust successfully met



its corporate objective to reduce MRSA rates by 20%.

Clinical governance During 2004/05, the Healthcare Commission published its draft framework for inspection. This framework includes a set of standards called 'Standards for Better Health' against which NHS and independent healthcare are assessed. These standards go beyond the previous clinical governance framework to include other aspects of performance such as access, environment and the public health agenda. The coming year will see the performance against the standards being reported to the trust board and the strategic health authority. The trust's performance against the standards will contribute to next year's National Health Check that will replace the star rating system.

Risk management The management of risks directly benefits the standard of



patient care and staff satisfaction and reduces costs. All staff have a responsibility and are encouraged through training sessions to identify, and eliminate or reduce risk. All incidents reported at the RUH are now automatically sent to a central database at the National Patient Safety Agency (NPSA) for analysis to identify national trends and to share solutions to problems. Improvements resulting from incident reporting over the 2004/05 period include: the refurbishment of plumbing, medical gases and electrical supplies throughout the hospital, the replacement of monitors in the intensive care unit and neonatal intensive care unit, the review of various policies including many drug administration policies and the commencement of a fall reduction strategy and advanced plans for a pilot in the older people's wards.

Health and safety A new appointment for a health and safety advisor was created during the year, and a new health and safety manager was appointed in June 2005. These two roles will ensure that the trust

maintains standards for better health by tailoring training packages to suit the needs of each department and by monitoring performance of staff in this area.

Major incident plan

In October, the trust responded immediately to a major incident standby alert. Emergency beds, services and staff were made available to ensure a number of casualties involved in a local boating accident received immediate and appropriate clinical treatment. The alert did not result in a major incident being called but the incident did provide an unplanned opportunity to test the trust's major incident plan, with reassuring results.

Improving our patients' stay

Choose and book During 2004/05, the trust began working towards this national outpatient booking initiative to enable patients to choose a convenient place, date and time for their initial hospital appointment. The RUH will provide a directory of its services to GPs and to patients to assist them in electronically booking hospital appointments. When the new hospital electronic patient administration system is installed next year, patients will also be able to book their appointment directly through the internet at a time and place to suit them.

Privacy and dignity The trust is committed to ensuring that all our





patients are treated equally in terms of both quality of care, and dignity and respect. A nurse-led group exists to assess standards on these issues and to identify action that needs to be taken. An audit was carried out in 2004/05 to assess levels of privacy and dignity as perceived by our patients. The results of the audit were favourable and provide useful feedback in identifying areas where more work is needed.

Patient environment A formal Patient Environment Action Team (PEAT) awarded the trust Green Hospital status, giving the trust top marks for the whole patient environment with a 100% score for hospital food. Shortly after the year 2004/05, the trust appointed a new cleaning service manager responsible for ensuring the hospital meets the cleaning standards required in the NHS National Standards of Cleanliness Guidance. A new rapid response deep cleaning team also began work in July 2005 to meet the demand for deep cleaning ward areas.

The trust continued to make significant improvements to the patient environment during 2004/05. Areas refurbished included the medical short stay unit, the chest pain unit, the new ambulatory care unit and Waterhouse

ward. A programme of improvements has begun on sanitary areas in many wards which will be completed over the next two years. The trust also increased funding into hospital maintenance to ensure the hospital provides a safe environment.

Art to promote well being The hospital's arts programme commissioned a variety of artworks that have helped to provide a stimulating environment for staff, patients and visitors. In June, the trust was privileged to host the Royal Photographic Society's 148th International Print Exhibition for seven weeks prior to its tour of the UK.

Listening to our patients

Patient surveys The trust participated in the national programme of NHS Patient Surveys for 2004/05 required by the Healthcare Commission. This included surveys of inpatients, young patients, outpatients and patients using the emergency department. The results show that patients and their carers continue to have trust and confidence in our clinical staff and our services.

Patient and public involvement forum The role of the RUH Bath Patient and Public Involvement Forum (telephone 01225 701120) is to monitor and review the service provided by the hospital from a patient's perspective. Members of the forum now work with the trust on a number of its formal working groups, including the trust board, the NHS patient survey action planning teams, the patient environment action team, the treatment centre development group and the drug policy group.

Towards the end of the year, the forum planned a programme of 'unannounced' formal visits to the trust in April and May 2005. Forum members reported findings to the trust board in August which included recognition for:

improvements to cleanliness and infection control, access to the hospital, information offered to patients, and for the hard work and commitment of staff.

The facilities consultation group continues to work with patient representatives and organisations to improve access to the trust for all our patients and visitors.

Patient advice & liaison service

During 2004/05, there were 581 requests made to the patient advice & liaison service (PALS) for help, information or advice about the RUH, NHS or community services. This was 21% more than the previous year. The main areas of concern raised were hospital cleanliness, follow up appointments, cancelled admissions, ward closures due to infection, and car parking problems. A number of changes have been made as a result. These include: a new clinic appointment system, increased frequency of a clinic, changes to an out of hours message service, improved corridor signs and changes in the refunding of parking charges for patients on low income.



