Annual Report
2006-2007

Presented to Parliament pursuant to Schedule 1 of the Health and Social Care (Community Health and Standards) Act 2003, Schedule 1, paragraph 25(4).
This annual report covers the financial year 1 April 2006 to 31 March 2007.

Yeovil District Hospital was run by East Somerset NHS Trust from 1 April 1991 to 31 May 2006.

On 1 June 2006 Yeovil District Hospital was authorised as an NHS Foundation Trust, under the Health and Social Care (Community Health and Standards) Act 2003.

This report covers the final two-month term as East Somerset NHS Trust (1 April 2006 to 31 May 2006) and the first ten months (1 June 2006 to 31 March 2007) as Yeovil District Hospital NHS Foundation Trust.

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Section 1: Chairman’s Report

2006/07 has been a most extraordinarily successful year for Yeovil District Hospital. We began as East Somerset NHS Trust reporting a balanced position for the two-month period 1 April to 31 May 2006. On 1 June 2006 we were granted Foundation Trust status and became Yeovil District Hospital NHS Foundation Trust. The hospital achieved its key financial and operational objectives and recorded a surplus of £680,000 for the ten months ending 31 March 2007.

As a new organisation it is tempting to become too ambitious too quickly in order to satisfy those who are expecting immediate change. However the Board of Directors has been steadfast in keeping to our core objectives of providing high quality care for our patients and adhering to the plan presented to Monitor of building up reserves and surpluses to reinvest in developing services. We have worked hard to ensure we have a robust risk assurance process in place so that the organisation could maintain and improve its ratings for both governance and mandatory services and would achieve the challenging 18-week waiting times target 21 months ahead of the national requirement. In addition, we have seen the completion of our Phase I building programme for enhanced new facilities in intensive care and a modern private patients’ wing, the installation of a pharmacy automation “robot” and progress with the refurbishment of the wards and public areas through the Flying Colours Project. All this could not have been achieved without the consistent, dedicated hard work and commitment of all our staff.

This year has been a busy one for our Governors as they have developed their role more fully. In this respect they have successfully undertaken the selection process for my re-appointment as Chairman and the appointment of Chairman of Audit as well as reviewing Non-Executive remuneration. Working groups have focussed on strategy, membership and community links and I look forward to working closely with them and further developing our membership. The Friends of the Hospital have continued their staunch support as have our 370-strong volunteers and effective Patient and Public Involvement group.

The Annual Report reflects on a year which also bids farewell to James Scott as Chief Executive. James has successfully steered the Trust from a position of financial instability and uncertainty to the bright future we have today. I would like to take this opportunity to pay tribute to his excellent leadership skills and strong drive. I feel very fortunate to have enjoyed such a professional and successful working relationship with James over the last eight years. I wish him every success in his new position.

Looking ahead, we still have much to do and achieve by listening to patients to improve the services we offer and by working closely with colleagues to build a sense of pride and fulfilment. We are by no means a perfect organisation but we are committed to becoming one.

Mrs Angela Dupont
Chairman

6 June 2007
Section 2: Chief Executive’s Report

The Board of Directors developed a prudent, risk based financial plan which resulted in strong performance throughout the year, with all the financial targets being met.

This enabled the Board to support a sound clinical services investment strategy with key highlights being the appointment of additional consultants in cardiology, radiology and urology. Significant strategic investment was also made for those patients who require intensive care in our new integrated intensive care and high dependency unit and our coronary care unit. Revenue investment in these services followed the completion of Phase I of the £7.1m major capital programme. The Board of Directors also committed to addressing the risks of failure of the building infrastructure with a significant five year investment programme beginning in 2007/08.

The Board of Directors paid particular attention to the issues that matter most to patients and to members of the NHS Foundation Trust in the local community. The focus on hospital acquired infections paid dividends and the hospital finished the year ahead of plan with one of the lowest numbers of MRSA bacteraemia in the country. Aligned to this, infections caused by Clostridium Difficile fell by 32% over the calendar year 2006, compared to 2005. The Board of Directors continued its work with Dr Foster Intelligence Ltd and the changes made to clinical practice resulted in an improving hospital standardised mortality ratio, with a 5.6% reduction over three years. The Board, though, recognises that there is more to do.

The key objective for the year was to ensure that 95% of patients who began and ended their treatment path at Yeovil District Hospital did so within 18 weeks. This plan was achieved. The plan itself brought the NHS Foundation Trust widespread media and political coverage, with Directors presenting to the Prime Minister at No 10, to a meeting of MPs at the House of Commons, chaired by the Secretary of State for Health, and sharing a platform with the Minister responsible for the 18 week target. In addition, the Chief Medical Officer visited the hospital for the first time to understand our plans.

Equally impressive was the external assurance the Trust received from the Healthcare Commission’s national reviews of endoscopy, pathology and radiology which all received an excellent rating. Of particular note was the review of radiology which received the accolade of the best performing imaging department in the country. Moreover, having come from a low base in 2004, the National Sentinel Audit of stroke services now featured Yeovil District Hospital’s stroke services as an upper quartile performer.

2006/07 was the most successful year for the hospital since it opened in 1973. The Board of Directors would like to formally record appreciation for the outstanding contribution made by James Scott as Chief Executive from February 1999 to 31 May 2007.

Suzanne Tracey
Acting Chief Executive

6 June 2007
Section 3: In The Spotlight 2006/07

This section gives an overview of the Trust’s activities during the year, highlighting examples of the new ways in which Yeovil District Hospital is working to deliver first class patient care and business performance as an NHS Foundation Trust.

Yeovil District Hospital was firmly in the spotlight in 2006/07, not just as a new NHS Foundation Trust but for achieving the best waiting times in the country and for outstanding progress in areas that matter most to patients, like cleanliness and reducing infections.

The hospital has been held up as a role model for demonstrating that high quality patient care and strong financial performance go hand in hand, and increasingly healthcare colleagues around the country are looking to Yeovil as an exemplar of good practice and staff innovation.

The hospital has used its new status as an NHS Foundation Trust to build on the successes of recent years and to develop even further the strong links with the local community through membership and the Board of Governors.

Clinical services have been developed and improved, and the hospital has built sound partnerships with the new healthcare organisations created as a result of NHS reconfiguration, as well as other strategic partnerships.

Transforming Patient Care - £7m Critical Care Scheme Unveiled

This year saw completion of the Trust’s biggest-ever capital scheme, a £7 million project to transform critical care for the most seriously ill patients.

The Unit of Working Together

Transforming the patient environment inside the hospital has continued, thanks to local generosity through the Flying Colours Appeal.

Outside, a landmark sculpture, Genesis, was unveiled in 2006 near the main entrance. This was funded by benefactors and was specially created for the hospital by John Robinson, an internationally renowned sculptor living in Somerset. The geometric, stainless steel sculpture was installed and landscaped thanks to local businesses at no cost to the NHS.

Other editions of Genesis are sited at Cambridge University, the University of Wales Bangor, and in the United States.

The triple diamond shaped design is based on the Borromean Rings - an ancient symbol composed of three interlocking circles - symbolising the unity of working together.

The design has been incorporated into glass paperweights for recognition of outstanding staff achievements, to be presented for the first time at the Annual General Meeting in September 2007.

The unity of working together is a theme proudly echoed throughout this annual report.
At the centre is a showpiece Intensive Care Unit providing state-of-the-art facilities in a spacious new setting, and a larger, improved Coronary Care Unit for growing numbers of cardiac patients.

The new ten bed Intensive Care Unit replaces the former Intensive Treatment and High Dependency Units (which had four beds each) in a different location at the heart of the hospital.

One of the biggest technological advances is the latest “pendant” system which provides vital patient monitoring and delivers drugs from an overhead unit. This means that life-saving equipment can be swiftly moved around all sides of the bed, reducing the need for wires and cables and allowing better access to patients when they need it most.

The greater space means each patient can be cared for in a single bay or room, and this includes a dedicated Isolation Suite which can be used for those patients at greatest risk of infection.

The increased capacity has enabled the Trust to provide specialist emergency care for the most seriously ill patients, whether they are admitted through the Accident and Emergency Department or are transferred from other wards requiring extra support, such as following surgery.

Staff take great pride in the unit, and the new facilities are particularly appreciated by patients and relatives for the unprecedented comfort and privacy they provide, matching the highest standards of clinical care.

A relatives area has been furnished thanks to a generous donation from local Soroptimists, and the Inner Wheel Club has adopted the unit as its charity of the year.

The views of former patients and relatives, as well as staff, were used to influence the design of the unit from an early stage. Among the first patients to benefit was Gordon Hyett, who compared the facilities with those he had experienced after being taken ill while on holiday in the US.

He said: “This is so spotless and modern. We are very fortunate to have world class facilities on our doorstep.”

The Coronary Care Unit has also been expanded and re-designed so that it can continue to offer the highest standards of multi-professional care in a 21st century environment.

The unit has grown from five to eight beds, providing enhanced facilities to meet the needs of growing numbers of cardiac patients.

Overall the capital scheme expansion was achieved by moving management staff to purpose-built offices and re-locating the Kingston Wing for private patients. This also provided an opportunity

**Top Doc Drops In**

The nation’s top doctor dropped in at Yeovil District Hospital to see for himself the Trust’s progress towards achieving 18-week waiting times. Chief Medical Officer Sir Liam Donaldson met some of the staff leading the way in delivering some of the shortest waits in the country. He also met with Dr Steve Gore, Medical Director, and Alison Moon, Director of Nursing, to discuss latest infection control and patient safety initiatives.

The Chief Medical Officer is pictured with patient Mrs Carole Lawrence, who was delighted with her short wait for a knee replacement.
to upgrade the Kingston Wing to ensure its continued business success. The unit for private patients makes a valuable contribution to the hospital, both in terms of providing extra beds and revenue which support NHS provision.

The development also includes a prestigious new education centre, the Somerset Academy, which was officially opened by HRH the Duke of Kent in May 2006.

New Ways of Working - Enhanced Recovery For Orthopaedic Patients
Patients having orthopaedic surgery at Yeovil District Hospital are going home much sooner, thanks to an Enhanced Recovery Programme. This involves high levels of multi-professional support and nutritional supplements before and after surgery, plus more information on what to expect. Mobility is encouraged as soon as possible after surgery, often the same day.

After discharge, patients have a follow-up appointment with a specialist physiotherapist to discuss progress and any concerns. Feedback has been extremely positive.

The Enhanced Recovery Programme for orthopaedic patients was launched in November 2006, following the outstanding success of a project pioneered at Yeovil District Hospital for patients having keyhole abdominal surgery, and from research carried out in Copenhagen.

The success of the scheme means that the average length of stay for a total hip replacement has been reduced from five to three days. In January 2007 the programme was extended to include patients having knee replacements.

In any year, an average of one out of every 10 to 15 children (aged from birth to 19 years) will be admitted to hospital.

This age group makes up approximately a quarter of all patients attending the Accident and Emergency Department at Yeovil District Hospital.

The establishment of a dedicated assessment unit for children enables this significant and vulnerable group of patients to be seen in a specialist paediatric facility, by trained children’s nurses and doctors, as quickly and efficiently as possible. The unit provides age appropriate surroundings, and is visually screened from adult facilities.

Work continues to further improve the environment, informed by suggestions from children and carers using the Unit, and enthusiastically supported by local fundraising events.

Ensuring a child-friendly environment helps to ease the inevitable anxiety that a hospital attendance brings, and is in line with national recommendations that focus upon the provision of child and family centred care within hospitals.

Initial feedback from children, parents and staff has been very positive, and the Trust will continue to engage with users as the Unit develops further.

Making It Better For Children And Young People – Improving Services in Accident And Emergency
As part of ongoing improvements in services for children, young people and families, a Paediatric Assessment Unit was opened in the Accident and Emergency Department in September 2006.

Performance Through Technology - Pharmacy Automation Proves A Real Tonic
A state-of-the-art robot is improving the delivery of medication to patients. The floor-to-ceiling com-
puterised robot has two large cabinets to safely store more than 20,000 items of stock, which are loaded and retrieved by twin mechanical arms.

Yeovil District Hospital is one of the first hospitals in the South West to benefit from the latest robot technology, which uses a barcodes system to accurately identify items and improve stock control.

Prescriptions are still logged and ordered by staff, who generate the patient’s label from their computers. The drugs are then automatically picked and placed in a chute by the robot, arriving at the dispenser’s workstation in a matter of seconds. Pharmacy staff complete the process by double checking the item and adding the personalised label.

In practice the robots - named Tom and Jerry in a Trust-wide competition - can dispense prescriptions faster and more accurately than humans, freeing up Pharmacy staff to spend more time with patients.

The £500,000 project, including extensive building works to improve the Pharmacy department, was funded by Dorset and Somerset Strategic Health Authority (now NHS South West).

Sandy was a Sister in the Coronary Care Unit at Yeovil District Hospital for 11 years prior to her new appointment.

At least a million people in the UK have experienced a cardiac arrhythmia, the medical term for an irregular heartbeat or abnormal heart rhythm. That is at least one out of every 85 members of the UK population, from infants to the elderly, with a heart rate that occasionally or consistently beats too quickly, too slowly, abnormally or irregularly.

Susie May, BHF Nurse Project Manager, said: “The employment of Sandy will truly help improve the treatment that patients with heart rhythm disorders receive. The support given to patients, their families and carers will provide comfort, reassurance and a better quality of life.”

**Designing Care Around Patient Needs - Tailor-made Nursing For Patients With Respiratory Disease**

New nurse-led clinics, ward rounds and telephone check-ups are providing tailor-made care for patients with respiratory disease.

The new ways of working mean that patients, often with chronic diseases requiring longstanding care, receive holistic support with input from a consultant and follow-up by nurse specialists. This covers all aspects of longer-term care such as information on financial support. Feedback from patients has shown high satisfaction levels with the new service.

Routine consultations with nurses by telephone have also been introduced, so that chronically ill patients do not have to come to hospital, particularly during winter months.

Respiratory nurses are also seeing more inpatients, thanks to new “ward rounds” which provide an opportunity for specialised nursing input, streamlining the patient’s stay and helping with discharge arrangements, as well as on-the-spot training for junior staff.
Outside the hospital, the nursing team actively supports the local patient support group, Breathability. World COPD (Chronic Obstructive Pulmonary Disease) Day in November 2006 was marked locally with a successful event, covering subjects including palliative care and oxygen therapy.

**Leading The Way – A Record Breaking Year For Research And Development**

The year 2006/07 saw a record breaking level of recruitment into Government funded clinical research trials at Yeovil District Hospital.

There has been a year on year increase in the number of patients keen to take part in well run and closely monitored studies that offer the opportunity to access new drugs and treatment combinations. The year 2006/07 has seen an all time high of 288 patients recruited – an increase of 124 from the previous year.