Complaints The trust continues to welcome feedback from its users since this provides an opportunity to reflect on performance and identify areas where improvements can be made. We are particularly encouraged that this year, we have seen another drop in the total number of complaints received. Concerns around inpatient delays and cancellations dropped significantly from 14% last year to 6%. Where appropriate, actions are identified, carried out and feedback in relation to the complaint to try and minimise the chances of recurrence. As a result of a number of complaints, a post for a cancer specialist nurse was created to increase the support and advice available to patients and their relatives.

Year	01/02	02/03	03/04	04/05
Total Complaints	630	610	470	442

During 2004/05, all complaints were acknowledged within two days, and final response times (within 20 working days) improved significantly from 50% in 2003/04 to 66% in 2004/05. This is encouraging, in view of the trust's practice of fully investigating all issues raised by the complainant and checking the content and style of each letter before going out.

The independent review stage of the complaints procedure was removed this year and replaced with further investigations by the Healthcare Commission. Each complainant has a right to have their case reviewed by this independent body if they remain dissatisfied following our investigation. During 2004/05, the number of complaints referred to the Healthcare Commission was seven; of these, six proceeded to further investigation. One complainant referred their concerns to the ombudsman, who turned down their request for further investigations.

5

How well did we meet the needs of our staff?

Stable leadership, and dedicated and committed staff had begun to help turn the trust around in 2004/05, but more focus was needed to improve staff recruitment and retention. Throughout 2004/05, staff turnover steadily reduced – a sign that the work to improve recruitment and retention was beginning to be effective. At the same time, the trust has continued to implement improved pay and benefits for staff.

However, the trust recognises that it must not become complacent and that it will need to continue to listen to staff and to make further moves towards addressing their needs. 2004/05 saw the beginning of this work when over 100 staff gave their views on how they would like to be treated by their

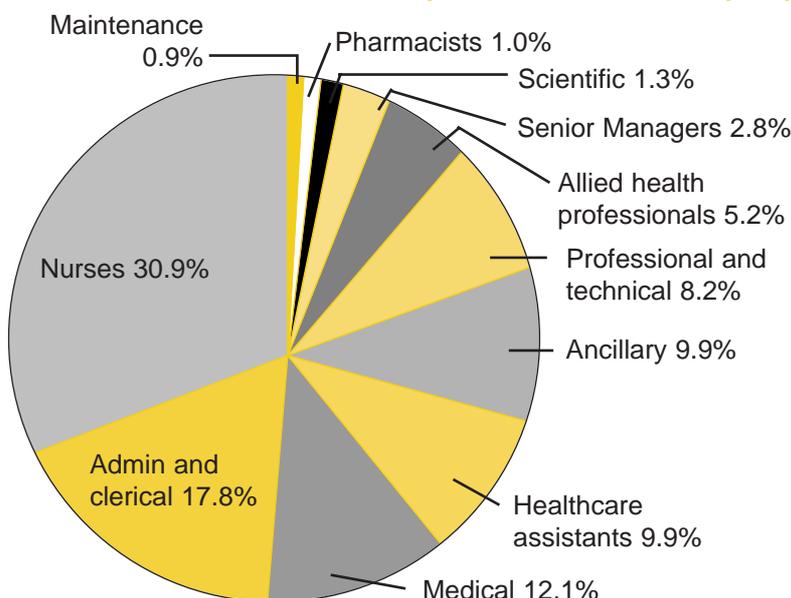


colleagues. These views were collated and used to create a list of trust values. Staff are now asked to observe these values to help ensure that as colleagues they treat each other with dignity and respect.

Staff survey – what staff said

In February 2005, results of the second National NHS Staff Attitude Survey, showed a record 61% response rate from RUH staff, (up by 19.2 % on 2003). Overall findings were promising and showed signs of significant improvements across the majority of themes to working life compared with 2003. Most noticeably staff commented on improvements in the ‘direction’ and ‘vision’ that the trust is taking as well as being an organisation which is ‘supporting new ideas for improving services.’ There was also positive feedback that regular appraisals are enabling staff to feel their work is valued by the trust.

The make up of our workforce (wte)





Improving working lives – what we're doing

The trust continued to progress towards achieving the Improving Working Lives Practice Plus standard. A trust wide assessment (by a team of staff trained to be self assessors) was completed to assess the work being done across the trust to achieve the standard. The outcome of the assessment was favourable and the trust is now waiting for the results to be validated. Work to ensure managers are actively delivering the standards for their staff is ongoing and the trust will continue to make communications and staff involvement a high priority.

Communication and staff involvement

2004/05 saw the introduction of a back to the floor initiative, which involved members of the executive team and non-executive directors shadowing members of staff on the front line. This is proving to be a valuable experience for both parties resulting in a greater understanding of

each others roles as well as improved communication and staff involvement. A further initiative is planned for 2005/06, which will enable front line staff to shadow members of the executive team as well as some senior managers. Staff are also invited to 'tea' with the chief executive and directors to enable them to discuss any trust issues in an informal setting.

Flexible working During 2004/05, the trust developed and implemented a flexible working policy, which advises managers and staff on new and different ways of working, including, part time hours, term time contracts, annualised hours and career breaks. Examples of staff working flexible hours include doctors working part time, administrative and clerical staff working term time contracts and senior managers and matrons working annualised hours.

Childcare The RUH has an onsite fifty five place nursery for trust employees, a trained childcare coordinator and dedicated childcare web pages. During the past year the childcare coordinator has actively promoted childcare options to staff and increased awareness of the childcare issues faced by staff.



Education and training

July 2005 saw the official opening of the centerpiece of the new Bath Health & Social Care Academy by the Chief Nursing Officer for the NHS Chris Beasley. The £2m redevelopment on the RUH site houses a new fully equipped library, teaching rooms, workspace for academic tutors and state-of-the-art facilities for clinical skills training. This includes a simulated ward environment and a range of equipment so that staff can develop their skills before working with patients. The aim of the academy is to create a culture for learning across all the health and social care disciplines that will improve patient care through a better trained workforce. It will also provide support for the increased number of nursing and medical students who will be given more opportunities to learn together.

Research and development

This has been a very productive year for the trust's research and development department (R&D). There has been a marked increase in the amount of research being carried out and in the number of departments undertaking research.

The department has reorganised its research programmes by merging with the Royal National Hospital for Rheumatic Diseases here in Bath, the United Bristol Healthcare Trust and the



Queen's Medical Centre Nottingham. This move has strengthened the research programme and secured funding for the next two years. This year, in addition to current ongoing projects, the R&D department approved 48 new research projects of which 14 are commercial projects, generating additional income for the trust.

The R&D website has been significantly updated and can be accessed internally via the intranet and externally via the internet. The R&D newsletter provides news about the level and nature of research being undertaken by the department. This is shared with GPs and the general public in Somerset, South Gloucestershire and West Wiltshire.

Equality and diversity

During 2004/05, the trust published a strategy and policy to manage diversity with the aim to help staff feel valued for



their individual contribution towards patient care. The policy includes mandatory diversity awareness and skills training and the development of certain practices such as flexible working and childcare provision. The trust also reviewed and republished its race equality scheme to ensure that the trust raises staff awareness of the needs of different communities and manages progress towards race equality.

Disabled employees

In 2004/05, the trust maintained its Disability \checkmark status. The recruitment and selection policy ensures that disabled employees are offered interviews if they meet the essential criteria for a post. Our occupational health service helps to support employees who develop a disability to continue working with reasonable adjustments made to their work. The trust works closely with the disability advisor from Bath & North East Somerset Council on a number of innovative adaptations. This partnership working has enabled a number of members of staff to continue their roles effectively within their areas.

Occupational health

The occupational health department has gone through considerable changes during this year. A major

recruitment drive and some restructuring of the team has resulted in a strong, enthusiastic and committed nurse team.

A smoking action group for the RUH was set up in 2004/05 with its aim being to make the RUH a smoke-free site next year.

The Employee Assisted Programme (EAP), which provides counselling for staff, continues to grow and develop. During 2004/05, a new specialist alcohol counselling service was set up, provided by two specialists in this field. Expertise in drug and substance misuse counselling is also available.

On the fitness and exercise front, the occupational health department was successful in helping the trust to negotiate a discount for RUH staff to use the facilities at the University of Bath Sports Village. The offer includes no joining fee and a discount of up to 25% on memberships for various sports and activities.



6

Our wonderful volunteers

The League of Friends

At their annual general meeting this year, the Friends reviewed the past 48 years since the team of volunteers was first established. From those 'pioneering' days, the Friends have increased their donations to the hospital enormously - providing many patient comforts and facilities and vital equipment so desperately needed.

The Friends work hard to raise funds and are very grateful to the local community for their financial support and for the unstinting dedication of over 300 volunteers working throughout the hospital.

During 2004, the donations from the Friends included £40,000 for pain control machines for patients, £200,000 for monitors for the intensive care unit, £180,000 for monitors in the newborn intensive care unit and £20,000 for wheelchairs.

The Friends are pleased to be part of the enormous team working at the Royal United Hospital for the benefit of all the patients and their relatives.



Bath Cancer Unit Support Group

The hospital is enormously grateful for the continued support of the Bath Cancer Unit Support Group (BCUSG), which has raised more than £2.5m to date for cancer services.