The clinical research portfolio has expanded to more than 100 active clinical trials. The Trust has an excellent reputation nationally for its high activity levels and the quality and timeliness of its data returns.

This achievement was recognised with a visit by Dr Russell Hamilton, Deputy Director of Research and Development at the Department of Health, who visited Yeovil District Hospital in December 2006 for a briefing by Sue Bulley, Research and Development Manager, on the performance of the Clinical Trials Unit.

The Trust has one of the strongest stroke research portfolios in the South West and is one of the few hospitals invited to play a key regional role in shaping the new South West Peninsula Stroke Research Network, which is part of a national initiative to support research into the cause, treatment and prevention of stroke.

This year saw the launch of the first thrombolysis stroke service which offers clot-busting drugs to eligible patients within the first few hours of stroke symptoms. This is part of a nationally run clinical trial called International Stroke Trial 3.

A launch event was attended by more than 70 guests including Trust staff, GPs, paramedics and members of ambulance services. Subsequent publicity attracted strong interest from patients and relatives.

Summer 2007 will see the opening of two exciting new clinical trials of vaccines in lung and gastric cancer, enabling eligible patients to access the very latest treatments for their disease.

In addition, the Trust is a specially selected site for an innovative project looking at patients undergoing chemotherapy for colorectal cancer. This study will use specially pre-programmed mobile phones for patients to record any side effects and alert their study nurse with the aim of preventing serious complications and admission to hospital.

**Aiming High - Stroke Services Among The Best**

Stroke services at Yeovil District Hospital were rated among the best in England in the National Sentinel Audit For Stroke 2006, published in April 2007.

For the 12 indicators chosen for the audit, the national average score for compliance was 65. Trusts scoring more than 74 were in the top 25% - Yeovil District Hospital scored 77. This compares to a score of 43 in 2004.

The National Sentinel Audit, published by the Royal College of Physicians, enables Trusts to benchmark the quality of their services against national evidence-based standards.

The main areas of improvement at Yeovil District
Hospital have been in the number of patients being treated in a stroke unit (80%); physiotherapy assessment within 72 hours (97%) and administration of aspirin within 48 hours (83%).

Up to 80 casenotes of patients admitted between 1 April 2006 and 30 June 2006 were reviewed. Areas investigated included the time taken to reach the stroke unit, medication, and whether patients received adequate information and support regarding their diagnosis.

Since the data collection the Trust has improved stroke services further, including the introduction of thrombolysis and development of a protocol to ensure that all ambulance service staff are aware of the services Yeovil District Hospital offers to patients with suspected stroke or Transient Ischaemic Attack (TIA, or “mini stroke”.)

Information for patients and their families or carers has also significantly improved, with leaflets provided from the time of admission. In January 2007 a 12-week programme was established for patients discharged to their home, providing additional information to lower the risk of having a further stroke, introducing exercise and activities to reduce the impact of stroke on their lives, plus support for families and carers.

**Working With The Voluntary Sector - Parkinson’s Awareness**

The first-ever Parkinson’s Awareness Day at Yeovil District Hospital was so successful it led to the setting up of a carers’ group in the community. Bringing together people living with the disease, their families, carers and healthcare professionals identified a need for on-going support.

The event, in November 2006, was supported by a hospital consultant, specialist nurses, occupational therapists, and the voluntary sector.

**Drug Trial Brings New Hope For Stroke Patients**

Stroke patients are being treated with a clot-busting drug usually used for heart attacks, following latest research showing that it can limit damage to the brain. Yeovil District Hospital is offering the drug to eligible patients as part of an international trial run by Edinburgh University. The drug is commonly used to thin the blood of patients who have had a heart attack, reducing the risk of further damage from blood clots. This is called thrombolysis. Now it has also been shown to benefit up to one in eight stroke patients, by significantly reducing the physical effects suffered, such as weakness or mobility problems.

Yeovil District Hospital has a dedicated Stroke Unit treating about 300 patients a year. It is led by Dr Khalid Rashed, Consultant Stroke Physician, and Caroline Lawson, Nurse Consultant For Stroke. Caroline said: “This drug trial is a real breakthrough because, for the first time, it offers hope of minimising the effects of stroke, which can be extremely serious. Until now, no treatment has been available and we could only deal with the after-effects of stroke. We know from trials so far that this drug can have an amazing effect on how disabling the stroke will be. For example, a patient given this drug may get up and walk about the next day, whereas they would otherwise have had severe weakness needing weeks or months of therapy.”
therapists, physiotherapists, and speech and language therapists, plus guest speakers from the Parkinson’s Disease Society.

Along with information stands and lunch, the day was organised by Ruth Goodland, the hospital’s Parkinson’s Disease Nurse Specialist.

Ruth said: “Parkinson’s is a slowly progressive disease of the brain that affects normal movement. In some cases it can profoundly affect every aspect of a person’s life, so it is essential that they have appropriate information and support.

“About 80 people attended the day and it became clear that carers were keen to meet again. This led to a new group which now meets independently.”

More than 100 people regularly attend Yeovil District Hospital’s Queensway Treatment and Rehabilitation Unit each week for treatment, therapy, and other support with Parkinson’s Disease. The number of people affected by the disease is increasing.

Ruth’s role is to help people living with Parkinson’s improve their quality of life by identifying appropriate services and therapies, liaising with health and social care professionals both within the hospital and in the community.

She carries out assessments in the home, and oversees patients’ progress in the long term.

Ruth is keen to raise awareness of the disease and to make sure that everyone affected gets the support they need.

“Parkinson’s can be a disabling condition, but there are many positives that we want to share with people affected and their carers,” said Ruth.

“In addition to medication and therapy, we can offer coping strategies for symptom management that help people feel more in control. Best of all, they enjoy coming to the groups where they meet other people with Parkinson’s.”

One patient at the Awareness Day shared her experience of Parkinson’s Disease nine months after diagnosis.

Mrs Barbara Churchill, from Yeovil, attends a weekly exercise class and information support groups at the hospital.

She said: “Being told you have Parkinson’s Disease can feel like a life sentence.

“Coming to the hospital and meeting people who have the same thing, and seeing how well they are doing, is a real tonic.”

Improving Lives After Surgery - Breast Cancer Patients Go Home Sooner

Women having surgery for breast cancer at Yeovil District Hospital are on the road to recovery more quickly, thanks to a new healing device.

The Breast Care Team has introduced a new system allowing patients to go home with wound drains still in place, which they can easily care for themselves. As a result, the average inpatient stay has dropped dramatically from seven days to two days. Patients go home with the support of the Breast Care Nurses, who monitor them closely, giving advice and information.

Surgery is usually the first treatment for most women with breast cancer. There are two main types of operation, breast conserving surgery, and mastectomy. Both of these require drains to remove fluids afterwards, and these are usually removed four to 14 days after surgery.

Previously patients were unable to care for the drains and would not be discharged home until they were removed. The new drains are simpler to use and carry less risk of infection, so patients can care for the daily routine of managing the drains themselves. Senior Breast Care Clinical Nurse Specialist Cheryl Tanner said: “This is a real breakthrough in the recovery of patients who prefer to be at home with their loved ones as soon as possible.

“Breast Surgery can be physically and emotionally
draining and the support and comfort from family and friends are so important during this period.”

Patients are individually assessed to make sure their surgical wound is healing without complications, and that they have adequate support at home. Patients are reassured they will not be discharged until they are fully prepared and confident in the care of the drains.

The Breast Care Nurses are in regular contact with patients by telephone once they have gone home, and all patients are given contact numbers in case they have any problems or queries, though relatively few patients have experienced difficulties and most feel empowered by being more involved in their care.

Former patient Claire Sumption, from Yeovil, had breast cancer surgery in September 2006 and went home two days after the operation with two of the new wound drains fitted.

Claire said: “You get your life back more quickly, and get back to normality. The drains gave me freedom of movement. I popped them into a shoulder bag with a long strap and forgot they were there. I was able to go out and about as usual.”

Patients have the reassurance of knowing they can call on the Breast Care Nurses at any time, and they attend as outpatients to have their wound checked and the device removed.

**Protecting Our Environment – Reduce, Re-Use, Recycle – Results!**

Yeovil District Hospital has been working with The Carbon Trust, a Government-sponsored organisation offering expertise and grants to help reduce energy consumption.

Following a detailed survey of the hospital, the Carbon Trust has produced a report highlighting potential energy saving opportunities throughout the hospital to reduce fossil fuel consumption (gas, electricity, heating and cooling).

Electricity costs alone were £431,000 last year.

The Trust has submitted Stage 1 bids for Central Budget (Energy and Sustainability) funding. If successful, the Trust would not only meet but would exceed its mandatory Carbon (CO2) commitment of 3951 tonnes (CO2) by target year 2010.

Staff across the Trust are getting involved in vital measures to not only reduce costs, but to protect the environment from harmful emissions.

For example, midwives have worked with colleagues such as cleaners and porters to set up boxes and bins for the sorting and recycling of papers, magazines, plastic bottles, disposable cups and other waste. These have been welcomed by both staff and patients.

Now they are looking at new ways to reduce waste and re-use stationery.

**Engaging With Staff – Ideas In Action To Improve Our Business**

The Trust undertook a cost improvement programme called Fit for Foundation, which successfully reached its target savings of £1.6 m during the year. Projects undertaken throughout the organisation ranged from achieving savings through improved procurement, workforce modernisation and skill mix changes and making processes more cost effective. This included recruitment advertising and avoiding waste such as in the use of consumables and in the administration of medication.
Positive results have led to a new scheme to identify further service improvement and efficiencies, called OpenDoor.

This actively encourages staff to put forward suggestions for improvements and savings and provides a structure for them to do so. This approach reflects learning from other organisations, nationally and internationally, that staff are the experts on the way that services are provided, and with the right support can deliver major improvements.

The Unity of Working Together

This section has highlighted key developments that have taken place across Yeovil District Hospital in 2006/07. These developments have been achieved through working together – a united focus on improving care for patients through improved services, a better environment, increased research and a stronger financial position.

The following section provides a more detailed management commentary on the specifics of how this was achieved through the Trust’s operating and financial framework.

Global Trade Awareness

Sustainable development coffee has been introduced throughout Yeovil District Hospital this year. This is produced in a way that conserves wildlife, protects farm workers and helps farmers improve their income and quality of life.

The Rain Forest Alliance Brand is now used in the hospital coffee shop, restaurant, ward trolleys and vending machines. Ethically sourced teas will follow soon.
Section 4: Operating and Financial Review (OFR)

4.1 Yeovil District Hospital was founded as an NHS Foundation Trust on 1 June 2006 under the Health & Social Care (Community Health and Standards) Act 2003. It took over the responsibilities, staff and facilities of the previous organisation, East Somerset NHS Trust. The Trust had established an excellent record, having achieved top ratings for both clinical and financial performance for the previous three years.

The application to become an NHS Foundation Trust was a relatively lengthy process; however, the Trust used this time to good effect by establishing a shadow Board of Governors, strengthening the Board (of Directors) with new executive and non-executive members and revising capital plans and cost improvement programmes in order to further improve the financial health of the Trust.

The aim of the Trust for 2006/07 was stated as:

“To provide the best possible patient care through service excellence and innovation within the set financial constraints.”

This aim was underpinned by ten strategic objectives:

- **Operational Capacity**: To provide the structures and systems for a well-run hospital
- **Patient Care**: To provide patient-centred clinical care within safe systems and structures
- **Innovation and Excellence**: To deliver the best possible hospital health care
- **Staff**: To have the right people in the right place at the right time with the right skills working in the right environment
- **Effective Partnerships**: To work in partnership with the wider health community
- **Financial Headroom**: To maintain sound financial management
- **Environment**: To deliver buildings, space and equipment to meet patient and service needs
- **Information for Health**: To maintain and develop information systems to support health care delivery
- **First Choice**: To promote and maintain the reputation of the Trust to reflect the high quality of care provided
- **Strategic Vision**: To ensure the Trust remains at the forefront of healthcare developments

Each of these objectives is reviewed in outline below.

4.2.1 Operational Capacity

The Trust achieved its target to treat 95% of patients within 18 weeks of GP referral (for patients treated exclusively at Yeovil District Hospital) and exceeded the planned 6.2% elective growth (6.4% achieved). Cancelled operations were below 4% all year, demonstrating efficiencies in managing emergency admissions.

4.2.2 Patient Care

Infection control remained a top priority, and the hospital achieved its target to reduce MRSA bacteremia. Eleven cases were recorded, against a target of no more than 12, and compared to 15 the previous year. The hospital bucked a national trend by reducing the number of cases of Clostridium Difficile by 32%. A high profile hand hygiene campaign led to improved scores in the Inpatient Survey 2006.

Following investment in stroke services, Yeovil District Hospital was rated in the top 25% nationally in the Sentinel Audit For Stroke 2006. There were demonstrable improvements in patient care as a result of Trust-wide learning. The hospital declared full compliance with the Healthcare Commission’s Core Standards for 2006/07. Delayed discharges were reduced to within target at 3%.

4.2.3 Innovation and Excellence

Patient pathways have been reviewed and services have been re-designed, leading to several One Stop Clinics, eg One Stop Shoulder Clinic, where patients can be seen by the whole team in one visit.
The Radiology team changed working hours and practices in order to provide more scans at times to suit patients. The Imaging department achieved the highest scores in the country and was one of three diagnostic services at Yeovil District Hospital to receive the top “excellent” scores from the Healthcare Commission.

Closer working with GPs has enabled more appointments in doctors’ surgeries, reducing patient visits to hospital.

4.2.4 Staff

The Trust benefits from low rates of staff turnover. The national Staff Opinion Survey 2006 showed the Trust in the top 20% of Trusts across England for half of all indicators, with improvements such as clear progress on appraisals and communication.

The new pay structure Agenda For Change has been introduced across the Trust, along with the new payroll and HR computer management system, the Electronic Staff Record.

The Trust has developed a Single Equality Scheme which is supported by an active focus group which includes patient representatives. The Trust continues to work in partnership with staff to develop services. Joint staff side meetings are held to review all changes which affect staff. The Trust is working closely with Occupational Health and Health and Safety to promote health and well-being.

4.2.5 Workforce Statistics

At the end of March 2007 the number of staff in post was 1,865. This equates to 1,528 whole time equivalent posts.

During 2006/07, 202 appointments (excluding junior doctors) were made. Clinical staff accounted for 68% of these appointments.

Staff turnover remained around 12% for the year and staff retention (ie staff employed by the Trust for more than one year) remained around 89%.