The hospital hosted a reception to thank the BCUSG and the Mark Master Masons, for donating a magnificent £142,000, for a new, less invasive treatment for prostate cancer (brachytherapy). Their funding paid for the equipment, a new TRUS machine (used to take detailed pictures of the prostate) and contributed towards the total costs of the first 30 NHS patients who received this new treatment.

Tony Newman, who is retiring after 25 years as BCUSG treasurer, played a key role in helping to raise this magnificent sum. Oncology staff are extremely grateful to Mr Newman (who remains a trustee) and the other members of the group who make such an enormous contribution to the care and treatment of cancer patients at the RUH.



The Forever Friends Appeal

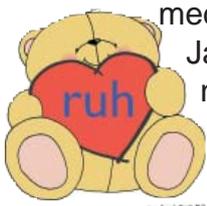
The Forever Friends Appeal (FFA) has raised a staggering £5million, halfway towards its £10million target.

The FFA team is grateful to every one of its loyal volunteers, fundraisers and helpers for their support and generous donations, especially from patients, their families and friends. They are all vitally important and have contributed to the success of the appeal.

During the year, a wide range of equipment has been purchased for many different departments. Staff in the radiology department began the New Year with fantastic new facilities, following the installation of a state-of-the-art fluoroscopy suite. The whole suite had a makeover, improving the environment for patients and staff alike. Radiology also received a dental x-ray machine.

Over £200,000 of equipment has also been provided for theatres, including diathermies, anaesthetic machines and various specialised items to assist specific areas of surgery.

Over 600 organisations took part in Ted's Big Day Out! (TBDO!). Staff were delighted to welcome Olympic gold medallist Jason Gardener.



Jason helped unveil the new DonorPoint, which offers another way of making donations to the Forever Friends Appeal.

Bath Hospital Radio

Bath Hospital Radio broadcasts 24 hours a day, every day, with news, information and favourite music for patients. A team of 40 volunteers produce programmes, visiting the wards and playing requests from studios based on site. The station, which also serves the Royal National Hospital for Rheumatic Diseases, performed well at the National Hospital Radio Awards this year, four volunteers were recognised in the Presenter of the Year Award.

In 2004, the charity launched a campaign to raise £24,000 to modernise ageing equipment, in order to provide a high quality signal to the new bedside entertainment system being installed throughout the hospital. With a huge effort from members and excellent support from the League of Friends the target was achieved.

The first upgraded studio opened in May 2005. Chairman and station engineer Nigel Richards presented the first programme and work is now under way to build a second studio.





April 04 Efficient medicines management

The RUH successfully completes a medicines management project. Reducing medicines wastage and improving systems of supply could make potential savings in the region of £80,000 a year.



May 04 NVQ award ceremony

Over 60 RUH staff receive their NVQ certificates. The trust recognises the importance of continuing education and training and encourages staff to gain qualifications and expertise within the areas that they work.



June 04 Good news for cardiac patients

Statistics published by the Myocardial Infarction National Audit Programme (MINAP) showed that 90% of patients arriving at the RUH after suffering a heart attack are receiving their life-saving drugs faster than the national target.



October 04 PGMC snack bar

Staff enjoy some peaceful 'time out' to eat their lunch in a quiet and bright environment. The new staff only snack bar opens in the postgraduate medical centre.



November 04 Trust thanks fundraisers for new prostate cancer treatment

The Bath Cancer Unit Support Group and the Mark Master Masons raise £142,000, to support a new, less invasive treatment for prostate cancer, called Brachytherapy.



December 04 Eye unit celebrates cataract surgery success

Staff celebrate the success in meeting the Government's target that all patients requiring cataract surgery should be treated within three months.



July 04 RUH gets one star with improvements across the board

The RUH receives a well-deserved star in the Healthcare Commission's performance ratings. The turnaround is a real credit to the efforts and determination of our loyal, hard working staff.



August 04 RUH celebrates new technique in vascular surgery

Staff celebrate the 50th patient to undergo a new treatment for abdominal aortic aneurysm. Stent grafting is a less invasive method used to repair an aneurysm (swelling of an artery), which greatly reduces a patient's hospital stay.



September 04 Introduction of new alcohol gel to patient bedides

Staff, patients and visitors help to reduce healthcare associated infections by using new hand gel, which was installed at every bedside, ward entrance and in other key areas of the hospital.



January 05 Specialist tattooing service

Breast care nurses at the RUH breast unit train to perform areola tattooing for patients who have had reconstruction of their breast following mastectomy.



February 05 Emergency department survey

Patients responding to a questionnaire rated the RUH emergency department amongst the top 20% in the country when it came to providing high quality clinical care.



March 05 New monitors for ITU & NICU

Staff share a celebratory lunch with the hospital's League of Friends to thank them for their donation of £350,000. The money is used to purchase new monitors for the intensive care unit (ITU) and newborn intensive care unit (NICU).