Number of staff in post by staff group, March 2007:

4.2.6 Effective Partnerships

Good working relationships have been established with the new Primary Care Trusts. Joint protocols have been developed with the mental health Trust. The hospital is fully involved in the new nationally supported Health Reforms Demonstration System Programme. The Trust is an active partner in the Local Strategic Partnership. Groups of specialist staff, eg respiratory, are working closely with GP practices.

4.2.7 Financial Headroom

The Standing Financial Instructions, Standing Orders and Scheme of Delegation have been revised and were approved by the Board of Directors in October 2006. The Trust ledger system has been updated and budget reports improved. Training sessions were held with budget holders and review sessions for overspending departments. All quarterly returns were submitted to Monitor on time.

The Cost Improvement Programme (Fit For Foundation) was achieved with support from corporate reserves.

4.2.7 Environment

This year saw the completion of the largest building scheme at the hospital since it opened in 1973. The scheme was delivered through Procure21, with Wates Construction Ltd acting as the principal supply chain partner, with the key deliverables being a new private patient ward, Coronary Care Ward and 10 bed integrated High Dependency and Intensive Care Unit.
In addition the Board of Directors agreed a substantial investment package into backlog maintenance issues, such as the replacement of the lifts, replacing some of the cooling systems in main theatres, and a significant scheme to repair failing roof structures. The Board has also agreed to revisit its estate strategy which will incorporate a review of the residences and the Sterile Services Department. The Board is also committed to developing a carbon efficiency plan.

An interim solution to the car parking congestion has been delivered and much work has been completed to facilitate charging staff for parking. Income raised will be reinvested in car parks. A further review of a potential scheme to construct a multi-storey car park will be undertaken as part of the review of the estates strategy.

4.2.8 Information for Health

Three key areas were addressed regarding Information for Health in 2006/07: The National Programme for IT, the Trust’s own information department and the ongoing delivery of IT services within the organisation.

The National Programme for IT built on the successful implementation of PACS (Picture Archiving and Communications System) in February 2006 with the system usage proceeding ahead of plan to full implementation by the end of the first quarter of 2006/07. This enabled resources in the second quarter to focus on the implementation of the Electronic Staff Record; this was successfully achieved to all agreed deadlines and within budget. The National Care Records Service (NCRS) was initially due to go live in quarter three and then quarter four, however due to the failure of the system to be implemented in other Release 0 sites, the East Somerset family was moved back to 2007/08.

The key risks for the Trust have concerned these major system implementations and have been addressed via three main headings – patient safety, business reliability and usability for staff. The NCRS implementation presents the major risk and this has been mitigated by a better-defined relationship between the East and West Somerset projects and by more robust management of the shared Somerset Health Informatics Service via the Health Informatics Management Board.

Within the Trust, the Information Department has been strengthened with new staff and refocused to give both Clinical Information and Business Intelligence. Risk Management has been strengthened by establishing a planning group to debate issues such as LDP and growth assumptions for the annual plan; the Non Clinical Risk Assurance Committee (NCRAC) provides risk assurance for this planning group.

The IT infrastructure of the Trust is provided via the shared Informatics Service. In order to make this more accountable, an IM&T strategy was approved in 2006/07 with responsibility for the strategy setting with the Clinical Priorities Group. This group reports to the Risk & Operational Committee.

4.2.9 First Choice

The Trust undertook a number of initiatives in 2006/07 to ensure it promoted itself as a hospital of first choice to patients, GPs and Primary Care Trusts. The Trust has worked hard to ensure all of its services are in the Directory of Services and has participated fully with the extended choice programme. In addition, ongoing meetings have been held with local GPs and the Trust is meeting its planned target for new referrals for the year. The risks have been managed through monitoring of referral numbers; in addition the Board of Directors has requested a more detailed marketing strategy for 2007/08.

4.2.10 Strategic Vision

The Trust’s performance improved significantly throughout the course of the year and in Quarter 3 and Quarter 4 the Trust secured a financial risk rating of 4 (the highest position rating in the first year as an NHS Foundation Trust) and a green rating for mandatory services and governance.
4.3 Patient Services

4.3.1 Going Further For Patients As An NHS Foundation Trust

Yeovil District Hospital has taken every opportunity to use its new freedoms and status as an NHS Foundation Trust to improve business efficiency and increase public and staff engagement, in order to continually improve the quality of patient care.

As well as achieving 18-week waiting times for patients, 21 months ahead of the national target, the Trust also received a hat trick of top marks from the Healthcare Commission for its diagnostic services.

Through innovation and partnerships, the Trust is developing new services, as well as meeting or exceeding existing national performance targets, to ensure that patients receive the best possible treatment and care. This includes the way the Trust communicates with patients, relatives and carers, and uses their vital feedback - including complaints - to drive improvements.

Yeovil District Hospital has been able to lead and develop change across traditional boundaries between different healthcare sectors.

For example:

- The Trust has developed a new integrated vascular service with Taunton and Somerset NHS Trust, both for emergency and elective care. This has provided improved, patient-centred care.

The Trust is working to develop other integrated clinical services in 2007/8, including:

- New specialist dermatology services through joint working with primary care
- New ophthalmology and ear, nose and throat pathways with West Dorset NHS Trust
- Communication and referral protocols with tertiary providers in Avon and North Bristol
- Maxillofacial services involving community based NHS dentists

The new structure as an NHS Foundation Trust has provided opportunities for greater scrutiny and involvement in the quality of patient care at Yeovil District Hospital, through the Board of Directors and Board of Governors.

The Board of Directors monitors all aspects of performance through detailed metrics which exceed national requirements. In addition, clinical teams have direct access to the Board by giving presentations at monthly meetings, as well as informal meetings.

The Board of Governors has been instrumental in shaping developments to improve patient care. For example, Governors took the lead in a high-profile move to switch hand disinfectant gels from main hospital entrances to clinical areas in 2006, following evidence that these are most effective at the point of care.

Governors will also attend the quarterly Trust-wide Clinical Governance meetings in 2007/08 where

Choose and Book

Patients are choosing to come to Yeovil District Hospital from as far away as London and Portsmouth, thanks to the direct electronic booking service, Choose and Book. During the last year some 9,000 patients have booked their appointments through Choose and Book either by telephone, through the Choose and Book website or by their GP booking it at the surgery.

Patients can agree their own appointment date and time without having to wait for a GP to send a formal referral letter through the post. Where appropriate, patients are asked to attend for tests, x-rays or other investigations prior to seeing the Consultant.
lessons from incidents or complaints (anonymised) are shared.

4.3.2 Performance Against Key National and Local Targets

Yeovil District Hospital successfully met its ambitious goal to become one of the first hospitals in the country to achieve 18-week waiting times by 31 March 2007 – 21 months ahead of the national target date. This means that 95% of patients treated exclusively at Yeovil District Hospital (ie not involving any other Trusts) had their first substantive treatment within 18 weeks of GP referral.

The achievement was due to the commitment and enthusiasm of all staff, whose innovation led to changes in their working practices to provide quicker and more accessible care.

Improvements include:

- One Stop Shoulder clinics where patients can see all the team in just one visit
- Pre-appointment diagnostic tests so that patients and their clinicians know the results and treatment can start at the first appointment
- Plain x-rays are carried out within 24 hours of request
- Less than three weeks’ wait for an MRI scan
- Specialist nurse-led clinics in Ophthalmology and Orthopaedics

It must be noted that for some patients an 18-week wait is not appropriate due to the complexity of their needs, and some patients choose to wait longer due to personal or domestic commitments.

The reduction in waiting times has been set against treating 30,000 patients as inpatients or day cases. The number of people attending as outpatients grew by more than 1,000 during the year to 95,600. Attendances in the Accident & Emergency Department yet again increased to 41,700 - a 3% rise on the previous year. More than 98% of these were treated within four hours.

**Improving Maternity Services Through The Foundation Trust Network**

A small project team headed by the Director of Nursing and the Maternity Manager completed a standardised template developed by the Foundation Trust Network. This was to inform the Maternity Service at Yeovil District Hospital of its baseline position (benchmark) against 21 other NHS Foundation Trusts and to form the basis of an action plan to help make improvements to the service and increase efficiency. Following the submission of the required data set, members of the project team attended two feedback days in London. The first feedback session gave initial analysis of the data provided by the project team. The second feedback session provided the final analysed data and allowed participants to discuss the results and suggest areas for future development. The project team has produced a draft action plan with short and longer term goals based on the data set and the deliberations of the larger Foundation Trust Network cohort.

The main areas of focus are:

- Review the length of patient stay
- Departmental wide working to reduce the overall Caesarean Section rate (Implementation of the ‘Increasing Normal Birth and Reducing the Caesarean Section Rate’ toolkit - NHS Innovation and Development 2007)
- Improve the discharge pathway for all women returning home following childbirth by removing unnecessary delays
- Improve the effectiveness of collecting community midwifery activity data
4.3.3 Infection Control

Tough measures to protect Yeovil District Hospital patients from healthcare-acquired infections led to significant reductions in both the “superbug” MRSA (Methicillin Resistant Staphylococcus Aureus) and the antibiotic-associated diarrhoea bug, Clostridium Difficile, in 2006/7.

The number of cases of MRSA bacteraemia during the year was 11, set against a target of 12 and compared to 15 cases the previous year.

The number of cases of Clostridium Difficile fell by 32% from 252 in 2005 to 173 in 2006.

Infection control, cleanliness and hygiene are priorities which are closely monitored by both the Board of Directors and the Board of Governors.

Activities are supported by members of the Patient and Public Involvement Group. For example, volunteers take part in monitoring hand hygiene compliance in ward areas.

A high profile Clean Hands Awareness Day was held at the hospital in March 2007, with publicity support from Yeovil Town Football Club.

The hospital has a high profile Infection Control team which works closely with the Health Protection Agency and with Somerset Primary Care Trust, as well as working collaboratively with other acute Trusts to share best practice.

4.3.4 MRSA

MRSA bacteraemia (blood-borne infection) is a serious incident of infection and every case is subject to a rapid Root Cause Analysis and action plan.

In addition to screening high-risk patients on admission, other groups that pose a significant risk (eg. all patients admitted from residential or nursing homes or those who have repeated hospital admissions) have been included in the MRSA screening programme.

Rapid overnight MRSA tests are performed to ensure speedy identification and early treatment. A business case is being developed for a two-hour test in critical areas like Intensive Care.

4.3.5 Clostridium Difficile

The Trust has adopted latest evidence from national experts to reduce the number of cases of Clostridium Difficile, and there were no major outbreaks in 2006.

Radiology

The Radiology Department not only achieved the shortest waiting times in the country but was also awarded the top marks in the country by the Healthcare Commission. The Imaging Service provides scans such as CT, MRI and Ultrasound, in addition to X-rays, and the department carried out more than 86,000 diagnostic tests in 2006/7. The Commission reviewed the performance of all 196 imaging departments in England and a survey of 5,500 doctors and nurses in 2005/6.

Yeovil District Hospital's Imaging Service had three top scores of five and two of four, the highest in the country. As well as clinical quality and efficiency, the study also looked at the experiences of service users, and these too were rated “excellent”.

ANNUAL REPORT 2006-2007
Following a 32% reduction in cases in 2006, the Trust now has an ambitious target to reduce the numbers by a further 25% in 2007.

Improvements include a new antibiotics policy, strict hand hygiene, enhanced specialist cleaning and an increase in the number of side rooms so that infected patients can be quickly isolated.

The hospital is also providing probiotic drinks to patients taking antibiotics, which is showing encouraging results.

Further improvements will be carried out in the coming year, following a £300,000 grant from the Government’s £50 million Capital Challenge Fund. This will be used to transform bathrooms, toilets and washrooms with latest equipment, including touch-sensor taps. The money will also be used to buy latest deep cleaning equipment, to improve storage and decontamination areas, and to provide disposable items for use with patients in isolation. Ward computer keyboards – which can harbour germs from the many hands using them each day – will be replaced with state-of-the-art flat keyboards that light up and glow when they need cleaning.

4.3.6 Monitoring Improvements

The Trust has established clear arrangements for monitoring progress against local and national targets. The Board of Directors receives a monthly performance dashboard with all key metrics highlighted under one of four headings: finance, access, governance and human resources. Metrics included highlight key local (eg 18-week waiting times internal target in 2006/07) or national (eg MRSA) targets where the Trust believes additional focus is required. Other national targets (eg general inpatient and outpatient waiting times) are monitored by the Trust’s Information and Access teams; these would only be reported to the Board of Directors on an exception basis.

The Trust also has robust monitoring in place for the Healthcare Commission’s Annual Health Check. Regular reports are provided to the Risk and Operational Committee, to the Board of Directors and to the Board of Governors.

In 2006 the Trust received a rating of “Good” for Use of Resources and “Fair” for Quality of Services. The latter rating was not felt to be an appropriate reflection on the care provided by the Trust because it was largely attributed to low rates of recording patient ethnicity. The year 2006/07 saw an improvement in ethnicity recording from 50% to 95% by year end, and it is anticipated that this alone will lift the Quality of Services rating from “Fair” to “Good”. An action plan was devised to move the Trust to “Excellent” in both categories. It is anticipated that the Trust will achieve a minimum rating of “Good” for Quality of Services and “Excellent” for Use of Resources in 2007, moving to “Excellent” for both in 2008.

**MRSA and C Diff – Information from the Health Protection Agency**

MRSA stands for methicillin or methicillin (M) resistant (R) Staphylococcus (S) aureus (A). MRSA are varieties of Staphylococcus aureus that have developed resistance to methicillin (a type of penicillin) and some other antibiotics that are used to treat infections.

MRSA is not new. It was first found in the 1960s following the widespread use of antibiotics including methicillin. MRSA is found in many countries.

Clostridium difficile infection is the most important cause of hospital-acquired diarrhoea. Clostridium difficile is an anaerobic bacterium that is present in the gut of up to 3% of healthy adults and 66% of infants. However, Clostridium difficile rarely causes problems in children or healthy adults, as it is kept in check by the normal bacterial population of the intestine. When certain antibiotics disturb the balance of bacteria in the gut, Clostridium difficile can multiply rapidly and produce toxins which cause illness.
The Quality of Services rating is comprised of three elements; Core Standards for Better Health, Existing National Targets and New National Targets. The Trust had to declare its self-assessment for Core Standards in May 2007. This self-assessment is highlighted below. In addition, the Healthcare Commission undertakes a number of additional reviews throughout the year. Details of the latest review highlighting diagnostics are also highlighted below.

4.3.7 Standards For Better Health

Yeovil District Hospital has once again carried out a detailed self-assessment against 24 core standards laid down by the Healthcare Commission. This annual health check is the first step in the annual NHS Performance Ratings. The ratings - due to be published in October 2007 - will be based on a four-point scale - excellent, good, fair or weak.