8

Trust corporate objectives for 2005/2006

Hospital staff have personal objectives that directly contribute to the trust's organisational priorities. These objectives focus on patient and staff safety, regaining financial balance by making the best use of existing resources, being one of the best local healthcare providers and development according to the needs of our patients, staff and healthcare partners.

Below are details of key trust objectives for 2005/06:

Patient and staff safety

- To provide excellent clinical and non-clinical care to all patients accessing our services, grounded in safe systems and processes and delivered in line with best practice
- To deliver care in a way that gives confidence to our patients and their carers.

Efficiency

- To be financially secure
- To be equipped to do the job
- To use available resources to the best effect in the provision of care.

Effectiveness

- To be the first choice hospital for our population, meeting the different needs of patients in the most appropriate ways consistent with national policy

- To use information effectively – to manage care, to improve communication with patients and partners and to improve efficiency
- By supporting and developing our staff, to recruit and retain the highest quality workforce providing excellent care for patients
- To be in the top 10% of healthcare providers, as assessed by health partners, regulators, staff and patients.

Development

- To be a valued and strong partner within the local community thereby helping it to be successful
- To deliver first class teaching, training and research and development where this is consistent with the trust's service role, in partnership with local academic institutions and the Bath Health and Social Care Academy
- To be an organisation that is valued by the population it serves and is responsive to its needs.

Full details of the trust's objectives are available from the chief executive's office (contact details on page 23) or alternatively can be found in the May 2005 board papers at www.ruh-bath.swest.nhs.uk.

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Directors' interests

Would you like to know more?

Directors' interests

The trust is required to maintain a register of directorships and other significant interests of all board members and to publish them in the annual report. Below are listed those directors to whom this applies:

Chairman Mike Roy

Chairman and governor of City of Bath College
Governor of Bath Spa University College
Member, Bristol Employment Tribunal

Non-executive director Maura Poole

Trustee of The Learning Curve – Registered Charity
Director of Pooled Perspectives Ltd
Director of Targeteasy Ltd.

Non-executive director Michael Earp

Director of Softmedia Productions Ltd.

Director of finance Margaret Pratt

Principal, OKRA Consulting Ltd
Member, Chartered Institute of Public Finance & Accountancy
Non-Executive Director, South Warwickshire Primary Care Trust
Non-Executive Director, Standards Board for England
Governor, University College of Northampton.

The trust board works to the NHS Codes of Conduct and Accountability and the Code of Conduct for NHS Managers.

Would you like to know more?

If you would like to know more, or to comment on our plans, please write to the chairman Mike Roy or our chief executive Mark Davies at:

Royal United Hospital NHS Trust
Combe Park
BATH
BA1 3NG

Telephone: 01225 824033
Fax: 01225 824304

E-mail: info@ruh-bath.swest.nhs.uk
Website: www.ruh-bath.swest.nhs.uk

Financial Report 2004/05

Financial Performance 2004/05

During 2004/05 the trust's financial situation remained difficult. Whilst significant savings were made, income was not as high as expected and the trust recorded a deficit of £946,000 for the year.

The accumulated deficit shown on the balance sheet now stands at £35.8m and has been generated by the deficits incurred in previous years as shown below. This will need to be recovered by the trust in order to restore its financial health and independence. For the time being the trust has been supported by temporary brokerage from the strategic health authority and NHS Bank, which has ensured that the trust is still able to meet its ongoing payments for staffing, goods and services

Accumulated deficit	
£000	
1992/93	(2,724)
1993/94	(676)
1994/95	(2,545)
1995/96	(586)
1996/97	(777)
1997/98	(722)
1998/99	(478)
1999/00	(543)
2000/01	(336)
2001/02	1,242
2002/03	(24,784)
2003/04	(1,968)
2004/05	(946)
Total	(35,843)

The deficit of £24.8m which was recorded in 2002/03 was again not required to be recovered in 2004/05 but the deficit of £1.97m recorded in 2003/04 was. This means that £1.97m was deducted from the trust's income in 2004/05 as a penalty for overspending, creating an additional pressure on budgets for the year.

The trust had a challenging savings target in 2004/05 of £11.5m and actually achieved £13.3m. Changes to the level of income that had been expected from commissioners during the year, meant that despite the achievement of the savings the trust recorded a deficit of £946,000 for the financial year.

Financial Targets

As well as the break-even duty, the trust had other financial targets to meet in 2004/05. Brief details of these targets and how the trust achieved them are set out on the following pages.

External Financing Limit (EFL)

The EFL sets out the amount of cash that the trust is expected to hold at the end of the financial year. To meet the EFL, the trust must manage its cashflow and borrowing requirements. During the 2004/05 financial year the trust was able to manage within its cash requirements, and meet this target.

Capital Resource Limit (CRL)

The CRL is the maximum amount that the trust can invest in fixed assets during the year. In 2004/05 the Trust underspent its CRL by £2,000.

Capital Cost Absorption Rate

The trust is required to make a return on the assets it employs of 3.5%. In 2004/05 the trust achieved a technical return of 2.68% although the underlying performance of the trust was 3.34%.

Breakeven Duty

The trust is required to break even over a three year period, or over a five year period by agreement, as is the case between this trust & the strategic health authority. The trust's cumulative deficit for the purposes of measuring performance against its statutory duty to breakeven was £27.7m at 31 March 2005. This deficit must be recovered by way of surpluses by 31 March 2007. The trust remains in negotiation with the strategic health authority and the Department of Health as to how this surplus can be achieved.

Management costs

The trust is required to record its management costs according to parameters set by the Department of Health and to state these in relation to relevant income.

	2004/05	2003/04
	£000	£000
Management costs	6,141	7,005
Income	151,276	141,185
Costs as a percentage of income	4.06%	4.96%

Management costs and related income figures are as defined in the documents which can be found on the internet at <http://www.doh.gov.uk/managementcosts>.

Better Payment Practice Code

Better Payment Practice Code - measure of compliance against a target of paying 95% of trade creditors within 30 days.

	2004/05		2003/04	
	Number	£000	Number	£000
Total bills paid in year	69,268	52,356	79,352	44,641
Total bills paid within target	58,405	42,662	44,537	26,236
Percentage of bills paid within target	84%	81%	56%	59%

Future Financial Performance

The trust's plans for the coming financial year have been prepared in the form of a budget book, which all relevant staff have access to, and was approved by the trust board at a public meeting. This has made some assumptions regarding income for the year, but sets the trust a very challenging savings target that after the Local Development Plan (LDP) totalled £17.2m (11.2% of net budget) during the year. The LDP is the collective name for agreements with commissioners on the levels of services that the Trust is to provide, and the funding that is available to pay for the services. There are a number of schemes in place to achieve the savings, but some remain to be identified.

The main risks to the trust's achievement of its financial objectives in 2005/06 are the repayment of the overspending in 2004/05, and the possible variances in its income streams as a result of its performance. Whilst agreement has been reached there are ambitious plans by commissioners to reduce demand for the trust's services, which if successful would result in a fall in income to the trust. This would mean additional savings are required to be achieved. Payment by Results, a national funding framework which will ensure that the trust is paid for the activity it undertakes, has a phased implementation beginning in 2004/05.

The trust is actively working with Avon Gloucestershire & Wiltshire Strategic Health Authority and its commissioners to achieve its planned in-year breakeven position for 2005/06, based on income agreed for the financial year.

Future Capital Expenditure Plans

The trust's planned capital expenditure for 2005/06 is £7m. There are no significant building projects planned for the year, but the Forever Friends appeal, the main fund raising arm of the trust, is currently raising funds for the purchase of a second CT scanner.

Financial Matters

Accounting Policies

There have been no major changes in accounting policies during 2004/05 that affect the trust's financial performance and reporting.

Senior Managers' Remuneration

The trust must ensure that pay increases for senior management are within set parameters. The recommended limit for pay increases for 2004/05 was 3.225% and this was agreed by the remuneration committee. The average pay rise for all managers in the trust was 3.225% and is therefore compliant. Further information about pay for senior managers is shown in the summary financial statements included within this annual report.

The remuneration committee of the trust in 2004/05 was made up of the non executive directors & chairman of the trust as detailed in this report.

The term 'senior manager' defines a pay scale that begins at just over £20,000p.a. and covers a wide range of administrative support roles as well as service managers.

Audit

The trust's external auditors are:

PricewaterhouseCoopers LLP
31 Great George Street
Bristol
BS1 4DU

During the year they were paid £182,000 for services provided including the audit of the charitable trust funds.

The audit committee of the trust oversees audit and all related issues. The membership of the committee during 2004/05 comprised:

Mrs. Maura Poole (non executive director) - chairman of the audit committee
Mr. Richard Weatherhead (non executive director)
Mr. Thomas Sheppard (non executive director until 30th November 2004)
Mr Michael Earp (non executive director from 1st December 2004).

Annual Accounts

The summary financial statements contained within this annual report are merely a summary of the information in the full accounts which are available on demand by contacting :

Sarah Knight
Head of Corporate Services
Royal United Hospital Bath NHS Trust
Combe Park
Bath
BA1 3NG
Tel: 01225 821570



J D P Williams
Director of Finance
September 2005

Statement on Internal Control 2004/05

Royal United Hospital Bath

The board is accountable for internal control. The chief executive of the board, as accountable officer has responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. He also has responsibility for safeguarding the public funds and the organisation's assets for which he is personally responsible as set out in the Accountable Officer Memorandum.

A copy of the statement of internal control is included within the trust's annual accounts and is available by contacting Sarah Knight, head of corporate services (contact details on page 27).