The core standards, known as Standards For Better Health, range from patient safety systems, including cleanliness, to clinical care, good employment practice and staff training. They also cover issues like treating patients and their relatives and carers with dignity and respect, learning from complaints, quality of food, and involving service users in the way care is provided.

The assessment, showing Yeovil District Hospital as compliant in all categories, is endorsed by NHS South West Strategic Health Authority, Somerset County Council's Overview and Scrutiny Committee, the Patient & Public Involvement Forum and the Hospital’s Patient and Public Involvement Group.

4.3.8 Diagnostics In Top Score Hat Trick

Yeovil District Hospital scored a hat trick of “Excellent” ratings from the Healthcare Commission in three Acute Hospital Portfolios published in April 2007.

The hospital’s Imaging Service, which provides x-rays, CT, MRI and ultrasound scans, scored the highest marks in the country, taking into account clinical quality and efficiency as well as the experience of service users. Chest x-rays are now provided on the same day as requested by GPs, while MRI and CT scans are provided within three weeks.

Endoscopy services also received the top rating of Excellent. The hospital has reduced the waiting time for endoscopy tests from 12 months in 2002 to just six weeks, despite a continual increase in demand. More than 4,000 endoscopy examinations are carried out at the hospital every year by consultants, doctors and nurse endoscopists.

Pathology services were rated Excellent and among the top seven in the country. Laboratories at Yeovil District Hospital handle more than 300,000 samples every year.

All three services have been crucial to the hospital’s success in achieving 18-week waiting times ahead of the national target.

4.3.9 Inpatient Survey 2006

Yeovil District Hospital was once again highly rated by patients who took part in the Inpatient Survey 2006 by the Healthcare Commission. Patients gave the hospital high marks for cleanliness, for having trust and confidence in the nurses treating them, for dignity and respect, choice of food, and for staff not talking about them “as if they were not there”.

Scores were among the top performing Trusts in England for offering patients privacy, quiet, single sex accommodation, effective pain relief and plenty of information about their treatment and medication. Once again the Trust scored among the highest marks for copying patients in on letters to their GPs.

The Trust was in the lowest 20 per cent of scores in only six out of 65 questions relating to hospital care – for information in the Emergency Department, length of time waiting for a bed on a ward, staff response times to call bells, delays in discharge from hospital, and for not being told who to contact with concerns after leaving hospital. Patients also gave lower scores for being asked
their views on the quality of care, and for information on how to complain.

Survey papers were sent to 850 patients who were admitted to Yeovil District Hospital during July 2006, either as an emergency or on an elective basis.

Key findings were as follows:

• Response rate of 71 per cent was one of the highest recorded across the country
• Scores improved in relation to 32 questions, compared to the previous year
• Five scores remained the same
• Scores deteriorated in relation to 17 questions
• The Trust was in the top 20 per cent of Trusts for 10 questions, which is one more than last year
• The Trust was in the lowest 20 per cent of Trusts for six questions, three fewer than last year

The Trust scored 89 out of 100 for treating patients with dignity and respect – an increase of two points (these benchmark reports are calculated by converting responses to particular questions into scores). More patients were pleased with their overall standard of care, leading to a score of 77 out of 100, compared to 76 the previous year

A number of areas for improvement identified by the previous year’s survey have shown progress, particularly staff washing their hands between seeing patients. Nurses scored 80 out of 100 compared to 76 in 2005, and doctors scored 75 compared to 72 the previous year.

The Trust ran a number of PEPSI (Patient Experience Post-Survey Improvement) initiatives in response to last year’s survey.

This led to:

• New patient information leaflets covering what to expect after admission as an emergency, advice about discharge arrangements and who to contact in the event of complications
• The “welcome” booklet for all inpatients was comprehensively revised, taking into account feedback from the survey. A limited print run of the new version was piloted with patients who contributed further useful suggestions which were incorporated
• Posters in ward areas encouraging patients to ask staff if they do not understand anything
• Nursing staff were allocated to care for specific patients to ensure call bells were answered promptly
• Greater use of “mystery shoppers” to spot check the cleanliness of toilets and bathrooms

4.3.10 Patient Information

The number of patient information leaflets produced by the Trust increased during the year to cover more than 500 different subjects and clinical conditions. Production processes were improved to ensure that all patient information meets corporate identity standards and reflects evidence based practice (eg National Institute of Health and Clinical Excellence) where applicable

All new or revised leaflets are reviewed by members of the Patient and Public Involvement Group, to ensure that they meet the needs of users.

At least 30 leaflets now include explicit information about the risks and benefits of procedures, eg knee replacement surgery and bladder investigations. Patients are being asked for their feedback on the quality of this information.

Leaflets are available in large print and in languages other than English.

4.3.11 Learning From Complaints

The Trust recognises that complaints by patients, relatives or carers are valuable drivers for change and improvement.

The number of formal complaints against the Trust fell by 13 per cent in 2006/07. The total number of complaints received was 258, 150 of which were written. This represents one written complaint for
Every 690 patient attendances at the hospital.

- 84% of all complainants received a full response within the national timescales. (From 1 September 2006 the response time regulations changed from 20 to 25 working days.)
- 24 complaints were re-opened compared with 27 the previous year
- No new requests for Independent Review were made to the Healthcare Commission, compared with six the previous year
- The number of formal commendations remained similar to the number received during 2005/06 (256 compared with 259). However, it should be noted that these figures do not take into account the large number of letters and cards sent directly to wards and departments.

Whenever an incident occurs a thorough investigation is carried out, and reports are made outlining areas for improvement or where lessons can be learned. In some of the more significant incidents this information has been anonymised and shared with all grades of clinical staff at a quarterly Trust-wide meeting. This meeting is also attended by nominated Governors.

Changes made to services as a result of incidents or complaints have included:

- Changes to the process for ensuring that death certificates are written in a timely manner
- The development of a Bereavement Resources Pack for use across the Trust
- One ward has introduced protected mealtimes for patients, to ensure that all staff are available to help give out meals and to assist those patients who need additional support or encouragement to eat.
- Revision of guidelines for assessing patients with neck injuries in Accident and Emergency

4.3.12 PALS (Patient Advice and Liaison Service)

The Patient Advice and Liaison Service (PALS) offers patients, relatives and carers an independent source of help and advice concerning care and treatment at Yeovil District Hospital.

The service is centrally located in the hospital but also offers telephone advice and home visits as appropriate.

Demand on the service continued to grow in 2006/07, when PALS dealt with 330 cases concerning 368 issues. These ranged from giving general information or advice to more complex cases which involved supporting clients through conciliation meetings held with clinical professionals. Following conciliation meetings action plans are developed to enforce learning or policy changes, and these are monitored and updated regularly. Improvements have been made to staff training and to patient information as a direct result of incidents highlighted by PALS during the year.

4.4 Stakeholder Relationships

The Trust has worked with a range of partner organisations in 2006/07, many of which have been going through internal reorganisation.

4.1.1 NHS Reorganisation

The NHS was restructured at both Strategic Health Authority (SHA) and Primary Care Trust (PCT) level in 2006/07. This reorganisation affected two key relationships for the Trust – the lead commissioning PCT and the local Strategic Health Authority.
The new Somerset PCT was formed from four previous PCTs (including South Somerset, formerly the lead PCT for the Trust). Somerset PCT accounts for approximately 84% of the Trust’s business and is now the lead commissioner for the Trust.

The new Dorset PCT was formed from three previous PCTs; it accounts for approximately 14% of the Trust’s business.

NHS South West is the new Strategic Health Authority covering the area of three former Strategic Health Authorities, including Dorset & Somerset. Whilst the Trust no longer has a performance management relationship with the SHA, the NHS South West is nevertheless a key partner for the Trust in driving forward and shaping healthcare locally.

The Trust has been able to establish new relationships with these reformed organisations, often based on existing relationships within the previous bodies. It is clearly important to build on and develop these relationships in the coming years.

4.4.2 Local Government Reorganisation

2006/07 saw the publication of the White Paper on Local Government Reorganisation. This White Paper strengthened the role of the Local Strategic Partnership (LSP) but also opened up opportunities/challenges for unitary/two tier local government.

The Trust is an active partner of the South Somerset LSP – South Somerset Together; this is a partnership of public and private sector organisations working together to deliver the Local Area Agreement (LAA).

The Trust also has an active engagement with both Somerset County Council and South Somerset District Council. This engagement can be seen in direct patient issues, such as working with the County Council’s Social Services department to reduce delayed discharges, through to more general issues such as joint transport planning between the Trust, the District Council and the County Council. This partnership working is embodied by appointed Governors for both District and County Councils sitting on the Trust’s Board of Governors. It will therefore be the Board of Governors which considers the proposals for Somerset to become a Unitary Authority and which will respond on behalf of the Trust.

4.4.3 Other NHS Trusts

Yeovil District Hospital has continued to work with other local NHS Trusts, notably West Dorset General Hospitals and Taunton & Somerset both to provide shared services and to spread learning across organisations. Revised services in 2006/07 have included developing an emergency vascular network with Taunton & Somerset NHS Trust and shared learning focusing on how others can learn from the Trust’s experience of moving ahead with delivering the 18-week waiting times target.

4.5 Financial Review

4.5.1 Yeovil District Hospital NHS Foundation Trust was licensed on 1 June 2006. For the financial year 2006/07, the Trust has produced two sets of accounts as follows:

- Two month period 1 April 2006 to 31 May 2006 for East Somerset NHS Trust (predecessor organisation)
- Ten month period 1 June 2006 to 31 March 2007 for Yeovil District Hospital NHS Foundation Trust

A full set of both accounts is available.

To ensure a consistent overview, the following financial commentary relates to the entire financial year as for the majority of the period the organisation operated as an NHS Foundation Trust.

4.5.2 During its first period of operating as an NHS Foundation Trust, Yeovil District Hospital has achieved all the financial targets it set in its plan to Monitor. The Trust has generated a surplus of £680k maintained strong liquidity without the need to draw on its short-term financing facility and has delivered its capital programme.
INCOME AND EXPENDITURE

4.5.3
The Trust received total operating income of £83,590k during 2006/07; the majority from patient care activities. The Trust’s main service level agreements for the provision of healthcare are with South Somerset Primary Care Trust which commissions on behalf of all PCTs in Dorset and Somerset. During the financial year, the Trust maintained good relationships with commissioners and delivered within the financial terms of its contract as agreed. Following the re-organisation of PCTs in 2006/07, the Trust will build on existing commissioning arrangements to strengthen and further develop good working relationships with commissioners in 2007/08.

4.5.4
In addition, the Trust generated £8,843k related to non-healthcare activities.

4.5.5
As an NHS Foundation Trust, the Trust is set a cap on the level of income it can generate from private patients. (This represents 3.7% of patient related income for Yeovil District Hospital). Performance during the year can be summarised as follows:

<table>
<thead>
<tr>
<th>Description of Scheme</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Savings</td>
<td>372</td>
</tr>
<tr>
<td>Establishment Changes</td>
<td>325</td>
</tr>
<tr>
<td>Overhead Reductions</td>
<td>536</td>
</tr>
<tr>
<td>Service Reviews</td>
<td>129</td>
</tr>
<tr>
<td>Other Efficiency Schemes</td>
<td>304</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,666</strong></td>
</tr>
</tbody>
</table>

4.5.6
During 2006/07, the Trust opened new facilities for private patients as part of the programme Phase 1 Capital Works. This increased the number of private patient beds from 10 to 14. Budgeted increases in income did not reach planned levels during the year, partly due to some delays in completing building work but also due to some changes in this market locally.

4.5.7
A key element of the Trust’s financial plans for 2006/07 was the continuation of its programme to improve efficiency and generate cost savings. In the second year of the Trust’s “Fit for Foundation” programme, the Trust set a target of achieving £1.665m. The programme is led by the Fit for Foundation Steering Group chaired by the Chief Executive, and monthly monitoring reports are submitted to the Board of Directors.

The following table summarises the Trust’s achievements during 2006/07 and demonstrates how these targets were met:

<table>
<thead>
<tr>
<th>Description of Scheme</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Savings</td>
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<td>304</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,666</strong></td>
</tr>
</tbody>
</table>

4.5.8
Yeovil District Hospital has set a target of £1.75m for 2007/08. The Fit for Foundation Steering Group has identified that this is a challenging target and has recognised this will require robust and strong management in the forthcoming financial year.

PLANNED INVESTMENT ACTIVITY

4.5.9
During 2006/07, the Trust invested approximately £4.8m on capital expenditure. A key element of the programme was the completion of the Phase 1 Capital Scheme to improve clinical adjacency and to provide increased critical care facilities. The scheme was completed in March 2007, meeting both timescale and budgetary targets. The Trust also completed a scheme to install a pharmacy robotics system in January 2007. The purpose of the system is to improve the delivery of medication to patients. The total capital investment for
2006/07 is summarised in the table below:

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Expenditure 2006/07 £000</th>
<th>Scheme Total £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>3,600</td>
<td>7,600</td>
</tr>
<tr>
<td>Pharmacy Automation</td>
<td>495</td>
<td>495</td>
</tr>
<tr>
<td>Medical Equipment</td>
<td>106</td>
<td>-</td>
</tr>
<tr>
<td>Backlog Maintenance</td>
<td>143</td>
<td>-</td>
</tr>
<tr>
<td>Other Schemes</td>
<td>290</td>
<td>-</td>
</tr>
<tr>
<td>Donated Assets</td>
<td>217</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL INVESTMENT</strong></td>
<td><strong>4,851</strong></td>
<td><strong>8,095</strong></td>
</tr>
</tbody>
</table>

As an NHS Foundation Trust, Yeovil District Hospital has classified its assets as protected and non-protected. With the exception of £217k (as detailed above) invested in donated assets, the remainder of 2006/07 capital investment was in protected assets.

**4.5.10**

The capital programme was financed during the year from a combination of Public Dividend Capital (approved prior to NHS Foundation Trust authorisation) and from the Trust’s retained depreciation. Although the Trust has an approved Prudential Borrowing Limit of £16.5m, this was not utilised during 2006/07.

**4.5.11**

During the year, there were no significant differences between the carrying amount and the market value of the Trust’s holdings of land.

**4.5.12**

Yeovil District Hospital NHS Foundation Trust has made no investments through joint ventures or subsidiary companies and has not received or given financial assistance.

**4.5.13**

Investment in infrastructure to address backlog maintenance and the hospital environment continues to be a key priority for the Trust and, as a result, will factor significantly in future financial plans.

**4.5.14**

The Board of Directors acts as Trustees for all funds held on Trust, registered with the Charities Commission as Yeovil District Hospital NHS Foundation Trust Charitable Funds. Yeovil District Hospital NHS Foundation Trust continues to gratefully receive donations from benefactors and continues to use these funds for the benefit of both patients and staff. As at 31 March 2007, the value of charitable funds amounts to £912k.

Income from Charitable Funds £353,795
Expenditure from Charitable Funds £294,791

**4.5.15**

The Charitable Fund Annual Report and Accounts 2006/07 are published separately and are available from the Trust on request.

**Section 5: Going Concern**

After making enquiries, the Directors have a reasonable expectation that the NHS 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.
Section 6: Board of Governors

6.1 The Board of Governors was formally established on 1 June 2006 in line with the Trust’s authorisation as an NHS Foundation Trust. A shadow Board of Governors had been established since 1 February 2005 so Governors were already actively in place.

The key roles of the Board of Governors have been explicitly stated as:

• To advise on the strategic direction of the Trust
• To make key appointments such as Chairman, Non-Executive Directors and external auditors
• To act as ambassadors for the Trust, developing the Trust’s membership and representing the views of members.

The Board of Directors has responsibility for managing the Trust, ensuring delivery of financial performance, patient safety and ensuring all key targets are met.

All legal and financial liabilities for the Trust sit with the Board of Directors and not the Board of Governors.

6.2 Composition of Board of Governors

The Board of Governors is comprised of:

• 16 elected Public Governors
• 5 elected Staff Governors
• 8 appointed partner organisation Governors

The public constituency is divided into six constituencies representing the catchment area for the Trust. All seats were filled in 2006/07 with no changes. Details of governor constituencies are given in the table below.

The staff constituency has five Governors. One election was held in 2006/07 due to a vacancy arising from a staff Governor leaving the Trust to work elsewhere in the NHS. This vacancy was filled in December 2006.

The number of appointed Governors fell in 2006/07 from 10 to 8 due to changes in the structure of the NHS locally. The PCT mergers led to three seats being reduced to two (the new Somerset and Dorset PCTs). The new South West NHS chose not to take up the old seat of Dorset & Somerset Strategic Health Authority given the larger area it now covers.

The Trust Chairman chairs both the Board of Governors and the Board of Directors and acts as the key link between Governors and Directors.

6.3 The Board of Governors meets quarterly with a general meeting at least once a year. In 2006/07, the Board of Governors met on four occasions (June, September, December and March) with an Annual General Meeting in September 2006. In addition, an extraordinary meeting of the Board of Governors was held in November 2006 to appoint John Buckley as Non-Executive Director. Details are shown below in table 6.3.

6.4 A register of interests declared by Governors is held by the Secretary to the Trust.

6.5 In order to ensure that members of the Board of Directors develop an understanding of the views of Governors and members about the Trust, all Non-Executive Directors have attended at least one meeting of the Board of Governors. (see table 6.3). In addition a joint meeting of both Boards was held in September 2006 and an informal lunch was held for Governors to meet Non-Executive Directors in March 2007.

6.6 The Board of Governors has established two committees:

• Nomination Committee; and
• Remuneration Committee

And three working groups:

• Strategy Working Group
• Membership Working Group
• Community Links Working Group

All committees and working groups have a balance of Governors from all three categories: Public, Staff and Appointed.
Governors are firmly in the driving seat when it comes to reducing congestion in the hospital car park. Maggie Foot, Hospital Governor Appointed by South Somerset District Council (prior to standing down from the authority in May 2007) was instrumental in a successful initiative to encourage more people to use public transport for all or part of their journey to Yeovil District Hospital. Thanks to new links forged between the hospital, South Somerset District Council and Somerset County Council, much more information has been made available on alternative town car parks and the bus routes which link them to the hospital. This includes new leaflets, timetables, signs at the bus station and bus stops, and more details on websites.

Maggie said: “The problems of parking at the hospital are well known. Our aim was simply to show those who are able bodied that there are alternatives, such as town centre car parks which are within walking distance, or close to bus routes. This can also work out very much cheaper than using the hospital car park – and those over 60 can use their free travel passes for all or most of the journey.”

Somerset County Council’s Portfolio Holder For Highways, Cllr Tony Shire, said: “I welcome this opportunity to work together to tackle traffic congestion and a shortage of hospital parking.

“It is very encouraging to see just how many alternatives there are to parking at the hospital, and I hope people will give them a try.”

Car parking facilities were also improved in 2006 by the demolition of an old social club, creating extra spaces in the main car park. Further improvements are planned outside the hospital entrance, so that more motorists can safely drop off passengers before going to park, plus designated disabled spaces.
### Table 6.3

<table>
<thead>
<tr>
<th>Name</th>
<th>Constituency</th>
<th>From</th>
<th>To</th>
<th>Interests listed</th>
<th>Term of Office Attendance at Meetings (See Note 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dupont, Angela</td>
<td>Chairman of Trust</td>
<td>01-Jun-06</td>
<td>31-May-09</td>
<td>See 6.4</td>
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<tr>
<td>Beable, Anne</td>
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<td>01-Jun-06</td>
<td>31-May-09</td>
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<tr>
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<tr>
<td>Brown, William</td>
<td>Elected - South Somerset (S&amp;W)</td>
<td>01-Jun-06</td>
<td>31-May-09</td>
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<tr>
<td>Burr, Paddy</td>
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<tr>
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<td>31-May-08</td>
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<tr>
<td>Clark, Gloria</td>
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Note 1: Absence codes are: Apol – Apologies.
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<th>06-Jun-06</th>
<th>27-Sep-06</th>
<th>14-Nov-06</th>
<th>13-Dec-06</th>
<th>13-Mar-07</th>
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<tr>
<td>James Scott</td>
<td>Chief Executive</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Suzanne Tracey</td>
<td>Director of Finance</td>
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<td></td>
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<tr>
<td>Stephen Gore</td>
<td>Medical Director</td>
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<tr>
<td>Alison Moon</td>
<td>Director of Nursing</td>
<td>✓</td>
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<tr>
<td>James Rimmer</td>
<td>Director of Strategy</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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</tr>
<tr>
<td>Amanda Ellingworth</td>
<td>Non-Executive Director</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Mark Aichroth</td>
<td>Non-Executive Director</td>
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<td>✓</td>
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<tr>
<td>Alexander Russell</td>
<td>Non-Executive Director</td>
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<tr>
<td>Gill Waldron</td>
<td>Non-Executive Director</td>
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<td></td>
</tr>
<tr>
<td>John Buckley</td>
<td>Non-Executive Director</td>
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### 6.4 Register of interests for Governors

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<thead>
<tr>
<th>Name</th>
<th>Constituency</th>
<th>Interests Declared</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angela Dupont</td>
<td>Trust Chairman</td>
<td>Non Executive Director and Trustee of the Executive Committee, and Member of the Council of the Joseph Weld and Trimar Hospice (Resigned these interests from October 2006)</td>
</tr>
<tr>
<td>Anne Bennett</td>
<td>Elected – South Somerset (N&amp;E)</td>
<td>Chairman of Friends of Yeovil Hospital and sits on various internal Committees. Committee member – Save the Children (Martock Branch)</td>
</tr>
<tr>
<td>Tom Palferman</td>
<td>Elected - Staff</td>
<td>Treasurer of the Arthritis &amp; Musculoskeletal Alliance (ARMA)</td>
</tr>
<tr>
<td>Sue Parroy</td>
<td>Elected – South Somerset (N&amp;E)</td>
<td>Director (unpaid) – Wincanton Leisure Centre Self employed undertaking health care development projects Shareholder – Glaxo Smith Kline</td>
</tr>
<tr>
<td>Gordon Priest</td>
<td>Elected – South Somerset (S&amp;W)</td>
<td>Director – Bristol Buildings Preservation Trust Shareholder – Glaxo Smith Kline</td>
</tr>
<tr>
<td>Graham Avis</td>
<td>Appointed – Dorset PCT</td>
<td>Non-Executive Director, Dorset Primary Care Trust Owner and operator of a research and analysis consultancy</td>
</tr>
<tr>
<td>Nigel Engert</td>
<td>Appointed – South Somerset CVA</td>
<td>South Somerset Association for Voluntary and Community Action (SSVCA)</td>
</tr>
<tr>
<td>Maggie Foot</td>
<td>Appointed – South Somerset District</td>
<td>Member of Yeovil Town Council (Until May 2007) Member of South Somerset District Council (Until May 2007) Council South Somerset Association for Voluntary and Community Action (SSVCA) Yeovil Citizens Advice Bureau SHINE (Somerset Healthy Living Centres)</td>
</tr>
<tr>
<td>Caroline Gamlin</td>
<td>Appointed – Mendip PCT/Somerset PCT</td>
<td>Board Member – Somerset Primary Care Trust Board Member – Connexions (Somerset)</td>
</tr>
<tr>
<td>Dave Gladding</td>
<td>Appointed – Somerset County Council</td>
<td>Somerset County Council</td>
</tr>
<tr>
<td>Donald Mildenhall</td>
<td>Appointed – Dorset County Council</td>
<td>Dorset County Council</td>
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<tr>
<td>Clive Roberts</td>
<td>Appointed – University of Bristol</td>
<td>Advisor, AXA Insurance</td>
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<tr>
<td>Ian Fowler</td>
<td>Appointed – North Dorset PCT</td>
<td>Non-Executive Director – North Dorset Primary Care Trust</td>
</tr>
<tr>
<td>John Wolfe</td>
<td>Appointed – Dorset &amp; Somerset Strategic Health Authority</td>
<td>Director – Dorset &amp; Somerset Strategic Health Authority</td>
</tr>
<tr>
<td>Tony Simmonds</td>
<td>Appointed – South Somerset PCT</td>
<td>General Practitioner, Preston Grove, Yeovil (retired during 2006/07) Non-Executive Director – Headway GP Special Interest, EASE clinic</td>
</tr>
</tbody>
</table>
Section 7: Board of Directors

7.1 Board of Directors

The Board of Directors comprises the Chairman and five Non Executive Directors and the Chief Executive and five Executive Directors. The Chairman has an additional casting vote.

The Non-Executive Directors in 2006/07 were:

- Angela Dupont, Chairman
- Amanda Ellingworth, Vice-Chairman and Senior Independent Director
- Mark Aichroth
- John Buckley, Chair of Audit Committee (From 1 January 2007)
- Anthony Daniell, Chair of Audit Committee (Until 31 December 2006)
- Alexander Russell, Chair of Non-Clinical Risk Assurance Committee
- Gillian Waldron, Chair of Clinical Governance

All Non Executive Directors are Trustees and sit on the Remuneration Committee.

The Executive Directors in 2006/07 were:

- James Scott, Chief Executive and Accounting Officer
- Suzanne Tracey, Director of Finance and Deputy Chief Executive
- Steve Gore, Medical Director

Strategy Working Group by Gloria Clark, Working Group Lead

The Strategy Working Group was established to help Governors fulfil one of the three key tasks of Governors in NHS Foundation Trusts, namely: “Expressing a view on the Trust’s strategy” (Monitor June 2006). There are seven Governors in the group with a variety of professional experiences, mainly non-medical. With this in mind and knowing that organisations formulate strategy in different ways, our first objective for the year was “to understand how the Trust develops its strategy”. The others were: to examine the Trust’s strategic documents and guide the governing body on a response and, thirdly, to work out how to play an effective, proactive role in strategy.

The activities against these objectives have been:

- Looking at and commenting on the Trust’s Annual Plan and Business Plan
- Reviewing Department of Health documents “Emergency Access” and “Mending Hearts and Brains”; then listening to and commenting on the Trust’s response.
- Receiving presentations on environmental plans and the Patient Survey. The group commended the governing body and the Trust to act quickly on the Carbon Trust’s recommendations to reduce carbon emissions (and save money). The Patient Survey is of particular interest to Governors because of their role in providing a link between the public and the hospital and the group will be studying the findings, published in May 2007.
- Receiving regular updates on strategic matters and the various measures used by the Healthcare Commission to monitor the hospital’s performance.

In order to further our understanding of how the hospital works each member of the group plans to spend time following the typical patient journey with staff in key clinical areas. As the opportunities afforded by being an NHS Foundation Trust become clearer we are working to enable Governors and, through them the public, to have a constructive voice in shaping strategy.
7.2 In September 2006, the Board of Directors completed a self-evaluation with the support of an external facilitator. This gave the Board an opportunity to review the structure of meetings, the appraisal of Non-Executive Directors and the skills and experience required to replace the forthcoming departure of the Chair of Audit. Outcomes of the review were:

- a clear restructuring of agendas for the Board of Directors
- a new 360° feedback for Non-Executive Director appraisals
- identification of financial skills as a key requirement for the forthcoming Non-Executive Director recruitment

7.3 Evaluation of Board of Directors

7.3.1 Independence of Non-Executive Directors

The independence of the Non-Executive Directors was reviewed as below:

- **Mark Aichroth**: Formally appointed for this first term as Non-Executive Director by the Board of Governors on 6 June 2006 (formerly acting as a Non-Executive Director designate of the NHS Foundation Trust)
- **Angela Dupont**: Independence reviewed by the Nomination Committee of the Board of Governors in November 2006; re-appointed as Chairman for the Trust for a term of office until 31 May 2009
- **John Buckley**: Appointed as new Non-Executive Director to the Trust by the Board of Governors upon the recommendation of the Nomination Committee of the Board of Governors, from 1 January 2007
- **Amanda Ellingworth**: Independence reviewed by new 360° appraisal system
- **Gillian Waldron**: Independence reviewed by new 360° appraisal system

7.3.2 All Executive Directors are evaluated by an annual appraisal which is monitored against agreed objectives on a quarterly basis. The Chairman acts as a counter-signatory to all appraisals.

7.3.3 The working of the Board of Directors as a body was reviewed by a Board self-evaluation exercise in September 2006 as highlighted above.