Directors' Statements

Statement of the chief executive's responsibilities as the accountable officer of the trust

The Secretary of State has directed that the chief executive should be the accountable officer to the trust. The relevant responsibilities of accountable officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Department of Health.

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


.....Chief Executive
13th July 2005

Statement of directors' responsibilities in respect of the accounts

The directors are required under the National Health Services Act 1977 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure of the trust for that period. In preparing those accounts, the directors are required to:

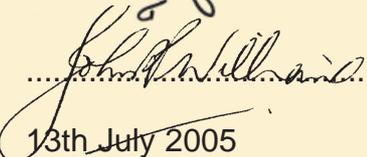
- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and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

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

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

By order of the board


.....Chief Executive


.....Finance Director

13th July 2005

Independent Auditors' Report to Royal United Hospital Bath NHS Trust on the Summary Financial Statements

We have examined the summary financial statements on pages 31 to 36.

This report is made solely to the board of the Royal United Hospital Bath NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 54 of the Statement of Responsibilities of Auditors and of Audited Bodies, prepared by the Audit Commission.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. Our responsibility is to report to you our opinion on the consistency of the summary financial statements with the statutory financial statements. We also read the other information contained in the annual report and consider the implications for our report if we become aware of any misstatements or material inconsistencies with the summary financial statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditor's statement on the summary financial statements' issued by the Auditing Practices Board for use in the United Kingdom.

Opinion

In our opinion the summary financial statements are consistent with the statutory financial statements of the trust for the year ended 31 March 2005 on which we have issued an unqualified opinion.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP, Bristol

9th September 2005

**Income and Expenditure Account for the Year Ended
31 March 2005**

	£000	2003/04 £000
Income from activities	144,404	133,207
Other operating income	15,741	13,819
Operating expenses	(157,399)	(145,840)
OPERATING SURPLUS	2,746	1,186
Profit /(loss) on disposal of fixed assets	7	(16)
SURPLUS BEFORE INTEREST	2,753	1,170
Interest receivable	164	167
Interest payable	0	0
Other finance costs - unwinding of discount	(8)	(9)
Other finance costs - change in discount rate on provisions	0	0
SURPLUS FOR THE FINANCIAL YEAR	2,909	1,328
Public Dividend Capital dividends payable	(3,855)	(3,296)
RETAINED DEFICIT FOR THE YEAR	(946)	(1,968)

All income and expenditure is derived from continuing operations.

**Note to the Income and Expenditure Account for the Year Ended
31 March 2005**

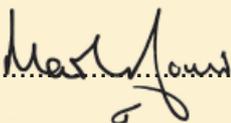
	£000	2003/04 £000
Retained deficit for the year	(946)	(1,968)
Financial support included in retained deficit for the year - NHS Bank	(9,379)	(10,000)
Financial support included in retained deficit for the year - Internally Generated	(500)	(0)
Retained deficit for the year excluding financial support	<u>(10,825)</u>	<u>(11,968)</u>

Financial support is income provided wholly to assist in managing financial problems. Internally generated financial support is financial support received from within the local health economy, consisting of the area of responsibility of Avon, Gloucestershire and Wiltshire Strategic Health Authority (SHA). The support was given as part of a recovery package agreed with the SHA.

**Balance Sheet as at
31 March 2005**

	£000	31 March 2004 £000
FIXED ASSETS		
Intangible assets	0	0
Tangible assets	164,616	140,237
Investments	0	0
	<u>164,616</u>	<u>140,237</u>
CURRENT ASSETS		
Stocks and work in progress	3,086	2,733
Debtors	10,774	8,771
Investments	0	0
Cash at bank and in hand	464	30
	<u>14,324</u>	<u>11,534</u>
CREDITORS: Amounts falling due within one year	<u>(10,787)</u>	<u>(19,111)</u>
NET CURRENT ASSETS (LIABILITIES)	3,537	(7,577)
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>168,153</u>	<u>132,660</u>
CREDITORS: Amounts falling due after more than one year	0	(125)
PROVISIONS FOR LIABILITIES AND CHARGES	(1,508)	(426)
TOTAL ASSETS EMPLOYED	<u>166,645</u>	<u>132,109</u>
FINANCED BY:		
TAXPAYERS' EQUITY		
Public dividend capital	158,885	146,852
Revaluation reserve	38,280	14,722
Donated asset reserve	5,323	5,432
Government grant reserve	0	0
Other reserves	0	0
Income and expenditure reserve	(35,843)	(34,897)
TOTAL TAXPAYERS' EQUITY	<u>166,645</u>	<u>132,109</u>

The financial statements within this report were approved by the Board on 13th July 2005 and signed on its behalf by:

Signed: (Chief Executive)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 March 2005