7.4 The Board of Directors meets monthly. Table 7.4.1 below highlights attendance at meetings in 2006/07. Table 7.4.2 highlights the declared interests of members. This is kept by the Secretary to the Trust and updated on a regular basis by the Audit Committee.
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**Long term sick leave**

### Other Directors who attend Board of Directors Meetings

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<th>17-Aug-06</th>
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### Clinical Governance Committee

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1. Anthony Daniell’s term of office ended on 31 December 2006
2. John Buckley joined the Trust on 1 January 2007
3. John Ward was on long term sick leave and retired on 31 March 2007
4. An Interim Director of HR was appointed from 1 July 2007 but did not have voting powers

Table 7.4.2  Register of Interests of Directors

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Interests Declared</th>
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<tbody>
<tr>
<td>Angela Dupont</td>
<td>Chairman</td>
<td>Non Executive Director and Trustee of the Executive Committee, and Member of the Council of the Joseph Weld and Trimar Hospice (Resigned these interests from October 2006)</td>
</tr>
<tr>
<td>John Buckley</td>
<td>Non-Executive Director</td>
<td>None</td>
</tr>
<tr>
<td>Amanda Ellingworth</td>
<td>Non-Executive Director</td>
<td>Director of The Guinness Trust Chair of The Caldecott Foundation Chair of Guinness Care and Support</td>
</tr>
<tr>
<td>Mark Aichroth</td>
<td>Non-Executive Director</td>
<td>Director of Clinical Centres of Excellence Ltd (building a private hospital in Bath). Trustee of Sophie Aichroth Charitable Trust</td>
</tr>
<tr>
<td>Alexander Russell</td>
<td>Non-Executive Director</td>
<td>Executive Deputy Chairman of JPMP IMO Holding Ltd (IMO) Managing Director of Anduff Holdings Limited (IMO) Non-Executive Director of Sotheby’s Europe</td>
</tr>
<tr>
<td>Gillian Waldron</td>
<td>Non-Executive Director</td>
<td>Company Secretary of CGW Consultancy Ltd</td>
</tr>
<tr>
<td>Anthony Daniell</td>
<td>Non-Executive Director</td>
<td>Term of Office ended 31 December 2006 Director of Eday Ltd Consultant to UBS Private Bank Consultant to Winton Capital</td>
</tr>
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</table>

Executive Directors had no interests to declare.
This section gives details of Non Executive Directors and their duties.

Angela Dupont, CHAIRMAN

After a 20-year career as a stockbroker in the City, working for an international Canadian investment company, Mrs Dupont worked in mental and community health services in Dorset as a Non Executive Director before being appointed by the Secretary of State for Health as Chairman of Yeovil District Hospital in November 1997. Since then she has steered the Trust from a position of financial instability to its current position as a top-performing NHS Foundation Trust.

On authorisation as an NHS Foundation Trust Mrs Dupont was further reappointed by the Board of Governors until 31 May 2009 to provide continuity and stability to the Trust and to develop the Board of Governors for which the Chairman is also responsible.

Mrs Dupont is Vice President of St Margaret’s Somerset Hospice and a former Non-Executive Director and Trustee of Joseph Weld & Trimar Hospice and Cancer Care Dorset.

Non-Executive Director duties:
- Chairman of Remuneration Committee
- Chairman of Appointments Advisory Committee Consultant Appointments Panel
- Chairman of Arts in Healthcare committee
- Member of Flying Colours Appeal fundraising committee
- Member of Patient and Public Involvement Steering Group

Amanda Ellingworth, VICE CHAIRMAN

Amanda Ellingworth brings experience of governance in health and social care from a variety of settings in the public and not for profit sectors. Having worked as a Social Worker for several years she currently chairs the Caldecott Foundation which provides care and education to children in public care, and she is Chairman of Guinness Care and Support Ltd. Amanda is also Deputy Chair of The Guinness Partnership, a group of housing associations operating nationwide. She is a Governor of King Arthur’s School and Sports College in Wincanton and a trustee of the Sir Ernest Cassel Education Trust.

Amanda joined Yeovil District Hospital as a Non-Executive Director in December 2000 and has been re-Appointed until November 2008. Amanda took on the role of Vice Chairman in January 2005 and Senior Independent Director in June 2006.

Non-Executive Director duties:
- Vice-Chair and Senior independent Director
- Member of the Audit Committee
- Member of Flying Colours Appeal fundraising committee

Mark Aichroth, NON-EXECUTIVE DIRECTOR

Mark Aichroth joined the Shadow Board of Directors for Yeovil District Hospital NHS Foundation Trust as a Non-Executive Director (Designate) in February 2005. This term of office became substantive on authorisation as an NHS Foundation Trust on 1 June 2006 and runs for three years to 31 May 2009. Mark has a background in independent healthcare having worked across a range of leading international health care companies for more than ten years.
Mark is currently a director of Centres of Clinical Excellence, an innovative new healthcare company opening healthcare facilities in partnership with clinicians. Previously, Mark was a board and founder director for Mercury Health Holdings, to develop five independent sector treatment centres (ISTCs) for the NHS in the South East of England. He works with Yeovil District Hospital to help it to realise the opportunities made available to NHS Foundation Trusts and to help the Trust maintain its position as the preferred local provider in the market of a plurality of providers.

Mark has been responsible for developing and operating global partnerships in the healthcare sector. He has led due diligence reviews for major healthcare acquisitions and he has been responsible for the operational management of hospitals and health insurers.

Mark has been Vice-President of Columbia HCA International Group, the world’s largest hospital company; and head of International of Blue Cross Blue Shield, the world’s largest health insurer.

Non-Executive Director duties:
• Member of Audit Committee

John Buckley, NON-EXECUTIVE DIRECTOR

John Buckley joined the Board of Yeovil District Hospital NHS Foundation Trust as a Non-Executive Director on 1 January 2007. The term of office is for the three years ending 31 December 2009. For the last 25 years, John has operated as Finance Director of publicly quoted companies engaged primarily in the manufacture and marketing of consumer goods.

He has extensive experience of strategic planning, business reorganisation and corporate governance in intensely competitive sectors.

John also chairs the Economic Leaders Group of Somerset Strategic Partnership.

Non-Executive Director duties:
• Chair of the Audit Committee

Alexander Russell, NON-EXECUTIVE DIRECTOR

Alexander Russell joined the Shadow Board of Directors for Yeovil District Hospital NHS Foundation Trust as a Non-Executive Director (Designate) in February 2005. This term of office became substantive on authorisation as an NHS Foundation Trust on 1 June 2006 and runs for three years to 31 May 2009.

Alexander has a banking and business background having developed a small family concern into a multinational business in which one of the largest private equity funds in the world, The Carlyle Group, acquired a majority shareholding in March 2006.

Alexander was previously an Associate Director of Orion Bank Ltd and is now Non-Executive Deputy Chairman of Bluebrook Limited (IMO group of companies) and a Non-Executive Director of Sotheby’s Europe.

Non-Executive Director duties:
• Chair of Non Clinical Risk Assurance Committee

Gill Waldron, NON-EXECUTIVE DIRECTOR

Gill Waldron brings a wealth of knowledge of patients’ views and experience to the Trust. Gill served for eight years on the former Somerset Community Health Council (three years as vice-chairman) and currently chairs Marie Curie for Somerset. She is a School Governor at Stanchester School, Stoke sub
Hamdon. Gill is also Company Secretary of CWG Consultancy Limited. Gill joined Yeovil District Hospital as a Non-Executive Director in November 2000 and had her term of office extended in November 2003 to the end of November 2007.

Gill is also a member of the Yeovil Committee of the NSPCC (National Society for the Prevention of Cruelty to Children).

Non-Executive Director duties:

- Chair Clinical Governance Committee
- Member of Compliments and Complaints Committee
- Member of PPI Steering Group and Implementation Group
- Member of Resuscitation Committee
- Member of Flying Colours Appeal fundraising committee
- Member of Arts in Healthcare committee

This section gives details of Executive Directors

James Scott, CHIEF EXECUTIVE

James Scott has worked in acute hospitals in the NHS for more than 22 years. Before joining Yeovil District Hospital in 1999, James worked in a number of London hospitals including the Royal Free, Hammersmith and St Mary’s hospitals. In 1992 James joined Chase Farm Hospitals in Enfield, North London as the Deputy Chief Executive.

James steered Yeovil District Hospital from a position of financial instability and uncertainty to a top performing NHS Foundation Trust with a clear strategy and a focus on delivering excellent quality clinical services, while remaining financially strong.

James left the Trust on 31 May 2007 to take up a new position as Chief Executive at the Royal United Hospital, Bath.

Suzanne Tracey, DIRECTOR OF FINANCE AND DEPUTY CHIEF EXECUTIVE

Suzanne Tracey joined the Trust in 2004 as Finance Director with a drive to lead the Trust into authorisation as an NHS Foundation Trust. Suzanne is an experienced Finance Director having held that position in both an acute Trust and a Primary Care Trust.

Suzanne joined the NHS in 1993, having trained and qualified with Pricewaterhouse. She has undertaken various finance roles in acute Trusts and has been heavily involved with a number of merger projects (Birmingham Heartlands & Solihull Trust, Worcestershire Acute Trusts). These roles have involved significant change management, strategic financial planning & establishment of financial reporting & management systems. Both roles have involved the delivery of substantial financial recovery programmes, with a £10m plan successfully delivered at Worcestershire Acute Hospitals. Suzanne has experience of major capital schemes, with involvement in the commissioning of a £120m PFI scheme and financial planning for a £6m Birmingham wide LIFT scheme in primary care.

Suzanne is a member of the Chartered Institute of Public Finance Accountancy Health Panel.

Stephen Gore, MEDICAL DIRECTOR

A graduate from Liverpool University in 1983 and Fellow of the Royal College of Physicians, Dr Gore was appointed as Consultant Physician and Gastroenterologist at Yeovil District Hospital in October 1994. He was Clinical Director for the Medical Department from 1996 to 2002 and later Clinical Director for the Research and Development Department until 2003. Dr Gore took up the post of Medical Director for the Trust on 1 September 2004.
Dr Gore was previously the lead for Upper Gastrointestinal Cancer within the Trust and on the Cancer Network Upper GI Cancer Group. Dr Gore was also the Clinical Lead for Endoscopy for Dorset and Somerset (on behalf of the national Endoscopy Programme, funded by the Modernisation Agency), a post largely concerned with service redesign and modernisation to achieve safe, efficient endoscopy for all patients. He is now the Clinical Lead for Bowel Cancer Screening in the South West.

Dr Gore’s major clinical interests are all aspects of gastrointestinal endoscopy and inflammatory bowel disorders. He has a keen interest in the training and education of both medical and nursing staff in endoscopy.

John Ward, DIRECTOR OF HUMAN RESOURCES

John Ward retired as the Trust’s Director of Human Resources on 31 March 2007. John joined the former East Somerset NHS Trust in 1991 and was the longest serving Trust Board Executive Director. He played a key strategic role in the Trust’s Application to become an NHS Foundation Trust and led the development of the Trust’s Human Resources Strategy.

Other Directors who attend meetings of the Board of Directors:

Pat Jenkins, DIRECTOR OF OPERATIONS

Pat Jenkins has worked in the NHS for more than 30 years both as a clinician and, for the last 13 years, as a manager. Pat became Director of Operations for the Trust in 1997, leading the Trust’s outstanding performance against NHS targets.

Pat has a particular interest in ensuring that there is minimum gap between clinicians and management, cutting through barriers to ensure that the patient is at the centre of healthcare. Pat is the Trust lead for Access and for Changing Working Practice, encompassing performance and efficiency. In addition, Pat has responsibility for Clinical Directorate performance, theatre management and emergency planning. Pat’s broad portfolio is based on delivery and she is the Trust lead for its achievement in reducing waiting times through innovation in clinical practice that reduce unnecessary delays for patients.

Alison Moon, DIRECTOR OF NURSING & CLINICAL GOVERNANCE

Alison joined the NHS in 1980 and qualified as a Registered Nurse at Frenchay Hospital, Bristol. She has a wealth of experience in secondary and primary care both as a clinician and a leader with a proven record for delivering service improvements and influencing change through people. She has also pioneered new roles both locally and at a national level.

Alison has led the development of organisational clinical governance systems supporting both the patients and staff, keeping quality of care as the focus. In addition to managing the nursing and midwifery workforce and as professional lead for Allied Health Professionals, Alison is the Trust lead for standards of care including patient and public involvement, infection control, and jointly with the Medical Director for clinical services redesign and ensuring a competent and capable workforce.

Alison is an external advisor for the Healthcare Commission.
Ruth McAll, 
INTERIM DIRECTOR OF HUMAN RESOURCES

Ruth joined the Trust in July 2006 as interim HR Director. Ruth has worked in the NHS for more than 20 years in a variety of roles including General Management. She has held Director posts since the early 1990s in acute, community and mental health sectors. Ruth has also held national roles within the NHS including working with the Department of Health, membership of the National Pensions Review and chairing HR Directors networks.

James Rimmer, 
DIRECTOR OF STRATEGY

James Rimmer joined Yeovil District Hospital in March 2004 as Project Director with responsibility for leading the Application to become an NHS Foundation Trust. In July 2005 James was appointed as substantive Director of Strategy with responsibility for strategic planning, information and informatics, communications and corporate governance. In addition James continued to lead the application for Foundation Trust status. James worked closely with the Trust in his two previous posts; most recently as Director of Modernisation and Service Development for the former South Somerset Primary Care Trust, and prior to that as Programme Director for Avon Somerset and Wiltshire Cancer Services.

James has a wealth of experience in developing new ways of working within the NHS; the innovation which he implemented in Avon Somerset and Wiltshire Cancer Services across seven NHS Trusts and three counties was replicated in cancer networks across the country, and ideas such as primary care cancer leads have become part of national policy. James has a particular interest in patient and public involvement; experience he now applies to developing the growing membership of the NHS Foundation Trust.
8.1 The purpose of the Audit Committee is to provide the Trust with the means of independent and objective review of all risk management and control systems. The committee discharges its responsibilities through the consideration of reports as follows:

- Internal Audit
- External Audit
- Internal Control and Risk Management
- Financial Reporting

8.2 The members of the Committee are appointed by the Board of Directors. The table below summarises membership and individuals’ attendance at meetings.

8.3 External auditors RSM Robson Rhodes LLP, were appointed by the Audit Commission. On becoming an NHS Foundation Trust on 1 June 2007, responsibility for the appointment of external auditors transferred to the Board of Governors, and they agreed the appointment for the rest of the financial year. Fees for statutory audit services in 2006/7 were £85K (£26K for East Somerset NHS Trust and £59K for the remainder of the year as Yeovil District Hospital NHS Foundation Trust).

Having considered the independence of the auditors, the Board of Governors have extended the contract for Robson Rhodes to cover the financial year 2007/08. During 2007/08, a market-testing exercise will be undertaken, according to OJEU guidelines to appoint External Auditors for the period 2008/09 onwards.

So far as the Directors are aware, there is no relevant audit information of which the auditors are unaware. Directors have taken all of the steps required in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Membership of Audit Committee

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<td>Apol</td>
<td>Apol</td>
<td>✓</td>
<td>✓</td>
<td>Apol</td>
</tr>
<tr>
<td>Mark Aichroth</td>
<td>✓</td>
<td>✓</td>
<td>Apol</td>
<td>Apol</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Non Exec Designate</td>
</tr>
</tbody>
</table>
Section 9: Nomination Committee

9.1 The Nomination Committee of the Board of Governors has the role for making recommendations to the Board of Governors regarding the appointment or re-appointment of the Chairman and Non-Executive Directors. Two meetings of the Nominations Committee were held in 2006/07. Membership of the Committee and attendance at meetings is highlighted below.