	£000	31 March 2003/04 £000
Surplus for the financial year before dividend payments	2,909	1,328
Fixed asset impairment losses	0	0
Unrealised surplus on fixed asset revaluations/indexation	23,533	6,867
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	442	675
Reductions in the donated asset and government grant reserve due to the depreciation, impairment and disposal of donated and government grant financed assets	(526)	(463)
Additions/(reductions) in "other reserves"	<u>0</u>	<u>0</u>
Total recognised gains for the financial year	26,358	8,407
Prior period adjustment	0	0
Total gains recognised in the financial year	<u><u>26,358</u></u>	<u><u>8,407</u></u>

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31 March 2005**

	£000	2003/04 £000
OPERATING ACTIVITIES		
Net cash inflow from operating activities	1,448	8,099
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	164	135
Interest paid	0	0
Interest element of finance leases	0	0
Net Cash inflow from returns on investments and serving of finance	164	135
CAPITAL EXPENDITURE		
(Payments) to acquire tangible fixed assets	(9,821)	(6,759)
Receipts from sale of tangible fixed assets	0	4
(Payments) to acquire intangible assets	0	0
Receipts from sale of intangible assets	0	0
(Payments to acquire)/receipts from sale of fixed asset investments	0	0
Net cash outflow from capital expenditure	(9,821)	(6,755)
DIVIDENDS PAID	(3,855)	(3,296)
Net cash outflow before management of liquid resources and financing	(12,064)	(1,817)
MANAGEMENT OF LIQUID RESOURCES		
(Purchase) of current asset investments	0	0
Sale of current asset investments	0	0
Net cash inflow from management of liquid resources	0	0
Net cash outflow before financing	(12,064)	(1,817)
FINANCING		
Public dividend capital received	17,446	20,817
Public dividend capital repaid (not previously accrued)	(5,413)	0
Public dividend capital repaid (accrued in prior period)	0	0
Loans received	0	0
Loans repaid	0	(19,000)
Other capital receipts	465	0
Capital element of finance lease rental payments	0	0
Cash transferred (to)/from other NHS bodies	0	0
Net cash inflow from financing	12,498	1,817
Increase in cash	434	0

Salary and Pension Entitlements of Senior Managers Remuneration

Name and Title	2004-05			Date of starting (S) or leaving (L) (if in relevant period)	2003-04		
	Salary (bands of £5000) £000	Other remuneration (bands of £5000) £000	Benefits in kind rounded to the nearest £100		Salary (bands of £5000) £000	Other remuneration (bands of £5000) £000	Benefits in kind rounded to the nearest £100
Mark Davies - Chief Executive	140-145	0	0	S 03/11/2003	55-60	0	0
Jenny Barker - Director of Operations	85-90	0	0		80-85	0	0
John Williams - Director of Finance	100-105	0	0	S 19/04/2004	0	0	0
John Waldron - Medical Director	45-50	85-90	0		45-50	85-90	0
Corinne Thomas - Director of Nursing	75-80	0	0		75-80	0	0
Brigid Musselwhite - Director of Planning and Strategic Development	75-80	0	0	S 01/03/2004	5-10	0	0
Stephen Holt - Director of Facilities	65-70	0	0		65-70	0	0
Lynn Vaughan - Director of Human Resources	70-75	0	0	S 01/07/2004	20-25	0	0
Mike Roy - Chairman	15-20	0	0		15-20	0	0
Maura Poole - non executive director (NED)	5-10	0	0		5-10	0	0
Thomas Sheppard - NED	0-5	0	0	L 30/11/2004	5-10	0	0
Jonathan Lloyd - NED	5-10	0	0		5-10	0	0
Jeff Manning - NED	5-10	0	0		5-10	0	0
Richard Weatherhead - NED	5-10	0	0		5-10	0	0
Michael Earp - NED	0-5	0	0	S 01/12/2004	0	0	0
Jan Filochowski - Chief Executive	0	0	0	L 31/07/2003	55-60	0	0
Richard Gleave - Chief Executive	0	0	0	L 31/12/2003	75-80	0	0
Kevin Hoodkinson - Director of Finance	0	0	0	L 01/07/2003	15-20	0	0
Margaret Pratt - Director of Finance	0	0	0	L 02/04/2004	125-130	0	0
Paula Friend - Director of Service Renewal	0	0	0	L 01/06/2003	10-15	0	0
Prudence Skene - NED	0	0	0	L 30/04/2003	0-5	0	0

John Williams commenced as director of finance on 19th April 2004.

Lynn Vaughan commenced as director of human resources on 1st July 2004, until this time she had been seconded to the position from her previous employer. During the year Thomas Sheppard resigned as non executive director on 30 November and was replaced by Michael Earp on 1 December 2004.



'Tulipa Rococo' © by Boo Beaumont

Royal United Hospital Bath NHS Trust

Combe Park

BATH, BA1 3NG

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