9.2 Key recommendations of the Nomination Committee of the Board of Governors in 2006/07 included the re-appointment of Mrs Angela Dupont as Chairman (Approved in December 2006) and the appointment of John Buckley as a new Non-Executive Director to the Trust in November 2006.

9.3 The recruitment process for the new Non-Executive Director was led by the Nomination Committee against criteria identified by the Board of Directors for skills and experience required. The vacancy was advertised in the local media; no recruitment agencies were used. The short-listing and interviewing were led by the Committee with an external NHS Foundation Trust Chairman as an external assessor on the interview panel. The Nomination Committee made a clear recommendation regarding the appointment to the Board of Governors which was unanimously approved.

9.4 No Nomination Committee exists for the Board of Directors, however, when the Chief Executive or Executive Director posts become vacant the Remuneration Committee (all Non Executive Directors and where appropriate the Chief Executive) act in that capacity. No policy exists on the use of recruitment agencies for these posts but this is decided on a case by case basis. All executive posts are, however, widely advertised through the usual NHS channels (and beyond where appropriate).

9.5 The recruitment for a new Chief Executive was initiated by the Chairman in February 2006. A recruitment consultant was employed to help with this process and an appointment was made in May 2007.

### Table 9.1 Nominations committee to the Board of Governors

<table>
<thead>
<tr>
<th>Member</th>
<th>Position</th>
<th>Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angela Dupont</td>
<td>Chairman</td>
<td>✔</td>
</tr>
<tr>
<td>Martin Manning</td>
<td>Public Governor</td>
<td>✔</td>
</tr>
<tr>
<td>Graham Dean</td>
<td>Public Governor</td>
<td>✔</td>
</tr>
<tr>
<td>Dave Gladding</td>
<td>Appointed Governor</td>
<td>✔</td>
</tr>
<tr>
<td>Tom Palferman</td>
<td>Staff Governor</td>
<td></td>
</tr>
<tr>
<td>Amanda Ellingworth</td>
<td>Non Executive Director</td>
<td>Apol</td>
</tr>
</tbody>
</table>
Section 10: Membership

10.1 This section outlines the growth and recruitment activities surrounding the Yeovil District Hospital NHS Foundation Trust membership during 2006/07.

10.2 At the year end there were 7,246 members in total: 6,488 public members and 758 staff members.

10.3 Commentary on Membership

10.3.1 Membership of the NHS Foundation Trust has grown by 10% in 2006/07. Public membership (Table 10.2) has grown by 12%. Staff growth was 7%. This represents approximately 3.5% of the catchment population and more than 40% of staff.

10.3.2 At 31 March 2006 there were 5,801 public members. During the subsequent 12 months 740 public members were recruited. A total of 53 public members left the Trust. At 31 March 2007 public membership stood at 6,488. Recruitment methods over the past year have included:

- A volunteer recruiting public members in the hospital on a fortnightly basis
- Membership information distributed at hospital events including Parkinson’s Awareness Day, School Science Day, Stress Awareness Day and Clean Hands Awareness Day

Table 10.2.1: Membership Numbers

<table>
<thead>
<tr>
<th>Public constituency</th>
<th>2006/07</th>
<th>Projected 2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>At year start (April 1)</td>
<td>5,801</td>
<td>6,488</td>
</tr>
<tr>
<td>New members</td>
<td>740</td>
<td>1,062</td>
</tr>
<tr>
<td>Members leaving</td>
<td>53</td>
<td>Approx 50</td>
</tr>
<tr>
<td>At year end (March 31)</td>
<td>6,488</td>
<td>7,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Staff constituency</th>
<th>2006/07</th>
<th>Projected 2007/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>At year start (April 1)</td>
<td>706</td>
<td>758</td>
</tr>
<tr>
<td>New members</td>
<td>109</td>
<td>192</td>
</tr>
<tr>
<td>Members leaving</td>
<td>57</td>
<td>Approx 50</td>
</tr>
<tr>
<td>At year end (March 31)</td>
<td>758</td>
<td>900</td>
</tr>
</tbody>
</table>

Table 10.2.2: Breakdown by Public Constituency

<table>
<thead>
<tr>
<th>Constituency</th>
<th>Greater Yeovil</th>
<th>South Som (S&amp;W)</th>
<th>South Som (N&amp;E)</th>
<th>Dorset</th>
<th>Mendip</th>
<th>Rest of Som &amp; Eng</th>
<th>Unknown</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>At year start (1.4.06)</td>
<td>1,848</td>
<td>1,422</td>
<td>1,373</td>
<td>591</td>
<td>495</td>
<td>64</td>
<td>8</td>
<td>5,801</td>
</tr>
<tr>
<td>New members</td>
<td>258</td>
<td>146</td>
<td>203</td>
<td>95</td>
<td>27</td>
<td>11</td>
<td>0</td>
<td>740</td>
</tr>
<tr>
<td>Members leaving</td>
<td>11</td>
<td>15</td>
<td>8</td>
<td>5</td>
<td>5</td>
<td>1</td>
<td>8</td>
<td>53</td>
</tr>
<tr>
<td>At year end (31.3.07)</td>
<td>2,095</td>
<td>1,553</td>
<td>1,568</td>
<td>681</td>
<td>517</td>
<td>74</td>
<td>0</td>
<td>6,488</td>
</tr>
</tbody>
</table>
Membership leaflets available throughout the hospital in ward and reception areas

10.3.3
At 31 March 2006 staff membership stood at 706. During the subsequent 12 months to 31 March 2007 new recruits totalled 109. Leavers amounted to 57, therefore the year end number of staff members stood at 758. Recruiting methods during the past year have included:

- A Staff Governor actively recruiting at staff induction sessions
- Hospital events (health awareness days etc) targeted for staff membership recruitment
- A regular update of staff leavers is received from the Human Resources Department. Staff members leaving the Trust are contacted, advising them that they will be moved to the status of public members unless they request otherwise

10.3.4
The Trust has established clear processes for keeping the membership up to date. These are:

- An annual database checking exercise sent to members with AGM invitations
- A check, at least annually, via commercially available databases of deceased members and changes of address
- A monthly update of staff leavers
- A register of deaths at the hospital is checked against the membership database

10.4 Developing a representative membership

10.4.1
The Trust aims to review membership by three key criteria – age, ethnicity and socio-economic status. A review by age and ethnicity is covered below; the Trust is not currently able to review date by socio-economic categories.

10.4.2
Age: Local information reveals that potentially 4% of the Trust’s catchment population fall into the 16-19 age group. The Trust has 1% of members in this age group to date.

10.4.3
Ethnicity: The public membership is broadly representative of the local population as a whole with 4% BME (Black and Minority Ethnic) representation against 1% BME representation in the local population.

10.5 Future membership plans

10.5.1
Steps taken to ensure a representative membership in each constituency include:

- Posters encouraging membership have been circulated to Governors to display in their constituencies
- Staff Governors have held open surgeries
- Recruitment at staff induction and training sessions
- Opportunistic recruitment

10.5.2
The current membership largely mirrors the patient population. The average age of the patient population during 2006/07 was 51 years. Members have been recruited from patients, visitors, volunteers and friends or relatives using Trust facilities.

The Trust proposes to increase the membership during the coming year by 1,062 to 7,500 at 31.3.08 with particular emphasis on increasing the number of members aged under 21 (currently 1%).

The Constitution allows the Trust to recruit members aged from 14 years. The target for this age group is to increase awareness among young people about involvement in their local hospital, the advantages of being an NHS Foundation Trust member and building links between this age group and Governors. The aim is to increase the under-21 age group membership to 4% at the end of three years, by increments of 1% per year. This will be achieved by:
• Building relationships with schools and colleges enhancing the awareness of NHS Foundation Trusts and membership
• Providing promotional material to schools and colleges aimed at encouraging young people to become members of the Trust
• Working alongside schools and colleges, delivering presentations to schools encouraging membership of younger people
• Membership involvement in the annual Schools Science Day at the hospital.

10.6 Election to Board of Governors

One election was held during the year for a Staff Governor. This was run by Electoral Reform Services (ERS) to ensure impartiality and proper adherence to the Trust election rules as stated in the Trust Constitution.

There were no elections for Public Governors in 2006/07.

10.7 Contacting Governors and Directors

Governors are working to develop direct links with members (and non members) in their constituencies. The formal link for members who wish to contact Governors or Directors is through the Membership Co-ordinator, who reports to the Director of Strategy, who also acts as Secretary to the Trust.
Section 11: Public Interest Disclosures

11.1 Going Further For Staff As An NHS Foundation Trust

Being an NHS Foundation Trust has enabled Yeovil District Hospital to work even more closely with staff, involving them in key clinical and business objectives so that they can fully share in the success of the organisation and deliver improvements to patient care.

Through membership and the election of Staff Governors, staff have a powerful new voice through the Board of Governors.

This section describes how the Trust is building links with its workforce to ensure that it remains the employer of choice, as well as the hospital of choice, for the local community.

11.2 Partnership working

It is fundamental to the success of the Trust that all staff are kept fully informed of organisational objectives and that they in turn are able to communicate their views at all levels.

Regular briefings are held between Directors and line managers to ensure that all staff are kept up to date.

The Executive Team has developed a performance framework that combines finance, activity and manpower in a user friendly manner that is communicated to all staff and this information can be broken down to departmental level. The introduction of new commissioning arrangements has been widely communicated with staff and discussions have taken place to consider any impact of the changes on individual services.

The Trust recognises all major trades unions and meets with them on a regular basis to discuss operational and strategic matters. The new NHS pay structure, Agenda for Change, was implemented in partnership with the trades unions.

The Trust has comprehensive and open communications with staff through regular newsletters, meetings, briefings, and staff award and recognition ceremonies.

Any matters that involve changes which may affect staff are subject to the Trust’s consultation process, ensuring that staff have a real say in the way things are done.

11.3 Staff Opinion Survey 2006

The national survey of NHS staff by the Healthcare Commission provides valuable feedback for Trusts to compare their performance as employers.

Out of 720 survey papers issued to Yeovil District Hospital staff, 394 (55%) responded.

The hospital scored in the best 20% of acute Trusts in 14 of the 28 scores. Improvements in many areas included an increase in job satisfaction, the number of staff having well-structured appraisals, fair and effective incident reporting and a reduction in those suffering work-related stress. The quality of job design and extent of positive A Staff Communications Survey in December 2006 showed that 69 per cent of respondents felt well informed about the Trust. The vast majority (88 per cent) were interested in what was happening at Board of Governors and Board of Directors level. The Trust produces monthly summaries of the meetings of both Boards for staff, in addition to the staff newsletter, People@YDH. Staff enjoyed the newsletter, but more than half (53 per cent) said they did not have time to read it. Ideas and suggestions from the survey are being taken forward as part of a new Communications Strategy.
feeling within the organisation were also rated more highly than in the previous year. The findings form the basis of an action plan for the coming year, including:

• Continued improvement of appraisals and personal development plans for all staff
• Occupational health wellbeing campaign
• Review of security issues
• Introduction of new employment policies and training for managers

11.4 Equality And Diversity

Yeovil District Hospital is committed to equal opportunities. A Single Equality Scheme covering age, gender, ethnicity and disability was approved in November 2006.

The Trust has a working group of staff and managers to consider and develop policies and initiatives on matters relating to diversity. Training for staff has taken place and is part of the core development programme provided for employees.

11.5 Disability

All areas of the hospital have been risk assessed and this includes a review of workplace areas for disabled members of staff. Any necessary adjustments are made to ensure that there is no detriment for any of our diverse workforce.

The Trust monitors promotion and training opportunities for all staff, including disabled employees, to ensure equality.

11.6 Health And Safety And Occupational Health

The Trust has an active Health, Safety, Fire and Security focus group and has designated staff representatives for each area of the risk. These representatives have responsibility for risk assessment in their area and communicating any issues to the management of that department.

Occupational Health supports this process by offering services to staff including counselling and health promotion, including smoking cessation.

11.7 Countering Fraud and Corruption

The Trust’s counter fraud arrangements comply with the Secretary of State’s directions on countering fraud. An accredited local counter fraud specialist is employed by the Trust through the Dorset and Somerset Counter Fraud Service. The Trust’s policies and procedures reset out in the Fraud Response Plan.

11.8 Better Payment Practice Code

Under the national Better Payment Practice Code the Trust aims to pay all valid non-NHS invoices within 30 days of receipt. Performance in 2006/07 is summarised below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Number</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total invoices paid in the year</td>
<td>30,340</td>
<td>35,419</td>
</tr>
<tr>
<td>Total invoices paid within 30 days</td>
<td>25,415</td>
<td>30,506</td>
</tr>
<tr>
<td>% of invoices paid within target</td>
<td>83.75</td>
<td>86.13</td>
</tr>
</tbody>
</table>

11.9 Consultations

The Trust has held no formal consultation in 2006/07, however it has built upon the relationships developed during the period of application to become an NHS Foundation Trust. This has included presentations to a variety of schools and community groups as well as developing more formal links to the Somerset Overview and Scrutiny Committee.

11.10 Freedom of Information

Yeovil District Hospital works to be open and transparent in all matters, except where to do so would breach patient or commercial confidentiality.

In the period April 2006 to March 2007 Yeovil District Hospital received 45 requests under the Freedom of Information Act asking 205 questions. All but one were answered within the 20 day limit. One was delayed by 14 days with the agreement of the requestor to consult with a third party. Two exemptions were applied as ‘commercial in confidence’. There were no follow-ups or complaints received.
Since the introduction of the Act in January 2005 the Trust has received 75 enquiries asking 426 questions with four exemptions applied. All but the one above were answered on time.

11.11 Patient and Public Involvement

The Trust is committed to an active programme of Patient and Public Involvement and this has been championed though the PPI Steering Group. The PPI Steering Group is chaired by the Director of Nursing and has representation from the Chairman, non-executive directors and key staff groups. The chairman of the Patient and Public Involvement Group is an active member of the PPI Steering Group. The PPI Steering Group formulates the strategy and the associated action plans and monitors PPI activities across the trust. The PPI Group is chaired by a local PPI member who is also a co-opted member of the Patient Forum for Yeovil District Hospital.

The link between the PPI Group and the PPI Steering Group is the Deputy Director of Nursing, who provides the operational leadership for PPI initiatives within the Trust. The PPI Group has an active membership of 15 members who participate actively across a wide range of PPI initiatives. The group is involved in ‘Mystery Shopper’ activities to identify how hand washing compliance is managed across the Trust. They participate in hospital hygiene inspections and were actively involved in the relocation of alcohol gel from main entrance in line with the change in Trust policy. They are members of a wide range of Trust committees, including Clinical Governance, Compliments, Concerns and Complaints Group, Developing a Bereavement Service Working Group and Discharge Planning Group.

The PPI Group actively engages with the Patient Forum and members of the Patient Forum are also co-opted members on to the PPI Group.

11.12 Emergency Planning

Yeovil District Hospital has a comprehensive Major Incident Plan which is kept under constant review. The Plan is put to the test at least once a year. The hospital’s Major Incident Plan forms part of county-wide emergency and resilience planning, involving emergency services, healthcare partner organisations, local authorities and voluntary groups.
Section 12: Remuneration Committee

12.1
The Remuneration Committee of the Board of Directors is responsible for reviewing and agreeing the salary and allowances payable to Executive Directors and Senior Managers of the Trust.

The Remuneration Committee membership and meetings attended are shown below.

12.2 Remuneration Policy

12.2.1
With the exception of the Chief Executive and Trust Directors, all staff, including Senior Managers, are remunerated in accordance with the NHS National Pay Structure, Agenda for Change. For Chief Executive and Executive Directors, the Remuneration Committee considers the inflationary uplift recommended for other NHS staff, any change in responsibilities together with relevant benchmarking information for other NHS/public sector organisations in order to set appropriate remuneration. During 2006/07, the Committee took advice from NHS Partners Salary Survey to determine appropriate remuneration for Executive Directors in view of changes of responsibilities associated with becoming an NHS Foundation Trust.

12.2.2
There is currently no performance-related pay scheme in operation. Objectives are set for all Directors through the annual business planning process and performance is assessed through a formal appraisal process.

12.3
Pension arrangements for the Chief Executive, Executive Directors and Senior Managers are in accordance with the NHS Pension Scheme. The accounting policies for pensions and other relevant benefits are set out on page 22 of the 10-month accounts for Yeovil District Hospital NHS Foundation Trust and the details of senior employees’ remuneration can be found in Section 12.6.

Table 1: Membership of Remuneration Committee

<table>
<thead>
<tr>
<th>Name</th>
<th>Dates of meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7-Jun-06</td>
</tr>
<tr>
<td>Angela Dupont</td>
<td>✓</td>
</tr>
<tr>
<td>Chairman</td>
<td></td>
</tr>
<tr>
<td>Amanda Ellingworth</td>
<td>✓</td>
</tr>
<tr>
<td>Vice Chairman</td>
<td></td>
</tr>
<tr>
<td>Gillian Waldron</td>
<td>✓</td>
</tr>
<tr>
<td>NED</td>
<td></td>
</tr>
<tr>
<td>Mark Aichroth</td>
<td>Apol</td>
</tr>
<tr>
<td>NED</td>
<td></td>
</tr>
<tr>
<td>Alexander Russell</td>
<td>✓</td>
</tr>
<tr>
<td>NED</td>
<td></td>
</tr>
<tr>
<td>Antony Daniell</td>
<td>Apol</td>
</tr>
<tr>
<td>(31/12/06 resigned)</td>
<td></td>
</tr>
<tr>
<td>John Buckley</td>
<td>1-Jan-07</td>
</tr>
<tr>
<td>NED Appointed</td>
<td></td>
</tr>
</tbody>
</table>
Accounting policies for pensions and other retirement benefits are set out in note 1.13 to the accounts and details of senior employees’ remuneration can be found on page 21 of the Annual Accounts (Remuneration Report).

12.4
The Chief Executive and all Executive Directors, with the exception of the Interim Director of Human Resources, were employed on substantive contracts in 2006/07, which continue until the age of 65 when it terminates automatically unless there is an agreement to extend it. Notice periods for these contracts are three months by each party. The Director of Human Resources is employed on a fixed term basis with a termination date of March 2008. During 2007/08, the Trust will be recruiting a permanent postholder for this position.

12.5 Non Executive Director Remuneration

12.5.1
The Board of Governors took over the responsibility for Non Executive Directors on 1 June 2006. In order to help and advise on the process, the Board of Governors established a Remuneration Committee with the remit to make recommendations to the full Board of Governors. Membership of this committee and attendance at meetings is highlighted in Table 12.5 below.

<table>
<thead>
<tr>
<th>Member</th>
<th>Position</th>
<th>3-Aug-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angela Dupont</td>
<td>Chairman</td>
<td>✓</td>
</tr>
<tr>
<td>Sue Parroy</td>
<td>Public Governor</td>
<td>✓</td>
</tr>
<tr>
<td>Paddy Burr</td>
<td>Public Governor</td>
<td>✓</td>
</tr>
<tr>
<td>Steve Wills</td>
<td>Public Governor</td>
<td>✓</td>
</tr>
<tr>
<td>Dave Gladding</td>
<td>Appointed Governor</td>
<td>✓</td>
</tr>
</tbody>
</table>

12.5.2
In making a recommendation to the Board of Governors on the remuneration of the Chairman and Non Executive Directors, the Remuneration Committee took independent advice from NHS Partners and from the Foundation Trust Network. NHS Partners looked at the pre-existing arrangements in three South West NHS Trusts, highlighting the need for increased remuneration on becoming NHS Foundation Trusts due to additional duties and responsibilities.

The Foundation Trust Network (FTN) benchmarked Non Executive Director remuneration against other current public and private sector organisations. The FTN report gave suggested bandings for Chairman, Chair of Audit and Non Executive Directors. The Remuneration Committee recommendations, which were accepted and approved by the Board of Governors in September 2006, fell within the suggested bandings.

12.6 Director Remuneration
Details of Directors’ remuneration for both East Somerset NHS Trust and Yeovil District Hospital NHS Foundation Trust are given in the table below.

12.6.1
Details of pension benefits for the financial year ended 31 March 2007 can be found in the accounts for Yeovil District Hospital NHS Foundation Trust ended 31 March 2007.
<table>
<thead>
<tr>
<th>Name and Title</th>
<th>1 April 2006 to 31 May 2006 East Somerset NHS Trust</th>
<th>1 June 2006 to 31 March Yeovil District Hospital NHS Foundation Trust</th>
<th>Total for the year ended 31 March 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Salary (bands of £5'000)</td>
<td>Other Remuneration (bands of £5'000)</td>
<td>Benefits in Kind Rounded to nearest £100</td>
</tr>
<tr>
<td>A Dupont, Chairman</td>
<td>£000</td>
<td>£000</td>
<td>£</td>
</tr>
<tr>
<td>A Ellingworth, Non-Executive Director</td>
<td>0 - 5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>M Aichroth, Non-Executive Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>A Russell, Non-Executive Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>G Waldron, Non-Executive Director</td>
<td>0 - 5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>A Daniell, Non-Executive Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>J Buckley, Non-Executive Director</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>P Willis, Non-Executive Director</td>
<td>0 - 5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>J Scott, Chief Executive</td>
<td>15 – 20</td>
<td>0</td>
<td>2,200</td>
</tr>
<tr>
<td>S Tracey, Director of Finance</td>
<td>15 – 20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>A Moon, Director of Nursing and Clinical Governance</td>
<td>10 – 15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Dr S Gore, Medical Director</td>
<td>5 - 10</td>
<td>20 – 25</td>
<td>0</td>
</tr>
<tr>
<td>J Ward, Director of Human Resources</td>
<td>10 – 15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>R McAll, Interim Director of Human Resources</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>P Jenkins, Director of Operations</td>
<td>10 – 15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>J Rimmer, Director of Strategy</td>
<td>10 – 15</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>J Matthewman, Director of Facilities</td>
<td>10 – 15</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

M Aichroth was appointed on 01/06/2006; A Russell was appointed on 01/06/2006; A Daniell’s term of appointment ended 31/12/2006; J Buckley was appointed 01/01/2007; P Willis’s term of appointment ended 31/05/2006; R McAll was appointed 10/07/2006; * J Ward received a sum related to retirement on the grounds of ill health

Table 12.6: Directors’ Remuneration for the financial year ended 31 March 2007
Section 13: Statement of Accounting Officer’s Responsibilities

13.1
The Health and Social Care (Community Health and Standards) Act 2003 states that the Chief Executive is the Accounting Officer of the Trust. The relevant responsibilities of the Accounting Officer, including their responsibility for the propriety and regularity of published 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).

13.2
Under the Health and Social Care (Community Health and Standards) Act 2003, Monitor has directed Yeovil District Hospital 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 the Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

13.3
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

13.4
The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable him/her to ensure that the accounts comply with the requirements outlined in the above mentioned Act. The Accounting Officer is 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.

13.5
To the best of my knowledge and belief, I have properly discharged the responsibilities set out in Monitor’s NHS Foundation Trust Accounting Officers’ Memorandum.

Suzanne Tracey
Acting Chief Executive

6 June 2007
Section 14: Statement of Internal Control

14.1 Scope of Responsibility

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

14.1.2 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.

14.2 The Purpose of the System of Internal Control

14.2.1 The system of internal control is designed to manage risks 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 Yeovil District Hospital NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively, efficiently and economically. The system of internal control has been in place in Yeovil District Hospital NHS Foundation Trust for the 10 months ended 31 March 2007 and up to the date of approval of the annual report and accounts.

14.3 Capacity to Handle Risk

14.3.1 Yeovil District Hospital NHS Foundation Trust has a comprehensive, trust-wide system for managing risk based on Board-approved policies and strategies available on the Trust intranet.

Leadership

14.3.2 As Accounting Officer I carry ultimate responsibility for the management of risk and am accountable for having in place an effective system of risk management and internal control. The corporate responsibility for the management of risk rests with the Board of Directors, which is responsible for ensuring appropriate structures are in place to enable effective risk management.

14.3.3 The Director of Nursing and Clinical Governance is the designated executive director with Board-level accountability for clinical risk management. The Medical Director supports aspects of this role. The Director of Finance is the designated executive director with Board-level accountability for all other, ie non-clinical, risk. The Director of Human Resources is the Trust's designated executive director for Health and Safety and is a member of the Non-Clinical Risk Assurance Committee.

14.3.4 The Risk & Operational Committee is the Trust's operational risk management committee and is a sub-committee of the Board of Directors. The Clinical Governance Committee & the Non-Clinical Risk Assurance Committee are the Trust's strategic risk assurance committees. They are also sub-committees of the Board of Directors and are jointly responsible for overseeing the proper implementation of this policy. The Audit Committee is a sub-committee of the Board of Directors. It has particular responsibility for reviewing IT and financial systems and procedures. All three committees are responsible for providing the Board of Directors with assurance on the appropriateness and effectiveness of the Trust's risk management and internal control processes.
14.3.5
The Clinical Governance Directorate’s Deputy General Manager is the Trust’s Risk Manager.

In Clinical Directorates, Clinical Directors, supported by General Managers and Matrons, are responsible for managing risk. In all non-clinical directorates and departments, the appropriate director is responsible for managing risk. Within each directorate and department, ward sisters and heads of department are responsible for managing risk within their areas. Individual risk advisors have been appointed by the Trust to provide specialist advice and guidance on particular matters and have been designated as competent persons.

Training

14.3.6
Aspects of risk management training are part of the mandatory induction programme for new employees. There is an in-house programme of risk management training and there are a number of risk management-related programmes that equip staff for the wider management of risk issues.

14.4 The Risk and Control Framework

14.4.1
The Trust has established a regular review process for both the risk register and the assurance framework. This enables the Audit Committee, Clinical Governance Committee and Non-Clinical Risk Assurance Committee to monitor progress in risk management. The Board of Directors and Risk & Operational Committee review prioritised versions of the risk register at least three times a year. The assurance framework is reviewed by the Board of Directors and the assurance committees up to three times a year as well.

14.4.2
Clinical Directorates review and assess their risks via the monthly rolling governance meetings. Risk assessments take place at department and directorate level and the Board of Directors ultimately identifies the risks most likely to impact on objectives in the coming year. This forms the basis of the Trust Assurance Framework. The Trust has one corporate risk register with related specialist registers, e.g. for departmental health and safety assessments.

14.4.3
In line with the NHS requirements, the Trust’s risk management policy is based on the Risk Management Standard AS/NZS 4360:1999 published by Standards Australia. It is set out in the Board-approved Risk Management Policy. This risk management approach is common practice throughout the Trust and is used for both clinical and non-clinical risk management processes at every level.

The Assurance Framework

14.4.4
In accordance with Department of Health guidance, the Trust has identified its principal objectives. It has also identified its principal risks in relation to these objectives. It has then mapped the relevant controls, management assurances and external assurances relating to each risk.

14.4.5
During 2006/07 gaps in control or assurance have been addressed as they are identified by the assurance committees and the Board of Directors. The full framework is set out in the Trust document Assurance Framework April 2007.

Public stakeholder involvement in risk management

14.4.6
There are close working relationships between the Trust and its key public stakeholders, e.g. the Strategic Health Authority and the local Primary Care Trusts. Where specific issues arise these are addressed on a partnership basis through ongoing dialogue, consensus and mutual support. As part of the Trust’s Patient and Public Involvement initiative there are user representatives on the Clinical Governance Committee and a number of other risk sub-committees.
14.5 Review of Economy, Efficiency and Effectiveness of the Use of Resources

14.5.1 The Trust has developed a comprehensive top-level performance metric to provide a dashboard of key indicators. This is reviewed monthly by the Board of Directors and by the Risk & Operational Committee. In addition, monthly reports on Finance, Access, Human Resources and Clinical Governance are received by both committees.

14.5.2 The Fit for Foundation process managed the efficiency savings the Trust had identified at the start of the year, and progress was monitored via the performance metric. By year-end the efficiency savings targets had been met.

14.5.3 Internal Audit carried out their regular work throughout the year, reporting to the Audit Committee. The topics for their work plan had been aligned at the start of the year with the principal risks in the Assurance Framework.

14.5.4 The Trust achieved an operating surplus by year-end of £680,000 and achieved the internal target of 18 week waiting times, putting the Trust ahead in the delivery of the national 18-week target.

14.5.5 On this basis I have concluded that the Trust has in place a sound system to ensure the economic, efficient and effective use of resources.

14.6 Review of Effectiveness

14.6.1 As Accounting Officer, I have responsibility for reviewing the effectiveness of the systems of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors. Executive Directors and Managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the Trust’s external auditors and the opinion of Monitor, the independent regulator of NHS Foundation Trusts.

14.6.2 I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, Audit Committee and the Trust’s Internal Auditors.

14.6.3 The Trust has identified no risk areas requiring specific actions and there are no significant control issues.

Suzanne Tracey
Acting Chief Executive
6 June 2007

Audited Accounts
A full set of audited accounts, including the Statement On Internal Control and Remuneration Report, is available from the Finance Department, Yeovil District Hospital, Higher Kingston, Yeovil, Somerset, BA21 4AT, tel 01935 475122, e-mail ask@ydh.nhs.uk

If you require this information in any other format, eg large print, please contact the Management Office on 01935 384896.

The Trust reserves the right to charge for photocopying.